Mid-Term Strategies for Future Growth through Creativity and Innovation (FY2013-2015)

Hisao Tanaka
President and CEO

August 7, 2013

TOSHIBA CORPORATION
Forward-looking Statements

- This presentation contains forward-looking statements concerning Toshiba Group’s future plans, strategies and performance.

- These forward-looking statements are not historical facts, rather they represent assumptions and beliefs based on economic, financial and competitive data currently available.

- As a global entity, operating a wide range of businesses in countries and regions with widely different market environments, Toshiba wishes to caution that actual results may differ materially from our expectations due to risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors.

- Toshiba’s fiscal year runs from April 1 to March 31, unless otherwise stated.
I. New Management Policy Vision

II. Action Plans for Creative Growth and Innovation
   1. Creatively Seeking Value Creation
   2. Pursuing Productivity Improvement
   3. Developing Diverse, Creative Talent
   4. Moving Forward with CSR Management

III. Overview of FY2013 Mid-Term Business Plan
Toshiba Group Management Policy Vision

Growth Through Creativity and Innovation
Pursue growth that does not overly depend on market growth, but is generated by Toshiba’s creative powers

Value Creation
Focus on customers’ points-of-view
Combine values to create synergies and expand applications

Productivity Improvement
Promote most effective use of resources and assets
Enhance quality, efficiency and speed in all businesses

Globally develop diverse, talented, creative people
Always integrate new perspectives and pursue creative new ideas

Push Forward with CSR Management
Fostering Growth Through Creativity and Innovation

Seeking New Value Creation
Creatively conceiving of an unlimited range of new business opportunities

Healthcare
Energy, Data Storage

New Concept Innovation
Organic Growth, M&A

Pursuing Productivity Improvement
Making extraordinary operational quality a key advantage

Establishing a Solid Financial Base
Improving cash flow management
I. New Management Policy Vision

II. Action Plans for Creative Growth and Innovation

1. Creatively Seeking Value Creation
2. Pursuing Productivity Improvement
3. Developing Diverse, Creative Talent
4. Moving Forward with CSR Management

III. Overview of FY2013 Mid-Term Business Plan
Megatrends and Future Goals to Be Realized

- **Increasing Population, Aging Society**
  - More comfortable lifestyles
  - Providing wide-ranging, more advanced medical services

- **Growing Information Society**
  - Stable, more efficient energy supply
  - Town safety, Disaster prediction & mitigation
  - Supplying safe water, air and food

- **Resource and Energy Shortages**
  - Utilization of limited resources, Sustainability
  - Reduction in CO2 emissions

- **Global Environment Issues**
  - Committed to People,
  - Committed to the Future. TOSHIBA
New Management Vision for Smart Communities

Three major pillars for the creation of Smart Communities

- Energy
- Healthcare
- ICT/Cloud Storage

Smart Community

Energy

Transportation

Smart Grid, Energy Management

Homes

Power Supply

Buildings

Factories

Renewable Energy

Homes

ICT/Cloud Storage

Data Storage

Data Centers

Servers

Storage Arrays

HDD/SSD/NAND

Data Storage

ICT/Cloud Storage

Medical services

Distribution & Retailing

Multifunction printers

Home Appliances

Healthcare services

TV, PC

Home Appliances

Materials and Devices

© 2013 Toshiba Corporation
Key achievements during the past year

<table>
<thead>
<tr>
<th>Energy</th>
<th>Data Storage</th>
<th>Healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Won order for permanent magnet synchronous motor (PMSM) system from Singapore MRT</td>
<td>● Delivered module-type data center for a Securities Exchange System in Myanmar</td>
<td>● Received orders for 80 units of CT systems from the Ministry of Health of Turkey</td>
</tr>
<tr>
<td>● Acquired demand response-related companies (Consert, Inc. and cyberGRID GmbH)</td>
<td>● Launched Toshiba Total Storage Platform</td>
<td>● Started operation of medical equipment factory in Brazil</td>
</tr>
<tr>
<td>● Delivered world’s largest hydroelectric pump turbine power to the Ludington Pumped Storage Power Plant in Michigan</td>
<td>● Launched flash array storage “Violin 6000 Series”</td>
<td>● Started full-scale operation of Healthcare@Cloud, an external storage service for medical image data</td>
</tr>
<tr>
<td>● Expanded our solar power generation business</td>
<td>● Started second-phase construction of Fab 5 at Yokkaichi to expand semiconductor fabrication facility with next-generation process technology</td>
<td>● Established local Toshiba group medical systems companies in Turkey and South Korea</td>
</tr>
<tr>
<td>● Won order for high-voltage, direct-current (HVDC) transmission system from Terna, the Italian electricity transmission grid operator, which is No. 1 in Europe in amount of lines managed</td>
<td>● Launched new NAND flash memory integrated Hybrid Drive HDD</td>
<td>● Developed intelligent wearable vital signs sensor module for smart healthcare services</td>
</tr>
<tr>
<td>● Demonstrated a new all-closed type of permanent magnet synchronous electric motor system that attains about a 50% decrease in power consumption compared to conventional systems</td>
<td>● Started sample delivery of enterprise SSDs with 1.6TB memory size</td>
<td>● Signed MOU for starting feasibility study of carbon ion radiotherapy system in Malaysia</td>
</tr>
<tr>
<td>● Our SCiB™ rechargeable battery, which offers high power and a compact cell size, was adopted by Suzuki Motor for its new-type wagon R compact’s regenerative braking system</td>
<td>● Started mass production of NAND 19nm 2nd generation</td>
<td></td>
</tr>
</tbody>
</table>
Healthcare

**Toshiba’s position in the Medical Business**

Continuing dominant share in Japan’s imaging diagnosis market along with a top-level share in the world market

<table>
<thead>
<tr>
<th>Worldwide Market Share in FY2012</th>
<th>3rd CT systems</th>
<th>4th Diagnostic X-ray systems</th>
<th>3rd Diagnostic ultrasound systems</th>
<th>4th MRI systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toshiba Medical Systems Corp.</td>
<td></td>
<td></td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td></td>
</tr>
<tr>
<td>Toshiba Medical Systems Korea Co. Ltd.</td>
<td></td>
<td></td>
<td>Toshiba of Canada, Ltd.</td>
<td></td>
</tr>
<tr>
<td>Toshiba Medical Systems Europe B.V.</td>
<td></td>
<td></td>
<td>Vital Images, Inc.</td>
<td></td>
</tr>
<tr>
<td>Toshiba Medical Systems Asia Pte., Ltd.</td>
<td></td>
<td></td>
<td>Toshiba America Medical System Inc.</td>
<td></td>
</tr>
<tr>
<td>Toshiba (Australia) Pty., Ltd.</td>
<td></td>
<td></td>
<td>Toshiba Medical do Brazil Ltda.</td>
<td></td>
</tr>
<tr>
<td>Toshiba Medical Systems Korea Co. Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Market Share in Japan in FY2012**

<table>
<thead>
<tr>
<th>1st 50% share</th>
<th>1st</th>
<th>2nd</th>
<th>4th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toshiba Medical Systems (China) Co. Ltd.</td>
<td>Toshiba Turkey TIBBI Sistemler A.S.</td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td></td>
</tr>
<tr>
<td>Toshiba Medical Systems Korea Co. Ltd.</td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td></td>
</tr>
<tr>
<td>Toshiba Medical Systems Korea Co. Ltd.</td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td></td>
</tr>
<tr>
<td>Toshiba Medical Systems Europe B.V.</td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td>Toshiba Medical Systems Europe B.V.</td>
<td></td>
</tr>
</tbody>
</table>

10 subsidiaries and 78 agents outside of Japan

Sales of and services for medical systems in 135 countries all over the world

Expanding sales channels through M&A

- Mar. 2013: Founded a subsidiary in Turkey
- Apr. 2013: Founded a subsidiary in South Korea

**FY2015 Plan**

Net sales: ¥600 billion
Domain Expansion in the Medical Field

Expand into new business domains with new diagnostic and treatment methods that go beyond conventional imaging.

Current Business:
Pursuit of advanced medical treatment in hospital

Advanced treatment (other than imaging)

Less invasive/non-invasive treatment*1

In Vitro Diagnostics

3D4D image application Vital Images, Inc.

Biotechnology fields

New Business Domains: Disease Prevention and Optimizing Diagnoses and Treatments of Patients

Healthcare Big Data Developed Economies

Differentiation strategy:
From prevention and diagnosis to total lifetime care

China India

Brazil Turkey

Support for growth in advanced treatment

Developed Economies

Technology Revolution

Expansions with prevention + diagnosis + new approaches to patient care and management

Market growth

*1 Medical care to reduce pain associated with surgery and medical tests, fever and bleeding
Advanced Medical Technology for the Diagnostic Imaging Field

Worldwide clinical study using the latest CT (Aquilion ONE)

Conventional Method

- Coronary artery angiography
- Myocardial SPECT

Uses catheters & radioactive chemicals

Cardiac test using Aquilion ONE

- Coronary artery CT angiography
- Myocardial CT perfusion

Single CT imaging

- Reduced radiation
- Reduced dosage of contrast medium
- Shortened exam time

Participation of 16 organizations in 8 countries

USA
- Johns Hopkins University
- Harvard University-affiliated hospitals
- Beth Israel Deaconess Medical Center
- Brigham and Women's Hospital
- National Institute of Health

Canada
- University of Toronto
- Toronto General Hospital

Japan
- Iwate Medical University
- Mie University
- Keio University
- St Luke's International Hospital
- Mount Elizabeth Hospital
- National Heart Center

Europe
- University Clinic Humboldt University (Charité)
- Leiden University Medical Center
- Copenhagen University Hospital (Rigshospitalet)

Brazil
- University of São Paulo (INCOR)
- Albert Einstein Israelite Hospital

★Main PI (Principal Investigator)
Easy access to electronic medical records and sensing data concerning individuals’ health will improve overall healthcare.

Cloud PHR*1

Secondary use of Data

Clinics and Others

- Doctor’s instructions
- Encouragement from a virtual “friend”
- Lifestyle guidance
- Notifications about therapies available
- Support for disease prevention or treatment of disease that is most suitable for each individual

Analysis Engine
Know-how

Tohoku University

Knowledge Support
Disease Research
Health Risk Evaluation

Toshiba Health
Insurance Society

Check-up data
Medical expenses
statement data

Sensing Data Collection

Blood Pressure
Sleep
Medication
Dietary Habits
Stress
Silmee*2

Wearable Information
Terminal

Blood Density Level
Hormone levels
Sympathetic Nerve Condition
Behavior Evaluation
Heart Rate

*1 PHR: Personal Health Record
*2 Silmee: Intelligent vital signs sensor module
Toshiba Leading Global Smart Community Projects

Developing total solutions by utilizing energy and a variety of other businesses

- **England**
  - **Bristo I**
    - EU PJ (Smart Home)
  - **Isle of Wight**
    - Renewable energy self-sufficiency PJ

- **France**
  - Lyon
    - Smart Community demonstration PJ

- **Italy**
  - Genova
    - Smart City promotion plan
  - ACEA
    - Smart Grid
  - Central-Eastern Europe
    - Smart Community business
    - Smart Community FS*1

- **India**
  - **Manesar PJ**
    - Electricity/heat supply PJ
  - **Haryana PJ**
    - Electricity/heat supply PJ

- **Viet Nam**
  - Hanoi
    - SW Technology Park PJ
  - Ho Chi Minh
    - BaSon re-development

- **Thailand**
  - AMATA Science City
    - Advanced industrial cluster
  - Green township concept
    - Putrajaya PJ

- **China**
  - Low-Carbon Infrastructure Model FS
    - Business model FS
  - **Gongqingcheng**
    - Smart Community technical demonstration PJ
  - **Tianjin**
    - Smart Industrial Park PJ
  - **Nansha, Guangzhou**
    - Smart Compact-City FS
  - **Jinzhou**
    - Smart Community PJ
  - **Dongyang and Wenzhou**
    - Japan-China eco-city construction PJ

- **USA**
  - **New Mexico**
    - Smart Grid demonstration PJ
  - **Indiana**
    - ESN PJ

- **Japan**
  - **Iwate**
    - Kuji PJ
  - **Miyagi**
    - Ishinomaki PJ
    - Idate Village PJ
    - Minamisoma PJ
  - **Saitama**
    - Koshigaya Lake Town PJ
  - **Tokyo**
    - Minato EV bus introduction testing PJ
  - **Kanagawa**
    - Joint industry-academia, public-private environmental technology research PJ
    - Kawasaki Station and precinct PJ
    - Yokohama Smart City PJ
  - **Osaka**
    - Ibaraki City PJ
  - **Okinawa**
    - All Miyakojima Island EMS demonstration PJ
    - Miyakojima-Kurima PJ
    - Okinawa Electric Power PJ
    - Miyakojima Electric Vehicle PJ

* : Number of projects

* Cumulative total as of May 2013

*1 Feasibility Study
Creating Building and Facility Solutions

Providing total solutions for energy saving, comfort, security and services through our wide range of facility products and control technologies.

**Energy saving**
- Model base control for air conditioning: 7% energy saving compared to conventional control
- Image sensor linkage control: 11% energy saving by using image sensor

**Comfortability**
- Elevator relay control: Longest waiting time reduced by 20%

**Security/Safety**
- Emergency power generators to sustain power for 3 days
- Relay operation on elevator power stop: Low-speed operation is possible for up to 2 hours

**Smart Community Center**
- 32%*1 energy saving for entire building
- High efficiency facility equipment: 21%
- Energy-saving control function (BEMS): 11%

**Cloud Service**
- Remote security diagnosis
- Energy saving diagnosis
- Remote building monitoring

**Integrated BEMS*2**
- Bldg. A
- Bldg. B
- Bldg. C

---

*1 Results of Toshiba’s trial calculations
*2 BEMS: Building Energy Management Systems

© 2013 Toshiba Corporation
Creating Community Infrastructure Solutions

Cutting-edge sensing technology to bring about a secure and safe society

**Disaster prevention**
- Prediction of natural disasters
- Evacuation instructions in cooperation with communications and broadcast networks
- Evacuation guidance together with traffic control measures
- Rescue activities linking with medical institutions and key traffic information
- Visualization of damage status with SNS*1

**Crime prevention**
- Crime prevention with town cameras and image processing

---

Cloud Services
- Damage prediction with highly-accurate GPS
- Traffic control/guidance
- Medical treatment aided by regional collaborations

Multi-parameter Weather Radar

Radar Information and Analysis

Traffic Control

City Hall

Disaster Prevention Management

Pump Station

Pumping Operation & Management

Urban Transportation

Sewage treatment plant

Monitoring room

---

*1 SNS: Social Network Service
*2 EV: Electric Vehicle
Integrated Retail Solutions Systems

Expanding business by utilizing power of No.1 global share

Total Retail Solutions
- Demand forecast and analysis
- Order and stock management
- Waste loss forecast and analysis

Mobile
- Tablet POS
- O2O (online-to-office) support

Automation
- Self-checkout & cashless
- Full auto-scan POS

Environment
- Air conditioning, lighting for stores and malls
- Electricity generation & storage
- Store Energy Management Systems

Data Service Solutions
- Big Data Analysis
  - Customer preferences / trend analysis
  - Cross-correlation analysis of data on physical and commercial distribution, public administration, weather, and others

Coordination with IBM Smarter Commerce Concept and Toshiba Internet Cloud Technology

Expand solutions business

FY2015 Plan
Net sales: ¥300 billion

Coordination with

Acquired IBM Retail Solution Systems
World’s No. 1 share in POS market: 3.2 million units in operation worldwide*1

*1 In Japan 550,000 units/outside of Japan 2.650 million units (including former IBM units)
Thermal Power Generation

High-efficiency, low-carbon emission base-load power that contributes to protecting the global environment

New Business Areas

- Achieving world’s first*1 Ultra Super Critical CO₂ cycle power generating system
- Strengthening power-generation business, including renewables
  Leverage experience with technology at the Mikawa Thermal Power Station

Combined Cycle Plants

- Realized world’s highest thermal efficiency of 62%*2
- Expand global business in cooperation with GE

Coal-fired Plants

- Developed highly efficient A-USC*3 power generation system
- Expand EPC business from India production base to emerging economies where demands are growing rapidly for stable power supply

*1 As an internal-combustion type CO₂ cycle using a gas turbine
*2 From the data available about plants that are currently operating or have published their construction plans; based on Toshiba’s own research
*3 Advanced Ultra-Supercritical

Ultra Super Critical CO₂ cycle power generating system

Most-advanced combined cycle thermal power units

FY2015 Plan
Net sales: ¥350 billion
Nuclear Power Generation

Further improve the safety of nuclear power generation as a low-carbon emission baseline power source

New Technologies

- Expanding to new applications of particle accelerator and superconductivity technologies (e.g., heavy ion radiotherapy)
- Supporting world’s first International Thermonuclear Experimental Reactor
- Aiming for Small Modular Reactor to obtain certification for DOE*1 development projects

Outside of Japan

- Steady progressing of plant construction in China and the U.S.
  - Sanmen and Haiyang in China; Vogtle and V.C. Summer in the U.S.
- Proposing plans worldwide
  - Europe (Finland, Czech, Poland, and others), Asia, the Middle East (Vietnam, Saudi Arabia, etc.), the U.S. and others

Japan

- Proposing and implementing plans for construction that comply with new nuclear safety regulations
- Supporting the maintenance of safety and dismantling Fukushima #1 plant

*1: United States Department of Energy

FY2015 Plan
Net sales: ¥630 billion
Working To Develop Clean Energy Sources

Promote diverse clean energies and stable power supply

**Geothermal**
- World’s No.1 share*1
  - Won orders from Indonesia and Kenya
  - Local coexistence, small geothermal power generation

**Photovoltaic**
- Japan’s No.1 share*5
  - Industry’s largest mega solar power station
    Started construction of 2 x 130MW in Tahara city
  - Home areas: World’s highest module transformation efficiency: 20.1%
  - Expand photovoltaic power generation business

**Hydro Power**
- Japan’s No.1 share*2
  - Promote variable-speed pumped storage to contribute to
    power system stabilization
    World’s first implementation*3
    World’s highest capacity*4

**Wind power**
- Develop Wind Farm and start wind power generation business

**ENE FARM**
- Japan’s No.1 share*6
  - The world’s highest standard in total efficiency 94%
  - The industry’s first independent power generation function

*1: In terms of the total capacity of geothermal turbines delivered (Bloomberg Geothermal Market Outlook 2011 3Q)
*2: In terms of the total capacity of outstanding orders for ≥10MW water turbines (as of August 2012 as researched by Toshiba)
*3: TEPCO’s Yagisawa Power Station
*4: TEPCO’s Kazunogawa Power Station
*5: Mega-solar systems for electric power companies (as of January 2013 as researched by Toshiba)
*6: In terms of the number of units shipped in 2012 (as researched by Toshiba)
T&D/Smart Grid

Responding to a wide range of needs by our global network

Transmission & Distribution
Expand globally by focusing on emerging economies

Smart grid
Strengthen through M&A

Smart Meter
Expanding usage to gas, heat, and water

Dispersed power
Photo-voltaic
Wind

Baseline power
Thermal
N-power
Geo thermal
Hydraulic
Pumped

Smart battery
Storage

Demand Response
μEMS\(^1\)

MDMS\(^2\)

Storage

Transmission

Distribution

Power system monitoring and control system
Power Electronics

Switchgears
Transformers
HVDC\(^6\)
FACTS\(^3\)

Smart grids

Smart meters
Worlds’ No. 1 share\(^5\)

© 2013 Toshiba Corporation
Strengthening Storage Device Business

Establishing stable and strong profitable structure
Leveraging our technological strengths across product lines

- Fully incorporate leading-edge NAND technologies into SSDs
- Expand product lineups
- Reinforce business for Cloud Data Center Solutions

Storage systems with high-speed, high-capacity and low-power in a smaller space

- Enhance Cost Competitiveness
  Maintain industry's smallest process rule
  Moving toward launching of BiCS*1 NAND (first generation release in 2013)

- Improve profitability
  Early launching and expanding of our line-up of leading-edge, value-added products (e.g., UFS*2, and others)

- Response to environment changes and stable supply
  Flexible decision-making on investments (Fab No. 5 building, phase 2)

*1 BiCS: Bit Cost Scalable
*2 UFS: Universal Flash Storage (planned)
Creative Storage System Solutions

Leveraging our semicon device expertise to deliver unique solutions with systems featuring high-speed, high-capacity, low-power and space-saving storage systems.

2014: High-capacity cold storage*1 systems

Memory hierarchy & virtualization

- eSSD/HDD
- HDD Storage Pool

2013-

SSD

MRAM

NAND

HDD

2016-

CPU

DRAM

Accelerator

SATA*3 SSD

HDD

2018-

CPU

MRAM*2

Accelerator

BiCS*4 SSD

BiCS SSD

Realize ultra-high-speed storage through evolving higher integration and layering of each device

2013- 2014- 2016- 2018-

High Speed

- Faster Speed
- Low Power Consumption

High-Capacity Power-Saving Space-saving

Next-generation in-memory computing as a platform for analytics

*1 Cold storage: Storage designed for infrequently accessed data

*2 MRAM: Magnetoresistive Random Access Memory

*3 SATA: One of the specifications of a computer bus interface for connecting a computer to storage devices

*4 BiCS: Bit Cost Scalable memory

© 2013 Toshiba Corporation
Creative Cloud Services & Solutions

Provide cloud services and integrated storage systems to support Toshiba’s Smart Community business

Toshiba Cloud Platform

- Toshiba's Business Areas and Know-how
- Alliances with business partners
- Toshiba's Device Products and Technology

- Security
- Common Framework
- High-speed processing
- Voice and image analysis

Data Storage

Cities
Energy management
Healthcare
Retail Stores

Smart Community

Data
Added value
Reforming Lifestyles-related Businesses

Transforming from consumer goods businesses to BtoB and Smart Community businesses

Reforming Digital Products Business
- Reduce fixed costs by approx. ¥20 billion for TV/PC businesses (FY2012-FY2014)
- Reduce the number of platforms, reallocate personnel to growing businesses

Strengthening B2B
- Strengthening security and mobility features
- Strengthening cloud solutions – TSCM/TSSM*1
- Expanding in education and healthcare fields

Applying technologies across different fields
- Glasses-less 3D to medical areas
- Image processing and recognition technologies to in-vehicle usage
- Platforming high-density design technology for a wide variety of applications
- Applying wearable data sensing to a variety of services

Sharing resources among TV, PC, Home Appliances
- TV cloud service, smart home appliances
- Sharing resources: sales, marketing, services
- Adoption of unified design concept
- Implementing local-fit products

Expanding Businesses to Growth areas

Expanding Businesses to Growth areas

Energy Efficient/Environment-friendly Home Solutions

Network Securities

HEMS

Healthcare Services

Smart Community

Healthcare Services

Transforming from consumer goods businesses to BtoB and Smart Community businesses

FY2015 Plan
Net sales: ¥1.3 trillion

Improving Business Structure

Expanding Businesses to Growth areas

Sharing resources among TV, PC, Home Appliances

TOShiba
Leading Innovation

※1: TSCM (Toshiba Smart Client Manager)
※2: TSSM (TSSM: Toshiba Smart Service Manager)
Reorganizing to Accelerate Action Plans

Reorganize business groups to maximize Toshiba’s ability to best match customers’ values

- Strengthen medical and healthcare businesses
- Enhance Smart Community business + facility business
- Form company-wide operational structure for ICT/cloud services to support business growth

Current Organization

Social Infrastructure
- Power Systems Company
- Social Infrastructure Systems Company
- Toshiba Elevator and Building Systems
- Toshiba Solutions
- Toshiba Medical Systems

Digital Products
- Digital Products & Services Company
- Toshiba TEC

Electronic Devices
- Semiconductor & Storage Products Company

Home Appliances
- Toshiba Home Appliances
- Toshiba Lighting & Technology
- Toshiba Carrier

New Organization (as of Oct. 1, 2013)

Energy & Infrastructure
- Power Systems
- Infrastructure Systems

Community Solutions
- Community Solutions
- Elevators, Lighting, Air-conditioning, Retail/Office Solutions

Healthcare
- Medical Systems
- Healthcare IT services

Electronic Devices
- Semiconductor & Storage Products

Consumer & Lifestyles
- Digital Products
- Home Appliances
New Concept Innovation

Achieve creative growth by leveraging Toshiba’s broad technologies in a wide range of application fields with Toshiba’s powers of creativity and innovation

- Challenging new fields and industries
- Creative utilization of existing technologies
- Finding needs by looking at the market from different perspectives
  - Consider potential customers from a fresh perspective
  - Reconsider business models
- Reconsider how to best take advantage of technological assets (more than 50,000 retained patents)

Establish a new cross-sectional type of organization to make maximum use of Toshiba Group’s assets and resources

New Business Development
(Marketing, product design and business model planning)

Support for Incubation of Creative Ideas
(Technology, sales, manufacturing, management strategy, design, finance, human resources)
Create new customer values through Toshiba Group's strengths in achieving technological synergies

**Examples of New Concept Innovation (1)**

**Water**
- UV irradiation equipment for water and sewage
- UV sterilization
- Filters
- SCiB™ rechargeable batteries
- Small purifiers

**Air**
- Plasma air purification
- PM2.5 filtering
g - air conditioner
- UV sterilization
- Air purifiers for facilities

**Food**
- DNA chip
- High-precision GPS
- Food traceability

Water and sewage technologies applied to develop downsized small purifiers to be used in developing countries and when disasters occur.

Implementing PM2.5 filtering features for facility air purification.

Using technologies developed in the medical field to assure food safety.

Food traceability system
Examples of New Concept Innovation (2)

**Healthcare**
- Speeding up health examinations by using advanced semiconductor technology
- Semiconductor technology ✕ Trace gas analysis
  - Detects trace gases in breath with high precision
- Breath-test equipment

**Infrastructure Maintenance**
- Utilizing image processing technology developed in the TV business to monitor old infrastructures such as tunnels and bridges for maintenance purposes
- 3D reconfiguration ✕ High-precision GPS
  - Reconfigures detailed 3D topologies in real-time from a 2D video
- 3D ultrasonic flaw detection
- Matrixeye™
- Infrastructure health monitoring

**Medical Glasses-less 3D**
- Glasses-less 3D TV ✕ CT scanner

**Retails**
- Cash registers with fresh produce recognition capability
- Image recognition ✕ POS scanner
- Scheduled for release in 2013
- Scheduled for release in 2013
Toshiba’s Pursuit of Productivity Improvement

Systematically reviewing our current work processes in all areas of our business operations from a zero-base perspective
Resetting performance targets and indicators

Corporate & Business Staff
- Lead-time
- Increasing percentage of sales
- Procurement Cost Reduction

Technology & Development
- Value-added production
- Cash Conversion Cycle

Production Procurement
- Cost reduction
- Improving total asset turnover ratio (minimizing total assets and inventories)

Marketing Sales Services
- DFM※1/DFP※2

※1 DFM Design for Manufacturing  ※2 DFP Design for Procurement
Pursuing Productivity Improvement

Optimize business locations

- Cost reduction (billions of yen)
  - FY2009: 1900
  - FY2012: 1750
  - FY2015: ▲50
  - ▲100

- Number of sales offices
  - FY2009: 150
  - FY2012: 1410
  - FY2015: <1000

- Number of production sites
  - FY2009: 110
  - FY2012: 1300
  - FY2015: ▲10

Globally integrate procurement and logistics

- Improved margin (billions of yen)
  - FY2009: ▲1.7
  - FY2012: ▲2.9
  - FY2015: ▲0.2

- Percentage of procurement cost to sales
  - ▲2.9%

- Percentage of logistics cost to sales
  - ▲0.3%

- Sales: Integrate sales offices that are now located in different cities by functions and strengthen cooperation among them
- Manufacturing: Reallocate manufacturing functions/bases to transform their structure
- Procurement: Implement multi-supplier procurement and strengthen DFP*1, restructure logistics flow and optimize number of warehouses

Enhance quality, efficiency and speed in all work processes

*1: Design for Procurement
Strengthening Corporate Strategic Function

Current

- Overlapping of jobs between profit centers and corporate staff departments

27 corporate departments

Shared services

- Limited shared services

Integration

- Simplified organization structure
- Transfer some operations from the corporate side to business sides
- Work classification

Reduce corporate departments by 1/2

Shared services

- Accounting, HR, IT
- Open shared service centers in 5 global locations*1

Strategy Focus

- Corporate staff to concentrate on their roles as strategy professionals

Strategic Global HQ

Global business support

Shared Service company

- Establish operations in new businesses and in emerging countries
- Aggressive use of low-cost resources

October 2013

*1: North America, Singapore, Europe, China, Japan
*2: Ratio of the number of corporate staff to the total Toshiba workforce population

© 2013 Toshiba Corporation
Globally develop diverse, creative talent

Realize growth through creativity and innovation resulting from the activities of diverse, talented global personnel sharing Toshiba’s vision and values

Diverse Human Resources

- Proactively promoting diversity as a management strategy
  - Number of employees working outside of Japan will exceed those in Japan
  - Localizing of top managers to exceed 50% at major outside of Japan subsidiaries
  - Women in management positions to reach 5% in Japan
  - Doubling the number of non-Japanese employees working in our operations in Japan

- Accelerate the localization of management, marketing, production and the developing of personnel

- Nurture highly capable personnel who are open-minded and creative in their thinking and can take proactive actions on a global basis

New Approach To Human Resources Management

- Implement an evaluation and treatment system that will reward those staff members that make high-level contributions to our business performance

- Implementing HR measures that will enhance our movement forward resulting in creative growth and the strengthening of our businesses in accord with the characteristics of various regions and growing markets

- Adopt the type of HR management that will highly evaluate personnel who creatively pursue the challenges of innovation

Some of the specific steps we will take are:
- Beefing up the rotation system for locally hired employees, promoting local hires to senior management levels, and sending more young Japanese employees to overseas
## Pushing Forward with CSR Management

**Helping to assure sustainability as a citizen of planet Earth**

<table>
<thead>
<tr>
<th>CSR management that supports</th>
<th>Growth Trough Creativity and Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accord the highest priority</td>
<td></td>
</tr>
<tr>
<td>to human life, safety,</td>
<td></td>
</tr>
<tr>
<td>and legal compliance</td>
<td></td>
</tr>
</tbody>
</table>

| Contribute to improving      | Fulfill CSR together                  |
| global social issues         | with our stakeholders                 |
| through our businesses       |                                        |

- Dealing responsibly with social issues with ISO26000 standards in place
  - Promote CSR including implementation of supply chains

- A total of 310,000 U.S. and Canadian students have participated in the ExploraVision Awards (EVA), a science and technology contest held for over 21 years
  - Strengthen programs in Japan, Asia, etc.

- Aids programs for Minamisoma Solar Agripark and Miyagi Pref. fishery
  - Contribute toward swift recovery of Fukushima, Miyagi and Iwate Pref.

- LED lighting for the Golden Hall of Chusonji Temple

- CSR activities conducted by a total of 110,000 Toshiba Group employees
  - Expand initiatives to include all global employees

<table>
<thead>
<tr>
<th>Accelerate CSR management from a global perspectives</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Assist in science &amp; engineering education to nurture the next generation</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Continue support of reconstruction after The Great East Japan Earthquake</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>CSR activities supported by 200,000 employees</th>
</tr>
</thead>
</table>
Leading The Way In Environmental Management

Solidifying our position as one of the world’s foremost eco-companies

Environmental Vision 2050

- Factor 10 rise in economic efficiency
- Achieve the creation of affluent lifestyle values and living in harmony with the Earth

5th Environmental Action Plan

- Integrate business management and environmental management
- Take measures using the Four Greens:
  - Greening of Products
  - Greening by Technology
  - Greening of Process
  - Green Management

Toshiba's environment standards incorporate the world's new stringent environmental trends

Scope3 Standard Greenhouse Gas Protocol

T-COMPASS*1

- Visualizing four domains
  - Natural resources
  - Energy
  - Substances
  - Water
- Giving thought to diversity
  - Reflecting the characteristics of each country and region

Toshiba Group's Compass for its environmental activities

- Creating excellent ECPs (environmentally conscious products) suitable for each region
- Strengthening our supply chain management
- Involving all employees in global environmental actions

*1 T-COMPASS: Toshiba Comprehensive environmental database and its Practical Application to Simplified and/or Streamlined LCA
FY2015 Targets

Achieving Growth
By value creation

Increasing Profitability
By pursuing greater productivity

Strengthening Financial Base
By improving cash flow management

Attaining further growth

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2013 Forecast</th>
<th>FY2015 Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>5,800.3</td>
<td>6,100.0</td>
<td>7,000.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>193.4</td>
<td>260.0</td>
<td>400.0</td>
</tr>
<tr>
<td>CAGR</td>
<td>3.3%</td>
<td>4.3%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

Japan 45%
Outside Japan 55%
BtoB 80%
BtoC 20%

© 2013 Toshiba Corporation
Investment and Strong Financial Base

Realizing both strong profit base and investment for Creative Growth

(billions of yen)

<table>
<thead>
<tr>
<th>Financial Base</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCF*1</td>
<td>▲64</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Shareholders’ equity ratio</td>
<td>17%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>ROI*2</td>
<td>7%</td>
<td>9%</td>
<td>14%</td>
</tr>
</tbody>
</table>

R&D expenditure

<table>
<thead>
<tr>
<th>FY13-15</th>
<th>B to B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,090</td>
<td></td>
</tr>
</tbody>
</table>

Capex, investment & loans

<table>
<thead>
<tr>
<th>FY13-15</th>
<th>B to B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,440</td>
<td></td>
</tr>
</tbody>
</table>

*1: FCF: Free Cash Flow
*2: Return On Investment = Operating income/(Equity + Debt with interest)

© 2013 Toshiba Corporation
Closing

Growth Through Creativity and Innovation

Value Creation

Productivity Improvement

CREATE
New Values

CREATE
New Combination of Technologies, Expanded Applications

CREATE
Extraordinary Operational Quality

Value Innovation

New Concept Innovation

Process Innovation
Committed to People, Committed to the Future. TOSHIBA

We will Orchestrate Toshiba Group’s 200,000 employees’ all–out collective efforts to achieve Growth through Creativity and Innovation