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## Innovation Breeds Invention

TOSHIBA CORPORATION ANNUAL REPORT 2005

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2015 2016 2017 2018 2019 2020 2021 2022 2023 2024  
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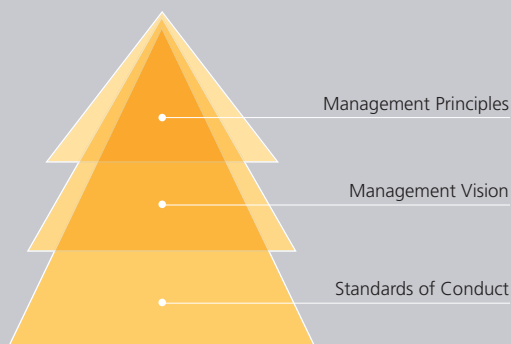
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## The Toshiba Commitment

### Basic Commitment of the Toshiba Group

We, the Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community.

### Commitment to People

We endeavor to serve the needs of all people, especially our customers, shareholders, and employees, by implementing forward-looking corporate strategies while carrying out responsible and responsive business activities. As good corporate citizens, we actively contribute to further the goals of society.

### Commitment to the Future

By continually developing innovative technologies centering on the fields of Electronics and Energy, we strive to create products and services that enhance human life, and which lead to a thriving, healthy society. We constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment.

## Financial Highlights

Toshiba Corporation and Subsidiaries

For the years ended March 31, 2005 and 2004

	Millions of yen		Change (%)	Thousands of U.S. dollars (Note 1)
	2005	2004	2005/2004	2005
Net sales—Japan	¥3,259,853	¥3,399,903	(4.1)	\$30,465,916
—Overseas	2,576,286	2,179,603	18.2	24,077,439
Net sales	5,836,139	5,579,506	4.6	54,543,355
Operating income (Note 2)	154,807	174,586	(11.3)	1,446,794
Income before income taxes and minority interest	110,567	145,041	(23.8)	1,033,336
Net income	46,041	28,825	59.7	430,290
Total assets	4,571,412	4,462,200	2.4	42,723,477
Shareholders' equity	815,507	754,990	8.0	7,621,561
Capital expenditures (property, plant and equipment)	318,394	227,273	40.1	2,975,645
Research and development expenditures	348,010	336,714	3.4	3,252,430
Return on equity (ROE) (%)	5.9	4.3	—	—
Return on total assets (ROA) (%)	1.0	0.6	—	—

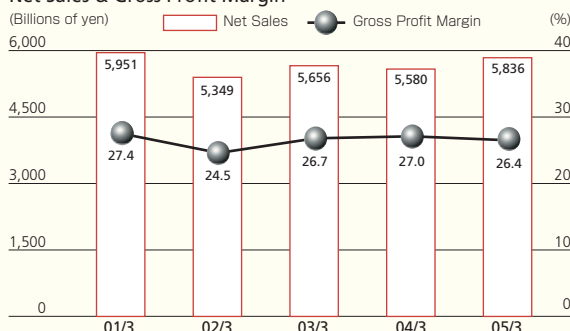
Per share of common stock:	Yen		U.S. dollars	
	2005	2004	2005/2004	2005
Net income (Note 3)				
—basic	¥ 14.32	¥ 8.96	59.8	\$ 0.134
—diluted	13.53	8.96	51.0	0.126
Cash dividends	5.00	3.00	66.7	0.047
Number of employees (Thousands)	165	161	2.5%	—

Notes: 1. Unless indicated otherwise, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥107=U.S.\$1.

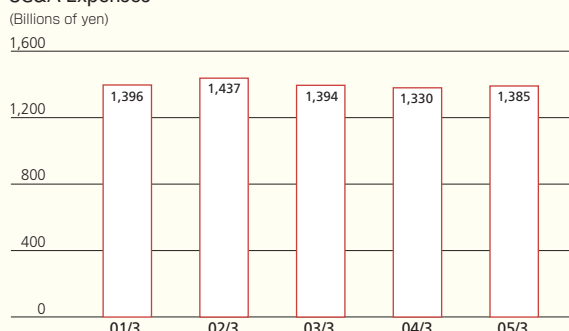
2. Operating income has been determined under financial reporting practices generally accepted in Japan and is defined as net sales less cost of sales and selling, general and administrative expenses.

3. Basic net income per share (EPS) is computed based on the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the dilution that could occur if stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

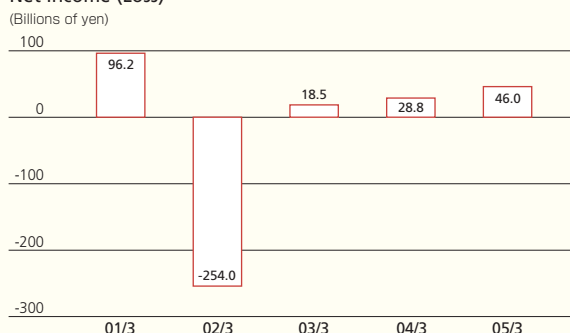
### Net Sales & Gross Profit Margin



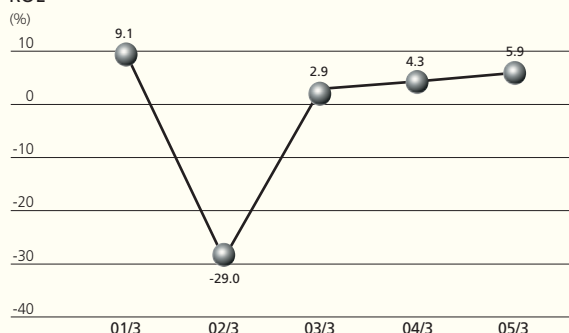
### SG&A Expenses



### Net Income (Loss)



### ROE



### FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements concerning Toshiba'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. Furthermore, they are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide megacompetition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations, and other factors. Toshiba therefore wishes to caution readers that actual results may differ materially from our expectations.

As Toshiba's newly appointed President and Chief Executive Officer, I want to assure you that, under my leadership, Toshiba will accelerate the successive structural reforms we are promoting, and will continue to work proactively and with agility towards sustained growth, profitability, and the creation of a vibrant Toshiba Group. As we take these positive steps forward, I hope I may rely on the warm support and encouragement extended to my predecessor, Mr. Tadashi Okamura, the current Chairman of the Board.

Together, we would like to begin by reporting on our financial and business results for fiscal 2004, ended March 31, 2005.

### Operations and Results

In FY2004, we promoted business strategies targeting business groups with both high growth and stable profitability. As a result, all business segments, including Digital Products, Electronic Devices, Social Infrastructure, and Home Appliances achieved increased sales while consolidated sales rose by ¥256.6 billion from the previous term to ¥5,836.1 billion.

In terms of profit and loss, Digital Products saw a healthy increase in profits, though Electronic Devices, Social Infrastructure, and Home Appliances recorded profit declines against the previous term. Overall, consolidated operating income decreased by ¥19.8 billion to ¥154.8 billion. If we were to exclude the impact of a one-time environmental cost in FY2004 and that of the return of the substitutional portion of the Employee's Pension Fund Plan in FY2003, both overall Group profit and profit for Social Infrastructure would show increases.

Consolidated income before income taxes, minority interest and equity in earnings (loss) of affiliates decreased by ¥34.4 billion from the previous period to ¥110.6 billion. However, consolidated net income increased by ¥17.2 billion from the previous period to ¥46.0 billion. Basic earnings per share increased by ¥5.36 from the previous period to ¥14.32.

### Key Businesses in Segments

The Digital Products Segment saw increased revenue in Digital Media businesses including Magnetic Disk Storage Devices and LCD TVs, PCs, as well as in retail and business equipment, including Multi-Function Peripherals. Revenue from the Mobile Phone business remained at the same level as for the previous term on lower exports. Overall segment results saw a notable improvement, with profit and loss bolstered by the recovery in the PC business, despite deterioration in Storage Devices.

The Electronic Devices Segment reported higher revenues on advances in the Semiconductor business and LCD business, even though withdrawal from production of Cathode Ray Tubes and Lithium-Ion Batteries impacted overall revenue figures. In profit and loss, the LCD business continued to be favorable and the Semiconductor business, especially Memories, maintained high profitability. Second-half profit eased from levels recorded earlier in the year as customers made inventory adjustments in digital consumer products, bringing down overall profit.

The Social Infrastructure Segment saw increased revenues in Power Systems & Services businesses, such as Power Plants; in Social Network Infrastructure businesses



Tadashi Okamura Chairman of the Board (left)

Atsutoshi Nishida Director, President, and Chief Executive Officer (right)

including Radio-Wave systems and Transmission systems; in the Medical System businesses including Multi-Slice CT scanners and Ultrasound systems; and in the Elevators and Building Systems business. Solutions business saw lower revenues, the result of a policy of increased stringency in selecting orders. Overall, the segment saw increased revenue. Social Network Infrastructure, Solutions, and Medical Systems businesses all recorded favorable profit and loss. However, the one-time impacts of an environmental cost and the return of the substitutional portion of the Employee's Pension Fund Plan in FY2003 produced a situation in which the segment reported lower overall profit compared to the year-earlier period.

The Home Appliances Segment achieved higher revenue, but price erosion in Refrigerators and Washing Machines and increasing material costs undercut profitability.

### 130th Anniversary

Toshiba Group celebrated the landmark of its 130th anniversary this July. In this commemorative year, Toshiba will continue to promote its businesses with indomitable resolve as we make the necessary preparations to ensure sustainable growth that will win, on a global basis, the Company a leading position in all of its business segments. We will measure our progress against a series of targets for FY 2007, measured against FY2004, including:

- Sales Revenue by Compound Average Growth Rate (CAGR) to 4%
- Operating profit ratio to at least 4%
- Debt-to-equity ratio to 100%, and
- Return on equity (ROE) to 10%

### Management Policy

We will target "Sustainable Growth with Profit" by further honing managerial responsiveness, shifting our emphasis to "Growth," and cultivating "Proactive Business Conduct."

Toshiba Group's main businesses are in the Electronics and Energy business sectors that are undergoing dramatic changes on a global scale. We cannot hope to survive and prosper by following change; we must stay ahead of it. Continuing to lead is the essential factor for winning in the marketplace. We must also acknowledge that the way to win, the paradigm for winning, has also changed. The old paradigm allowed binary decision making. Companies could make decisions on the basis of "Market Share or Profit," "Cost or Quality," "Standardization or Differentiation," and the "Short- or Long-term." We no longer have the choice between these opposing targets. Instead of "one or the other," we must now pursue and achieve both. We must build a business structure that has this understanding woven into the fabric of the organization.

Amidst the demands and rigors of globalization, it is not easy to step back and realize these factors. Once we do so, however, we both have every confidence that we can overcome the difficult tasks and challenges ahead of us to achieve our targets by fully utilizing Toshiba Group's potential technologies, our abilities to develop and create products, and our strengths in marketing. In doing this, "Innovation" is indispensable, and it is necessary to continue to stimulate "Innovation" throughout our business. Clearly, the ability to stimulate "Innovation" leads to enhanced global competitiveness, and acts as a multiplier

in three key processes: development, production, and marketing. The outcome is “Innovation,” “I” to the third power or “i<sup>3</sup>,” I Cubed.

### **Innovation in Development**

Toshiba will overcome its competition through differentiation, cost, quality, and development speed while acting on the belief that, “profit is the source of corporate vitality, technology is the driving force for business development.” By retaining our differentiated technologies in-house, we will be able to promote de-commoditization.

Even as we do that, we will not ignore the fact that in any business, the majority of the products on the market are commodity products: standardized and undifferentiated. Survival in such markets will be impossible unless we can innovate a robust business structure able to generate profit in the market. One strategy here is to devote further efforts to promoting standardization and platforms, which will enable Toshiba to promote product development with a cost structure that our competitors cannot match.

Developing innovative differentiated products that only Toshiba can offer—products with the ability to change lifestyles and workstyles—requires the ability to fuse and integrate a wide variety of technologies. Electronic Devices that will support the coming age of ubiquitous connectivity are becoming even smaller, moving toward a new generation and an even smaller unit of measurement as we enter the world of nano-structures. Toshiba’s thinking is moving in the same direction, toward an intensified concentration on the development of nano-technologies. We will continue our perpetual quest to challenge limitations.

### **Innovation in Production**

To the extent that we can point to a single “Toshiba method,” Toshiba will target the ability to manufacture overwhelmingly competitive products by securing world leadership in sustained innovation in manufacturing technologies. This will secure our position as a manufacturer, achieve levels of cost competitiveness that outpace our

competitors, and deliver levels of product quality that win customer’s satisfaction. We must be relentless in promoting reductions in production lead times, and take our supply chain management system to the next level, one that leaves our competitors behind.

One area where we see the potential for innovation is in cost management. Today, it is necessary to create a system that goes beyond understanding actual costs incurred to simulate the impacts of projected movements of material prices on future costs. Towards that, Toshiba will, as soon as possible, establish a new cost management system that fully utilizes IT and that supports early and preemptive responses to market changes.

Clearly, today’s markets are being hit by round after round of price erosion. The new reality is a future where we must be ready and able to overcome semi-permanent deflation. In this reality, procurement, IT and logistics—once considered bit-part players—now have a central role in business. We will do all that is necessary to reinforce capabilities in these areas. In addition, carrying forward cumulative know-how in production technologies and other areas of expertise is essential. We will treat this as an area of concern and develop an optimized policy for assuring the continued transmission of skills and technologies.

### **Innovation in Marketing**

The crucial condition for Toshiba’s marketing is to always see and understand everything from the customer’s perspective. This must guide us in proposing and providing products, services, and solutions, as we ask ourselves how to best assure customer satisfaction and win their long-term trust. Using this approach to change sales approaches and to add ideas to business proposals will be the triggers for stimulating innovation in marketing activities.

### **“Sense of Urgency:” The Driving Force of Evolution (Risk Awareness)**

Any company that wants to be numbered among the



Atsutoshi Nishida

world leaders must see things from the perspective of never being satisfied with the current situation. Continuous benchmarking is a must, and this must be done in a way that considers the current situation in light of the future. Being aware of this, we will continue to ask ourselves tough questions about where Toshiba is, where we want to go, and about what targets Toshiba Group should aim for. To repeat something we have already said, we must have a sense of urgency, a relentless urge to move forward, and an awareness of the risks of the times. In other words, a sense of urgency allows us to stay a step ahead of change, to make preemptive moves. We will make this a driving force that allows us to achieve sustainable evolution.

### Toshiba Brand

The diverse range of Toshiba's businesses is supported by the Toshiba brand. Brand value is essential for our stakeholders, shareholders, customers, clients, employees, and society, and essential to the way they see Toshiba. To establish a brand value that captures the hearts of our stakeholders, that finds and keeps a place there, we need to fully clarify the characteristic of the brand, in addition to the "value" that our products and services bring to customers. We will position "the perpetual pursuit of innovation and passion" as the defining characteristic of the Toshiba brand." By integrating such values as surprise and sensation, safety and security, and comfort, Toshiba will assure a distinctive, high-value-added Toshiba brand.

### Corporate Social Responsibility

More than ever, corporations are expected to meet and fulfill demanding social responsibilities. The question today is about the quality of the commitment to do so.

Toshiba Group is a member of global society, a global corporate citizen. Accordingly, our perspective is global, and our concern is to respect rules and regulations in each country and region where we operate, and to promote

business activities rooted in local history and culture. In all of our business activities, we place the very highest priority on respect for life and safety, along with legal compliance. We promote business as a company that values people, respects the Earth and acts with a sense of justice and integrity.

### Finally

Today's global market economy rests on the premise of intense, inexorable competition. It is a tough environment, where companies experience good times and setbacks. During the bad times, we must stand undaunted and meet hardships head on. In the good times, we must avoid the errors of pride and complacency. We remain ready for the challenges yet to come, concerned with how best to ensure a Toshiba that continues to drive market changes, and how, together with our stakeholders, we can build a vital Toshiba Group capable of sustained innovation.

Let us close by restating Toshiba's mission: to create value for society while maximizing enterprise value and profitability. As we strive to achieve this, we hope that Toshiba, and we ourselves, may continue to rely on your continued support.

August 2005

Tadashi Okamura  
Chairman of the Board

Atsutoshi Nishida  
Director, President, and Chief Executive Officer

## Innovation Breeds Invention

Toshiba Corporation has long been respected, both at home and abroad, for research and development capabilities that assure "Technology is Toshiba." In product development, Toshiba's guiding concept is "to continue to provide comfort and to bring smiles to customers' faces with products and services that change the world and make people's dream come true."

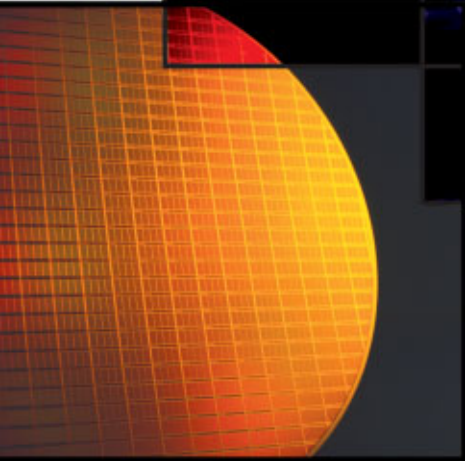
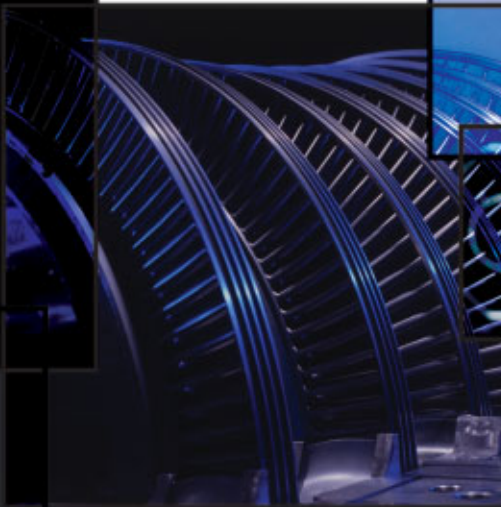


From this tried and tested development concept, Toshiba creates numerous products in many areas. Hisashige Tanaka, the founder of Toshiba Corporation, a man who was known as the oriental master of invention, used to say, "I want to make people happy. There is no need for technologies and inventions that people cannot use."



# What Makes **the Difference?**

Ever since its establishment by Hisashige Tanaka in 1875, Toshiba has ignored technology for its own sake to pursue ease-of-use for users. The result is a wide range of world-class technologies and products.



1799

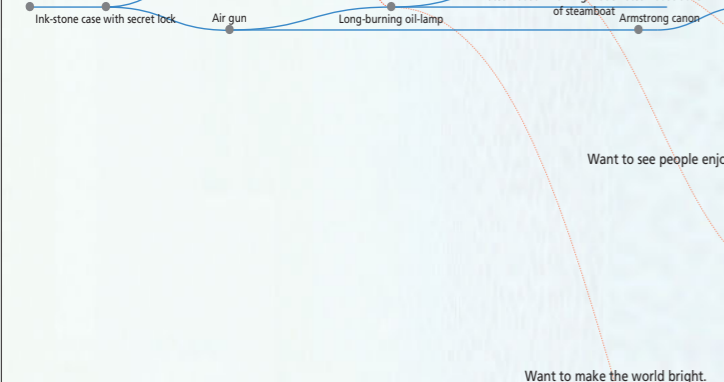
1875

1890

# A Part of Toshiba's History



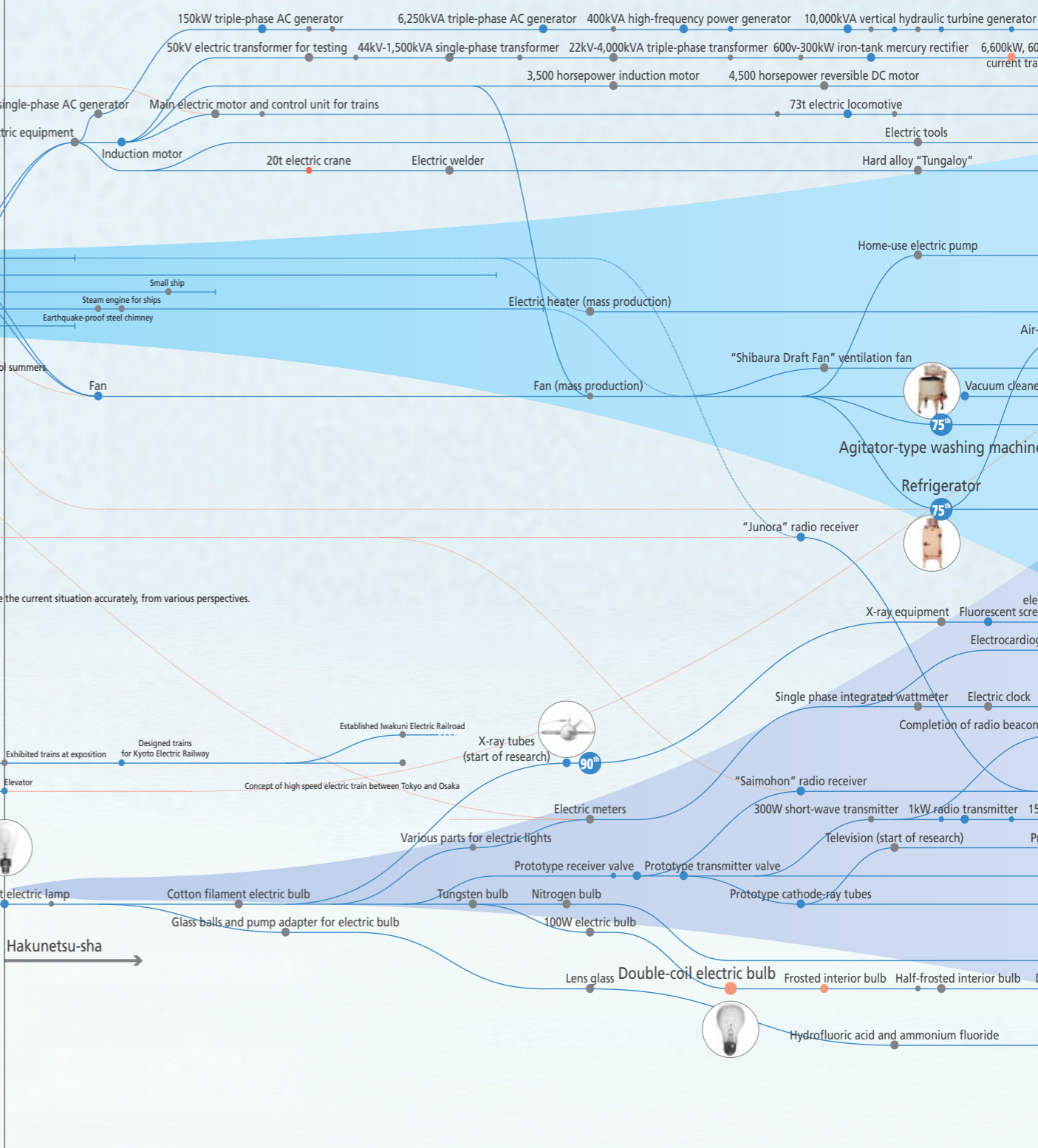
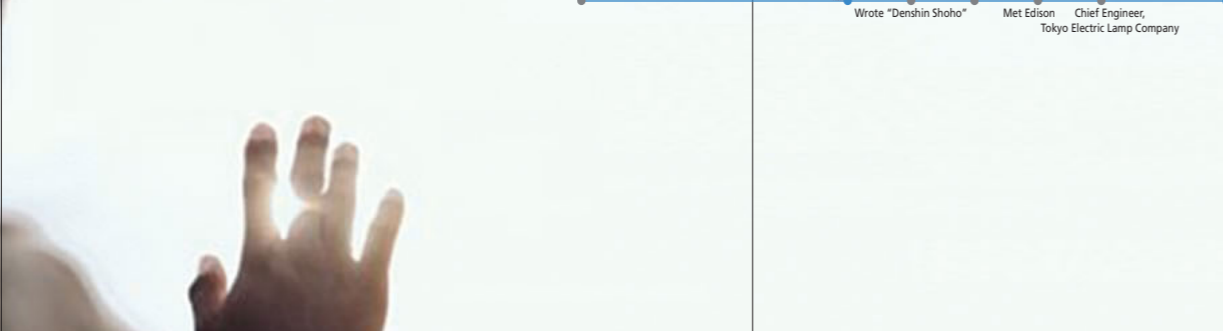
Hisashige Tanaka born in Kurume



- The world's first, most compact technology, product or service
- Japan's first, most compact technology, product or service
- Other major technologies, products or services



Ichisuke Fujioka born in Iwakuni



1799 ▶

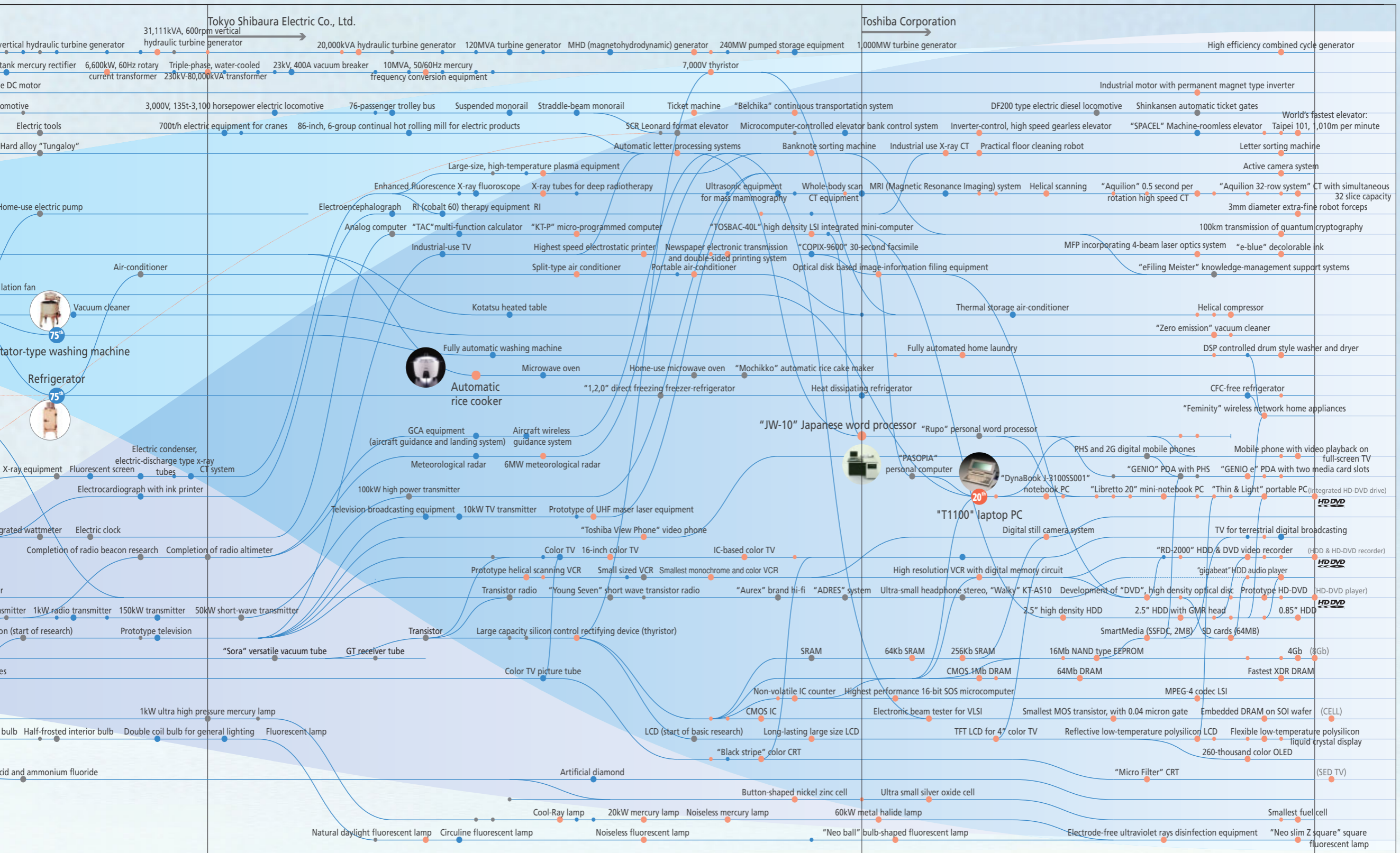
1875 ▶

1890 ▶

1939

1978

2005



1939 ▶

1978 ▶

2005 ▶

### Developing “Toshiba-Only” Products that Move Customers’ Hearts

Toshiba is driven by passion, by an incessant inquiring spirit; this is our corporate DNA, our heritage from our founder, Hisashige Tanaka. Drawing on the unified strengths of Toshiba Group, we seek to create “Toshiba-Only” products that speak directly to our customers, to their hearts. With a “Human Centric” vision, we bring new levels of value to customers with products embodying the three concepts of “Surprise and Sensation,” “Safety and Security,” and “Comfort.”

#### Our Partner

### Microsoft Corporation



**Bill Gates**

Chairman and  
Chief Software Architect

Microsoft started with a vision—a personal computer on every desk in every home. Toshiba’s notebook PC took that further by truly enabling a world where people can enjoy computing at any time and in any place. The collaboration between Microsoft and Toshiba has consistently led to innovation. Toshiba has always been the leader in embracing new technology, such as power management and wireless networking; it’s also been our lead

partner in developing Windows Vista for portable PCs.

Computers will change our lives more in the next 20 years than in the last 20—and I’m sure our companies will continue to introduce breakthrough innovations for years to come. We’ve greatly enjoyed our close partnership with Toshiba, and we look forward to collaborating even more closely in the future.

**AV Notebook PC, "Qosmio Series"**

Fusion and convergence are key concepts that drive product development at Toshiba. A prime example of the results is Qosmio, the AV notebook PC that brings digital AV functions, including LCD TV and DVD recorder, to a notebook PC. Clear, high-resolution images are realized by a high luminance LCD and the "Qosmio Engine," which enhances image reproduction. This differentiated product quickly won customer support and helped strengthen the competitiveness of Toshiba's PC business. In 2004, that business recorded a significant improvement in operating income by ¥55.5 billion.



## Creating New Value through Technological Convergence and Integration

The convergence and integration of diverse technologies is essential for creating new value in this age of digitization, networking, and systemization. Toshiba Group's wide-ranging technological assets, and the diverse skills of Toshiba's employees, extend from heavy electric equipment and nuclear power generation all the way to electronic components and materials. Through the effective allocation of these resources, Toshiba constantly renews its competence and capabilities.

### Our Partner

## EIZO NANA O CORPORATION



Yoshitaka Jitsumori  
President and CEO

EIZO NANA O CORPORATION pursues the possibilities inherent in technology. We create value and make proposals to the market through high-value-added products that make full use of the most advanced technologies.

At the heart of the "EIZO" brand are high-end display monitors for computers. Known for quality in over 30 countries worldwide, the "EIZO" brand can boast an enviable degree of brand loyalty. We are proud that we make the best monitors in the global market for still images. We now aim to make the best monitors moving images, with original products that fuse advanced devices with our own basic full motion technology.

The LCD panel from Toshiba Matsushita Display Technology Co., Ltd. that we integrated into our "FORIS. TV," color LCD TV was the world's first to bring OCB technology to the mass production level. The superb image quality realized by the panel's wide viewing angle and its fast response time won the full support and acceptance of our engineers, people with a die-hard commitment to the highest levels of technology and quality.

Toshiba Group is a partner that we can trust to carry out the product development necessary to win the support of customers who demand excellent quality. We will place a high reliance and great expectations on Toshiba's differentiated technology in the future.

EIZO®



**OCB Liquid Crystal Display**

Toshiba has led the industry in bringing Optically Compensated Bend (OCB) technology into Thin Film Transistor (TFT) LCDs and into mass production. The superb quality and vivid images produced by the OCB LCD has earned glowing reviews, especially from professionals working in imaging. Momentum in this promising area will continue this year, with the start of mass production of a display fusing OCB technology with Low Temperature Polysilicon technology in a 32-inch display—the world's largest TFT LCD of its type. In 2004, operating income saw a turnaround and is now contributing to Toshiba Group results.

## Continuing to Meet the Challenges of R&D for Technological Innovation

Ingenuity and the technologies it creates are the wellspring of value creation. Throughout the 130 years of its history, Toshiba has consistently accepted the challenges of research and development into innovative technologies. This is an approach that will not change, now or in the future. Last year, key researchers and engineers from across Toshiba group gathered together to look into the future, to anticipate the products of tomorrow, with five-year and ten-year time horizons. R&D efforts into technological innovations necessary to realize those future products have already begun.

### Our Partner

## QUALCOMM JAPAN Incorporated



**Tetsuzo Matsumoto**  
Chairman

Established in 1985, QUALCOMM Incorporated led the world in bringing CDMA technologies to mobile terminals. Industry-defining success in this area reinforces our confidence in our abilities to develop and deliver further advances in communications technology.

We see Toshiba as a pioneer, the first Japanese company to adopt our CDMA technology, and a consistent supporter of our communications technologies since then. For QUALCOMM, Toshiba goes beyond being a business partner and is an irreplaceable presence in our business.

Toshiba's distinguishing characteristics are the strengths of its engineering staff, the consistency with which the company listens to the voices of the market, and an impressively proactive willingness to cultivate the most advanced technologies. For example, Toshiba was well in advance of its competitors in adopting BREW, our new mobile platform.

Future technology advances will greatly enhance the functionality of mobile terminals, putting them at the center of daily life, for both business and pleasure. We very much expect our relationship with Toshiba to grow stronger than ever, as Toshiba works with us to launch products that lead the market.



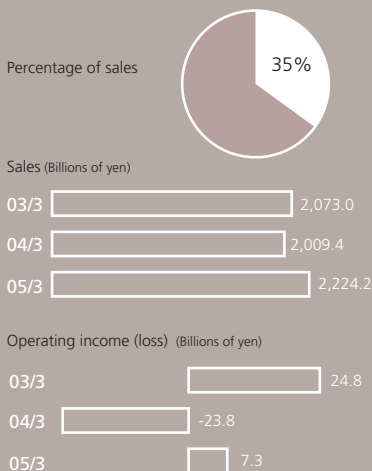
**Mobile communications support the age of ubiquitous connectivity.**

People want more from their mobile phones. Toshiba has the answers: advanced communications capabilities made possible by the fusion of such state-of-the-art technologies as Bluetooth™, Low Temperature Polysilicon LCDs, CMOS sensors, and kana-kanji conversion—all areas where Toshiba enjoys world-class leadership. Toshiba's mobile phones achieve the full potential of multimedia made possible by ubiquitous networks. In 2004, the Mobile Phone business overcame a tough competitive environment with management reforms that boosted operating income.

## Business at a Glance (Fiscal year (FY) 2004 ended March 2005)

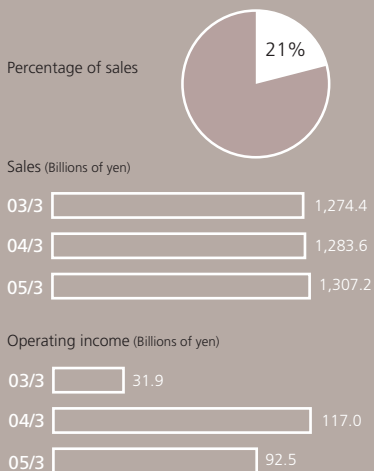
### Digital Products Segment

Mobile Communications Company  
Digital Media Network Company  
Personal Computer & Network Company  
Toshiba TEC Corporation



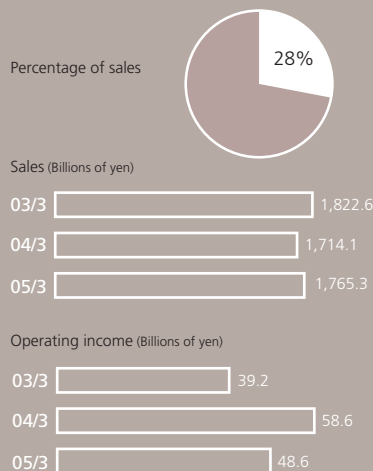
### Electronic Devices Segment

Semiconductor Company  
Display Devices & Components Control Center  
Toshiba Matsushita Display Technology Co., Ltd.



### Social Infrastructure Segment

Industrial and Power Systems & Services Company  
Social Network & Infrastructure Systems Company  
Toshiba Elevator and Building Systems Corporation  
Toshiba Solutions Corporation  
Toshiba Medical Systems Corporation



#### Mobile Communications Company

Sales revenue matched the previous year's, while operating income grew on continuous launches of new models that emphasized high performance and design excellence. In the domestic market, Toshiba maintained the largest share among Japan's NCCs (New Common Carriers): KDDI Corporation, Vodafone K.K., TU-KA Cellular Group. In FY2005, continued reinforcement of the domestic base will be complemented by moves, which are expected to bolster performance, to a stronger presence in Europe and the global market.

#### Digital Media Network Company

Operating income rose on improved sales, primarily in the TV business and Storage business.

Despite unit sales gains, profit declined against the same period a year ago due to softening prices for TVs, DVD players and recorders, HDDs, and ODDs. This was particularly severe in ODDs. As competition on performance specs ended, price competition came to the fore in a level market that undercut profitability.

#### Personal Computer & Network Company

Operating income boosted by cultivating overseas growth, especially in the U.S. and Europe. Sales for the term climbed by ¥64.5 billion, with operating income improving by ¥55.5 billion. Contributory factors to this turnaround were accelerated decision making on thoroughgoing organizational and structural reforms. Procurement costs were deeply cut as the number of computer chassis was almost halved and use of common parts increased, and through a commitment to international procurement making full use of IT. The concentration of in-house production bases also made a notable contribution to recovery by bringing greater efficiency to distribution and sales while sharpening market responsiveness.

#### Semiconductor Company

The Semiconductor market was buoyant on a booming world economy, with strong stimuli provided by the Athens Olympic Games and the US presidential election. Growth in demand for digital consumer products spurred sales of system LSIs, mainly for mobile equipment, and Discrete Devices, while NAND Flash memories also experienced steadily rising demand. As a result, the Semiconductor business saw higher income than for the year-earlier period. The Semiconductor business is a Toshiba Group core business that will drive the Group's overall growth in coming years.

#### Display Devices & Components Control Center

Restructuring of the Cathode Ray Tube and Rechargeable Battery businesses resulted in a decrease in operating income in this segment. However, the businesses that were spun off recorded favorable results, so achieving the targets of the restructuring.

#### Toshiba Matsushita Display Technology Co., Ltd.

Operating income rose on increased sales of LCDs for portable PCs and Mobile Phones. Contributing factors to this favorable result were a lower reliance on the commodity market and expanded sales of Small- and Medium-sized high-value-added products. This was bolstered by a clear focus on internal reforms, from administration to operations, that achieved reductions in fixed costs and improved yields. In Small- to Medium-sized products, an unequalled combination of differentiated technologies and mass production know-how have secured the number one position in the global market for polysilicon TFT panels for Mobile Phones, Mobile Computers, and On-Board Vehicle use.

#### Industrial and Power Systems & Services Company

The transfer of the Industrial Electric and Automation Systems businesses to affiliates accounted by the equity method brought down overall sales, even as sales rose on increased overseas orders for power plant equipment. In the domestic market, capital expenditure by the manufacturing sector remained steady, but the trend to restrained spending by power utilities and the public sector continued for yet another year. Overseas, demand for power equipment, transportation systems and other systems remained firm in the Asian and North American markets. Toshiba is steadily raising its presence in overseas markets, where the business has held the No.1 share in the market for steam turbines for power generation since 2003.

#### Social Network & Infrastructure Systems Company

On the strength of increased sales of Radio-Wave Systems, including Radar Systems, and Transmission Systems for telecommunications carriers, and deliveries of equipment to regional broadcasting stations readying for the start of nationwide terrestrial digital broadcasts, the business recorded increases in sales revenue and operating income over the previous term.

#### Toshiba Elevator and Building Systems Corporation

Sales revenue increased in 2004 on expansion of the domestic replacement businesses and demand growth in China. Design philosophy adds the important concepts of "Safety," "Security," and "Amenity" to speed, and all of these were brought together in the December 2004 inauguration of the world's fastest elevator in the world's tallest building, the Taipei 101 in Taipei,

## Home Appliances Segment

Toshiba Consumer Marketing Corporation  
Toshiba HA Products Co., Ltd.  
Toshiba Lighting & Technology Corporation  
Toshiba Carrier Corporation  
Toshiba Battery Co., Ltd.



Sales (Billions of yen)



Operating income (loss) (Billions of yen)



## Others

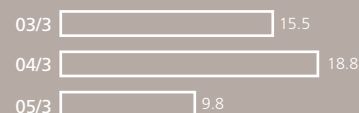
Network Services & Content Control Center  
Other



Sales (Billions of yen)



Operating income (Billions of yen)



Taiwan. The elevator reaches a peak speed of 1,010 meters a minute, and integrates air pressure control into the elevator car for the first time, to improve the comfort of the ride. The status of the elevator as the world's fastest was confirmed by Guinness World Records.

### Toshiba Solutions Corporation

In Japan's uncertain economic climate, it is essential to fulfill market demands by promoting provision of the latest technologies and delivers high quality solutions backed up by experience and a record of past successes. An approach to business grounded in selectivity in deciding the projects in which to concentrate resources is supported by promotion of in-house development of systems and efficiency enhancements in software development. As a result of these measures, Toshiba succeeded in increasing operating income in this fiscal term.

### Toshiba Medical Systems Corporation

Positive sales in all major product areas, including X-ray CT systems and Ultrasound systems, allowed Toshiba Medical Systems Corporation to record better results than in the previous fiscal year. Operations contribute to Group results as a whole as a source of consistent profit. In the domestic market, the business enjoys the lion's share of the market for diagnostic imaging systems. By having a major presence in the global market, Toshiba Medical Systems Corporation is one of the leading companies like General Electric (Company), Siemens (AG), and Koninklijke Philips Electronics (N.V).

### Toshiba Consumer Marketing Corporation

Favorable domestic sales of Drum-Type Washing and Drying Machines, recognized for combining speed with low energy consumption and the industry's quietest operation, of Microwave Ovens that provide easier access, of medium- and large-sized Air Conditioners, and, in lighting, of Cold Cathode Ray Tubes for backlighting LCD panels, all contributed to increased income.

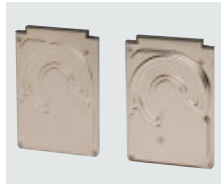
The business continues to offer novel products and services that win market interest and recognition, including the industry's first square shape type fluorescent lamps and web-based health services. In environmentally conscious products, a CFC-free refrigerator that won the Energy Saving Center Chairman's Award, and an industrial-use hot water heating pump boiler (developed in collaboration with Toshiba Electric Appliances Co., Ltd. and Toshiba Carrier Corporation) received the Director-General of the Agency of Natural Resources and Energy Award in the 15th Energy Saving Awards.





#### Mobile Broadcasting Receiver

A receiver dedicated exclusively to receiving mobile broadcasts has been developed to support the commercial launch of "MobaHO!" Operated by Mobile Broadcasting Corporation, this is the world's first multi-channel satellite digital broadcasting service geared toward individuals using mobile equipment. The receiver is light and compact, weighing in at approximately 320 grams, thanks to an LSI developed expressly for mobile broadcasting and incorporation of the antenna into the body of the unit.



#### Perpendicular Magnetic Recording Hard Disk Drive

By bringing perpendicular data recording to magnetic disk data storage, Toshiba has enhanced both HDD recording density and data storage stability. A real recording density of 206 megabits per mm<sup>2</sup> is the highest level yet reported, and was achieved with newly developed magnetic materials in the disk's recording layer. Toshiba expects to be first to commercialize\* a perpendicular HDD in 2005.

\* as of December 14, 2004



#### Ubiquitous Viewer

An achievement of R&D efforts during fiscal 2004, this world-first breakthrough allows remote access and use of all software installed on a PC via a mobile phone. On-screen information from the PC is received as a compressed image, a less data hungry approach that speeds communication. Operation goes beyond browsing to include editing, and changes can be made and results seen and checked by simple button operations.

Digital Products Segment enjoyed a fruitful year. Operating income improved significantly in the PC business, which made marked progress in overcoming recent challenges. Mobile Phone business and Digital Media & Network business brought the guiding concept of "Imaging by Toshiba" to tangible form by developing products that achieved competitive advantage by drawing on the collective strength of Toshiba Group.

Segment sales rose by a robust ¥214.8 billion compared to a year earlier, and operating income and loss showed a notable improvement of ¥31.1 billion against the previous term.

#### Mobile Communications Company

**Results for the term under review:** Sales revenue matched the previous year's, while operating income grew on continuous launches of new models that emphasized high performance and design excellence. In the domestic market, maintained the largest share among Japan's NCCs (New Common Carriers): KDDI Corporation, Vodafone K.K., and TU-KA Cellular Tokyo Inc. In fiscal year 2005, continued reinforcement of the domestic base will be complemented by moves, which are expected to bolster performance, to a stronger presence in Europe and the global market.

**Challenges and strategies:** It is pivotal to continue developing useful, fun to use multimedia Mobile Phones that integrate the highly advanced technologies in which the business excels, including Bluetooth™, MPEG4 image-processing LSI, SD memory cards, Low Temperature Polysilicon LCDs, CMOS camera modules, and kana to kanji Japanese text conversion technology. These capabilities have already won a firm position in the domestic market for CDMA and PDC terminals. In 3G mobile phones, cell phones in the two major formats, W-CDMA and cdma2001X/EV-DO, have already been commercialized. Toshiba is highly proactive on the transition to 3G, a trend now gaining momentum worldwide, and views the shift as a promising opportunity to expand business.

In coming years, imaging technologies in which Toshiba excels will move to center stage, providing a competitive advantage that will be fully promoted. The diverse strengths of Toshiba Group will drive the continuous introduction of advanced, differentiated products that fuse diverse multimedia technologies.

### **Digital Media Network Company**

**Results for the term under review:** Operating income rose on improved sales, primarily in the Color TV business and Storage business. In the TV business, a growing lineup of Flat-Panel Display (FPD) TVs was strongly reinforced by the introduction of the LZ series of network-ready TVs integrating “Meta-Brain,” Toshiba’s proprietary system for bringing advanced intelligence to digital TVs, and the mid-range LC 100 series. Overseas, the unveiling of a Micro-Device Projection TV (MD PJTV) in the US market also contributed to the sales increase. Improved income in the Storage business reflects the positive impact of the new Joint Venture business with Samsung in the Optical Disk Drive (ODD) business. In the Hard Disk Drive (HDD) business, sales of 2.5-inch drives advanced with expanding demand for portable PCs. The market for 1.8-inch HDDs continues to grow, reflecting the explosion in demand for HDD-based digital audio players, and now accounts for 40% of Toshiba’s HDD production. In the latter half of 2004 Toshiba added another strategic product to its portfolio when 0.85-inch HDDs started to ship.

Despite unit sales gains, profit declined against the same period a year ago due to softening prices for TVs, DVD players and recorders, HDDs and ODDs. This was particularly severe in ODDs. As competition on performance specs ended, price competition came to the fore in a level market that undercut profitability.

**Challenges and strategies:** Factors that include continued price pressure promise an increasingly severe TV business environment. In fiscal 2005, Toshiba will promote measures to strengthen the product lineup and the product power of its FPD and PJ TVs, to cut costs by increasing use of common parts and boosting the rate of in-house production of core parts, and to enhance efficiency in production and distribution—all to secure a better profit position. In fiscal 2005, Toshiba will unveil the SED TV, a new, high-value-added product. Along with the HD DVD, the next generation DVD, this will differentiate Toshiba from its competitors in a market moving toward high definition content. Continued growth is expected in the HDD business, on cultivation of new applications,

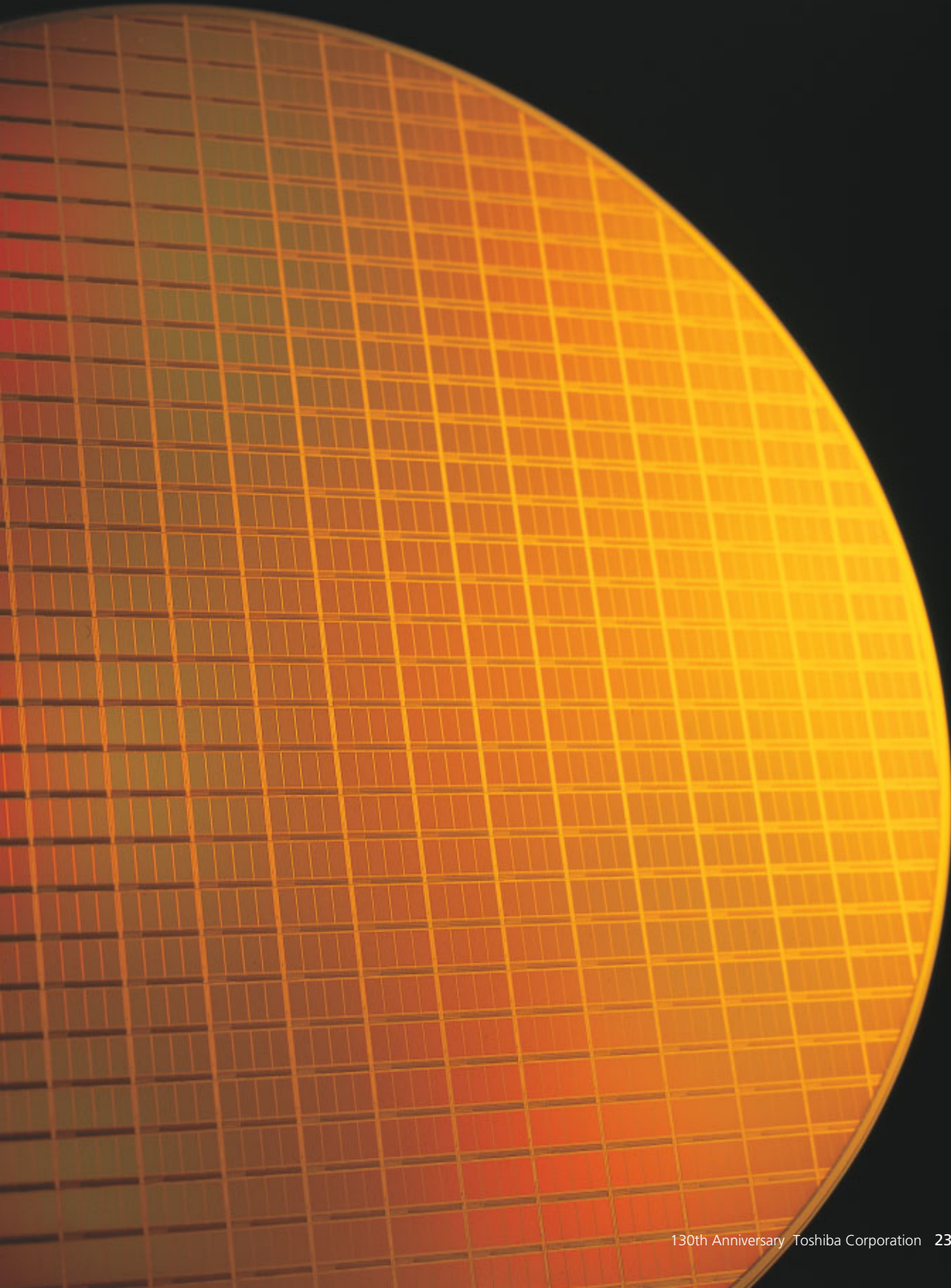
cost reductions and increased production of 2.5-inch and 1.8-inch products, and larger output and storage capacity in the 0.85-inch format. Improved performance and profit and loss in the ODD business will be achieved by a shift to recording drives, such as super multi-drives, and a focus on the thinnest, 9.5mm models with high-value-added. The business will also draw on the still emerging strengths of the new Joint Venture in product development and manufacture, and in widening the lineup and promoting cost reductions. A continuous roll-out of new, differentiated HDD & DVD recorders, a product area where Toshiba has won about 20% of the Japanese market, and of Gigabeat players in the fast growing market for HDD-based digital audio players, will also add to the bottom line.

### **Personal Computer & Network Company**

**Results for the term under review:** Operating income boosted by cultivating overseas growth, especially in the U.S. and Europe. Sales for the term climbed by ¥64.5 billion, with operating income improving by ¥55.5 billion. Contributory factors to this turnaround were accelerated decision making on thoroughgoing organizational and structural reforms. Procurement costs were deeply cut as the number of computer chassis was almost halved and use of common parts increased, and through a commitment to international procurement making full use of IT. The concentration of in-house production bases also made a notable contribution to recovery by bringing greater efficiency to distribution and sales while sharpening market responsiveness.

**Challenges and strategies:** Commoditization is a significant factor in the PC business, and cost competitiveness and differentiating technologies are keys for survival and growth. Concentrating engineering resources on differentiated products, the manufacture of commodity products will be consigned to the Taiwanese ODM to reinforce the foundations of the business by the scale merits of volume production. Within its differentiation strategy, the business launched notebook PCs embodying the concepts of “Audio-Visual (AV)” and “Thin & Light.” AV notebook PCs employ advanced imaging technologies that reproduce beautiful, realistic images, and offer diverse recording functions and more. “Thin & Light” PCs, combine with greater mobility to offer enhanced security functions that not only prevent unauthorized access but protect the Hard Disk Drive and its data from external shock.

By leveraging the convergence of its PC and AV technologies and promoting the PC business globally, the business will maintain its competitive edge.





#### SED, the next generation Flat Panel Display

An achievement of R&D efforts during fiscal 2004, the SED (Surface-conduction Electron-emitter Display) is a thin display that produces images by directing electron beams against a phosphor-coated screen—a process similar to that of the familiar cathode ray tube. The technology was jointly developed with Canon Inc. SED offers the stellar combination of high brightness and resolution, excellent color tone and contrast, and superb reproduction of moving images. All this and low power consumption. The target date for commercialization of SED TV is within fiscal year 2005.



#### The world's smallest fuel cell power supply system

An achievement of R&D efforts during fiscal 2004, this fuel cell is only the size of a thumb at 22 x 56mm, making it the world's smallest fuel cell to produce all the power necessary for powering mobile equipment. The latest prototype can power a portable audio player for as long as 20 hours. In February 2005, the Guinness Book certified Toshiba's fuel cell as the world's smallest.



#### USB Memory

USB memory is clearly a fast growing business. Toshiba is a major presence in the memory card business, which dominates demand in the NAND market, and offers a wide lineup of cards. In fiscal year 2005, sales of NAND Flash memory are expected to be three times more than in the previous year.

With Semiconductor business at its core, the driving force of Toshiba Group's growth, Electronic Devices Segment will create new markets through innovations that advance the emergence of ubiquitous connectivity and that deliver world-leading elemental technologies. In fiscal year 2004, Electronic Devices Segment increased sales by ¥23.6 billion against the previous term, though year-on-year operating income declined by ¥24.5 billion.

### Semiconductor Company

**Results for the term under review:** The Semiconductor market was buoyant on a booming world economy, with strong stimuli provided by the Athens Olympic Games and the U.S. presidential election. Growth in demand for digital consumer products spurred sales of System LSIs, mainly for mobile equipment, and Discrete Devices, while NAND Flash Memories also experienced steadily rising demand. As a result, Semiconductor business saw higher income than for the year-earlier period. Semiconductor business is a Toshiba Group core business that will drive the Group's overall growth in coming years.

Semiconductor operations rest on three main pillars: Discrete Devices, System LSIs, and Memories. Together these form a comprehensive, well-balanced business. Discrete Device business delivers a wide range of products that consistently win the number one share and some 10% of the global market. The main focus is on the high growth markets of East Asia—China, Taiwan, and Korea—and on using deep-rooted technological capabilities to maintain competitive advantage. Increased market share resulted from emphasizing new generations of Power Devices and Optical Devices. CMOS sensors and Analog Devices helped to push up profit in the System LSI business, where the main strategic targets are digital consumer products and mobile equipment. In October 2004, a new 300mm wafer fab went into operation at Oita Operations. Progress in the solutions business will be accelerated, with the SoC business at its core. The goal is to lead the way in supplying the world market with SoC products that bring the industry's most advanced process technologies to general purpose LSI. The key markets will be Broadband Devices and Image Processors for the high growth areas of digital consumer products, mobile equipment, and



networked home appliances. By expanding production at Oita Operations, Toshiba will strengthen the overall competitiveness of its semiconductor business and position itself to respond to growing demand.

NAND Flash Memories are a source of consistent high profit, a business where Toshiba has established a competitive advantage through multi-level cell and advanced process technologies. The market continues to more than double in scale every year, with current demand driven by the explosive popularity of Silicon Audio and fast growing demand for USB Memories. Toshiba's share of the world market, with its strategic partner SanDisk Corporation, is a dominant 40%.

**Challenges and strategies:** The semiconductor market is fiercely competitive, and the winners are those companies able to cultivate leading-edge technologies and use them to bring advanced products to market ahead of the competition.

System LSI is a key area where proactive investment in the development of strategic products will carry Toshiba to the next generation. Most important of these is the CELL processor, the core device for Broadband LSI. Current investment in CELL's development will come to an end in 2006, after which the processor is expected to contribute to profit. In the interim, further growth in markets and market share is expected for the high profit Discrete Devices and NAND Flash businesses, where Toshiba will enhance delivery of competitive products and strengthen cost competitiveness through strategic allocations of development resources. In the NAND Flash business, the new 300mm wafer fab at Yokkaichi Operations was completed in February 2005, and it will start highly efficient mass production in the first half of fiscal year 2005. The focus in the memory market will remain on digital consumer products and mobile equipment and the development of high-value-added products that can make significant contributions to profitability.

#### **Display Devices & Components Control Center**

**Results for the term under review:** Restructuring of the Cathode Ray Tube and Rechargeable Battery businesses resulted in a decrease in operating income in this segment. However, the businesses that were spun off recorded favorable results, so achieving the targets of the restructuring.

**Challenges and strategies:** This is a promising area with a bright future. The Surface-conduction Electron-emitter Display (SED) and Fuel Cells are potential drivers of future growth, significantly positioned at the confluence of Toshiba's technologies and the continuing shift to digitization. The main concern is to achieve early business start-ups and to make both technologies a source of

profit for Toshiba Group. With this in mind, the business is building up all required support resources while accelerating development speed and promoting efficiency through strategic alliances and joint business operations with competitors offering technological synergies. SED Inc., a Joint Venture with Canon Inc. established in October 2004, exemplifies this approach.

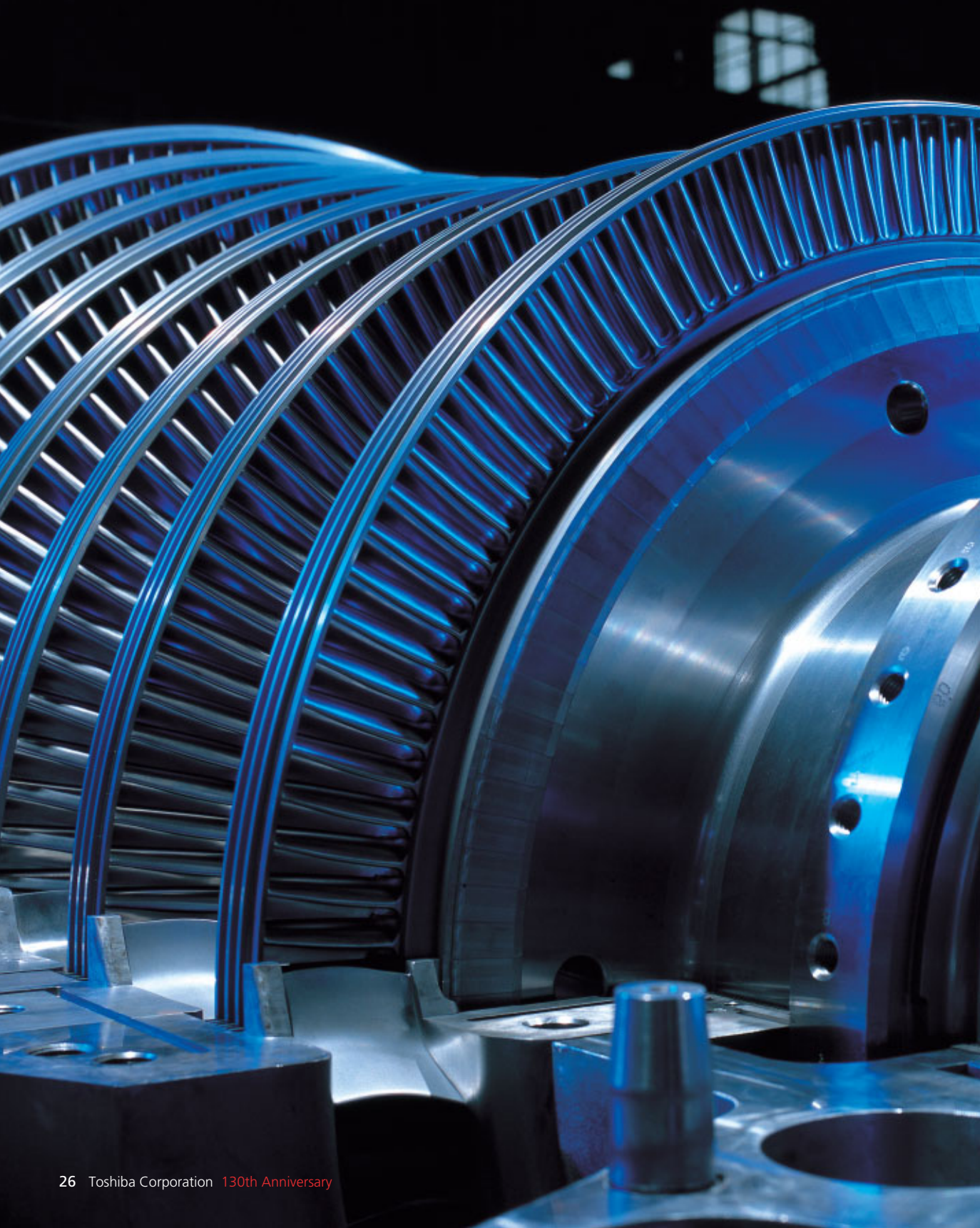
High-end, High-Value-Added 40- to 50-inch SED TVs will be the first products in a market where expansion is keenly anticipated. An investment of ¥180 billion is planned for 2007, and from 2006 to 2008, when demand will climb on the dual attractions of the World Cup soccer finals and the Beijing Olympics, the market for large FPD TVs is expected to climb to 8.5 million units a year worldwide.

As demand grows for durable mobile products' power, so does demand for batteries. Fuel Cells surpass rechargeable batteries in charge time, and are set to become a major force in the ¥1-trillion mobile battery market. This trend will be reinforced by continued advances in digital home appliances and the start of digital broadcasting. Toshiba enjoys unparalleled strengths in fuel cells, and will turn these into an unbeatable market advantage.

#### **Toshiba Matsushita Display Technology Co., Ltd.**

**Results for the term under review:** Operating income rose on increased sales of LCDs for portable PCs and Mobile Phones. Contributing factors to this favorable result were a lower reliance on the commodity market and expanded sales of Small- and Medium-sized high-value-added products. This was bolstered by a clear focus on internal reforms, from administration to operations, that achieved reductions in fixed costs and improved yields. In Small- to Medium-sized products, an unequalled combination of differentiated technologies and mass production know-how have secured the number one position in the global market for polysilicon TFT panels for Mobile Phones, Mobile Computers and On-Board Vehicle use.

**Challenges and strategies:** Two major business challenges must be met and overcome. First, it is essential to accelerate the speed of return on investment by launching differentiated products in the short term, in order to secure profit in a highly competitive global environment. As investment is made within cash flow, how much of a return can be achieved is a key issue. The other concern is the need for an enhanced presence in overseas markets. The domestic markets for Car Navigation systems and Mobile Phones are mature, and the goal is to claim the world's first position for the Small- and Medium-sized displays that are Toshiba's specialty.

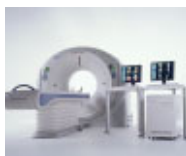


As a generator of steady sales and profit, Social Infrastructure Segment is essential to Group operations, a source of technologies and products that bring comfort and convenience to daily life and that add to the quality of life of people everywhere. In the year under review, the Social Infrastructure Segment saw sales increase by ¥51.2 billion from the previous term, but operating income declined by ¥10 billion.



#### World's Fastest Elevator for the Super Skyscraper TAIPEI101

The world's tallest skyscraper\* also boasts the world's fastest elevators. The Toshiba elevators installed in TAIPEI101 in Taipei, Taiwan travel at a scorching 1,010m/min. But speed was only one concern during development, along with the quality of the ride and total safety. Innovations include the world's first barometric pressure control equipment, which eases pressure on the ear. The elevator was certified as the world's fastest by the Guinness Book in December, 2004. \* As of December 31, 2004



#### 64-row Detector CT Scanner

The latest Multi-Slice CT scanner acquires 64 slices simultaneously, at 0.5mm per slice, with each scan taking only 0.4 seconds. Designed for high-speed operation and high resolution, it integrates a 64-row detector technology and high-speed image reconstruction technology to deliver standout performance. Industry-leading image resolution and high temporal resolution deliver the speed and accuracy necessary for diagnostics, delivering clear images of internal damage and pathologic changes in a short time. The system is patient-friendly, particularly for the examination of heart disease, where minimized examination times are a major plus.



#### Pedestrian Face Identification System

An achievement of R&D efforts during fiscal 2004, this high performance face recognition system allows identities to be checked and verified as people are walking. Integration of technologies for quickly isolating a suitable image and for fast facial feature matching assures stable, reliable identification. A wide range of applications is anticipated, including entry and exit control at office buildings and apartments, and identification systems at airports, stations, and other locations.



#### Portable 3D Ultrasonic Inspection System (Matrixeye™ 64)

Development and commercialization of this portable system has brought a new level of mobility to ultrasonic inspection. The equipment can be carried to a worksite, where its dedicated ultrasonic array probe and image processing technologies allow 3D imaging of parts made with CFRP, metal, and other materials. Any defects can be detected nondestructively.

## Industrial and Power Systems & Services Company

**Results for the term under review:** Overall sales rose on increased overseas sales for power plants, even as the Industrial Electric and Automation Systems businesses were transferred to equity method affiliates.

In the domestic market, capital expenditure by the manufacturing sector remained steady, but the trend to restrained spending by power utilities and the public sector continued for yet another year. Overseas, demand for power equipment, transportation systems, and other systems remained firm in the Asian and North American markets. Toshiba is steadily raising its presence in overseas markets, where the business has held the No. 1 share in the market for steam turbines for power generation since 2003.

**Challenges and strategies:** It is essential to make the transition to a global presence by expanding overseas, moving away from a traditional concentration on the domestic market.

At the moment, overseas business accounts for approximately 30% of total sales, and is centered on thermal power generating plants. The main emphasis will be on the Asian and North American markets, where demand is firm, and expansion will be sought in all main business areas, including Electric Power, Transportation, and Water and Sewage systems.

China is seen as a particularly promising market and the primary source of growth. In light of this, efforts will be made to develop and expand local manufacturing and sales. Typical of this approach are two new subsidiaries, established recently, to handle Hydro Power Equipment and Water and Sewage systems. This brings the total of Power and Social Systems-related companies in China to 11. These companies promote local business, and are also manufacturing bases for products and components that supply the Japanese and international markets.

As it builds today's infrastructure, Toshiba also looks to cultivate new businesses for tomorrow. In coming years, Fuel Cells are expected to find wide application as a trump card against global warming. In readiness for this, the business turned its Joint Venture with U.S.-based technology partner, United Technologies Corporation (UTC), into a 100% subsidiary that is now accelerating development of 1kW class Fuel Cells for the Japanese market. Other areas where Toshiba is rolling out new products and technologies for new markets include Information Systems, Superconductive Equipment, and Inspection systems.

## Social Network & Infrastructure Systems Company

**Results for the term under review:** Operations achieved increases in revenue and profit compared to the previous term, on improved performance in radio-wave systems, such as Radars and Transmissions systems for Telecommunications

Carriers, and on the start of deliveries of equipment to regional broadcasters in connection with the start of nationwide terrestrial digital broadcasting.

**Challenges and strategies:** Businesses in the areas of Radio-Wave systems, Automated Information systems and Broadcasting Network systems will make the transition to the global scale, drawing on advanced technologies and systems that can anticipate emerging customer demands, while continuing to cultivate the domestic market.

Efforts to create new businesses and new markets will be promoted with various systems that apply Toshiba's core technologies, such as Radio-Wave Wireless, Broadcasting, and Network Technologies. In security, a business area that is expected to see significant growth, the focus will be on identification systems that utilize facial recognition technologies and the IC-card business.

#### **Toshiba Elevator and Building Systems Corporation**

**Results for the term under review:** Sales revenue increased on expansion of the domestic replacement businesses and demand growth in China. Design philosophy adds the important concepts of "Safety," "Security," and "Amenity" to speed, and all of these were brought together in the December 2004 inauguration of the world's fastest elevator in the world's tallest building, the Taipei 101 in Taipei, Taiwan. The elevator reaches a peak speed of 1,010 meters a minute, and integrates air pressure control into the elevator cage for the first time, to improve the comfort of the ride. The status of the elevator as the world's fastest was confirmed by Guinness World Records.

**Challenges and strategies:** Relying on the ability to develop and deliver world-class technologies, sales activities will intensify in Super-high-speed Elevators, Double-deck Elevators, and High-speed Elevators for High-rise Buildings. The business will also utilize technological advances to standardize elevators for Low- to Mid-rise buildings, using them to enhance rider comfort and security. In tandem with these efforts, operations also continue to push structural reforms to cut costs, and to bring added value to products that will support continued expansion in the highly profitable elevator replacement market. From a strong domestic base, where the business numbers among the "Big Three," Toshiba Elevator and Building System Corporation will actively promote a heightened presence in the global market. An advantageous position in growth markets, particularly China, will bring support in boosting overseas sales from 10% to 20% of overall sales.

#### **Toshiba Solutions Corporation**

**Results for the term under review:** Under Japan's uncertain economic climate, it is essential to fulfill market demands by promoting provision of the latest technologies and delivers high quality solutions backed up by experience and a record of past successes. An approach to business

grounded in selectivity in deciding the projects in which to concentrate resources is supported by promotion of in-house development of systems and efficiency enhancements in software development. As a result of these measures, successfully increased profit in this fiscal term.

**Challenges and strategies:** Customer satisfaction is the main concern in every decision. By further enhancing cooperation among sales, technology and development divisions support provision of high-value-added solutions that quickly and fully meet diversified and complicated customer needs. Through this approach, Toshiba will further promote its solutions businesses, including solutions for government, public offices, and autonomous bodies; private sector solutions covering different business categories and operations in manufacturing and distribution; platform solutions that support systems by integrating optimum service and product; and engineering solutions that deliver on-site support by utilizing technologies and experiences.

#### **Toshiba Medical Systems Corporation**

**Results for the term under review:** Positive sales in all major product areas, including X-ray CT systems and Ultrasound systems, allowed better results than in the previous fiscal year. Operations contribute to Group results as a whole as a source of consistent profit. In the domestic market, the business enjoys the lion's share of the market for diagnostic imaging systems. By having a major presence in the global market, Toshiba Medical Systems Corporation is one of the leading companies like General Electric (Company), Siemens (AG), and Koninklijke Philips Electronics (N.V.).

**Challenges and strategies:** In a completely globalized market, guided by global standardization, the challenge is the development of diagnostic imaging technologies and products that can set standards and win competitive advantage over those of competitors. That requires a global mindset, from product development and throughout the business, combined with technological edge to secure a leading share in the world CT system market. As the medical equipment sector is strongly influenced by government policy and national medical systems, country- and region-appropriate strategies are developing. By having high expectations customers, Japan's top medical equipment manufacturers compete with a full lineup of products. In the U.S., the cutting-edge frontier of medical care, the business won both Frost & Sullivan's Marketing Award and the Technology Award two years in succession, recognition from one of America's leading marketing firms of prowess in marketing and the quality of the CT and Ultrasound systems. By riding this wave of recognition, the goal is to take a place among the leaders in diagnostic imaging equipment.





#### **Drum Type Washer-Dryer: the Industry No. 1 for Low Noise and Energy Consumption with High Speed Operation**

A drum type home laundry, bringing together washing machine and dryer, leads the industry in low noise, low power consumption, and high-speed operation. The newly developed S-DD (Super Direct Drive) inverter motor and new control technologies bring a new level of performance to home laundry equipment, and give Toshiba the industry's No. 1 position in achieving low noise operation.

\* January 19, 2005, for drum type washer-dryers; 8kg washer, 6kg dryer capacities



#### **Refrigerators with Nano Optic Plasma Enhanced Deodorizing Function**

This chlorofluorocarbon-free refrigerator uses a newly developed nano optic plasma deodorizer to scrub the cool air in the refrigerator. By fully decomposing the ethylene naturally produced by vegetables, it removes odors, preventing their transfer from food to food—even foods that are not wrapped in cellophane. This deodorization capability continues for approximately 12 years, without any need to change parts or filters. In addition, newly developed parallel motor control technology improves cooling efficiency, contributes to lower energy consumption, and keeps food fresh.



#### **Home Robots**

An achievement of R&D efforts during fiscal 2004, two new prototype robots demonstrate how robots can “live” alongside people as life support partners. “ApriAlpha™ V3,” can identify a particular voice and its direction of origin from among multiple voices, and respond to the commands of the speaker. The “ApriAttenda™” can recognize and follow a registered person, and search for the person if contact is lost. Toshiba will develop robots that promote development of other sophisticated attributes, with the goal of commercialization in five or six years time. The robots are expected to provide life support.

Home Appliances Segment is responding to severe competitive environments at home and overseas by promoting improved operating and cost efficiency. In product development, Toshiba is promoting unique, “Toshiba-Only” products that will be the first choice of customers. In the fast growing Chinese market take an aggressive stance toward business that includes the recent establishment of two Joint Ventures. In fiscal 2004, sales increased by ¥23.7 billion over the previous term, though operating income declined by ¥6.8 billion.

### **Toshiba Consumer Marketing Corporation**

**Results for the term under review:** Favorable domestic sales of Drum Type Washing and Drying Machines, recognized for combining speed with low energy consumption and the industry's quietest operation, of Microwave Ovens that provide easier access, of Medium- and Large-sized Air Conditioners, and, in lighting, of Cold Cathode Ray Tubes for backlighting LCD panels, all contributed to increased income.

The business continues to offer novel products and services that win market interest and recognition, including the industry's first square-shaped fluorescent lamps and web-based health services. In environmentally conscious products, a CFC-free refrigerator won the Energy Saving Center Chairman's Award, and an industrial-use hot water heating pump boiler (developed in collaboration with Toshiba Electric Appliances Co., Ltd. and Toshiba Carrier Corporation) received the Director-General of the Agency of Natural Resources and Energy Award in the 15th Energy Saving Awards.

**Challenges and strategies:** Operations face two significant challenges: achieving cost reductions and expanding overseas businesses. The ability to counter steeply rising materials prices and falling sales prices requires innovations and structural reforms to assure stable income. Overseas, by cultivating new markets and enhancing manufacturing and sales operations in Asia, Toshiba pays particular attention to the high growth market of China, where the business is promoting two Joint Ventures, one with TCL Corporation for the manufacture and sale of Refrigerators and Washing Machines, the second with GD MIDEA HOLDING CO., LTD, to manufacture Air Conditioners and parts.

This year, 2005, is both the 130th anniversary of Toshiba Corporation and the 75th anniversary of its first Refrigerators and Washing Machines. Toshiba commemorates this with special anniversary products in the domestic market.

**Toshiba's Targets under the Company with Committees System<sup>\*1</sup>**

In June 2003 Toshiba adopted the Company with Committees System with the following objectives: 1) to reinforce the supervisory function of management and enhance transparency, 2) to improve management flexibility, and 3) to enhance risk management and compliance systems.

In December 2004 the Corporate Governance Committee was established to consider basic principles related to the governance of Toshiba Group.

<sup>\*1</sup> Company with Committees System

Companies can choose this structure under the revised Commercial Code of Japan, which came into effect in April 2003. Within the board of directors this establishes nominating, audit, and compensation committees, which must be comprised of a majority of outside directors, and without the assignment of statutory corporate auditors. Executive officers serve in an executive body.

**Toshiba's Governance Structure**

Of 14 directors, seven directors are non-executive officers (four outside directors, the chairman of the board of directors, and two full-time audit committee members). Majorities of the members of all the three committees are outside directors. The Nominating Committee and the Compensation Committee are chaired by outside directors.

According to the Commercial Code of Japan regarding a company with committees, the nominating committee prepares proposals concerning the appointment and dismissal of directors. At Toshiba the Nominating Committee has additional responsibilities, including the preparation of proposals concerning appointment and dismissal of the president and of committee members.

Regarding management supervision and auditing, Toshiba has put in place a system in which executive officers report to the board of directors and the Audit

Committee about matters that have significant influence on management and operating performance. Also, the Corporate Audit Division responsible for internal auditing, which directly reports to the president, is working in cooperation with the Audit Committee.

**Compensation for Directors**

Directors receive fixed amounts of compensation based upon their duties and whether they are full- or part-time directors.

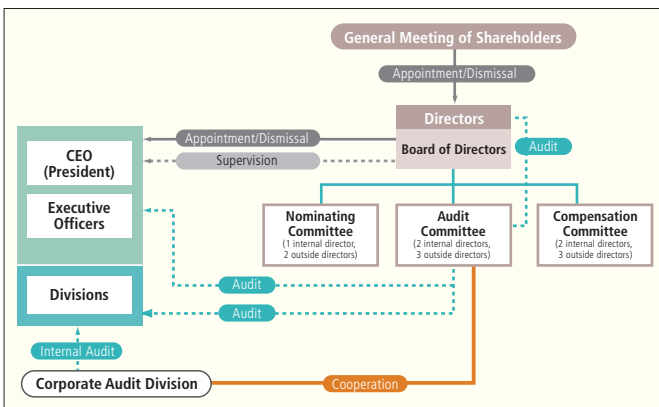
Executive officers receive compensation according to their titles and duties. 35% of the compensation according to duties varies from no payment to twice the normal amount depending on the financial performance of Toshiba or the business for which the executive officer is responsible.

**Total Amount of Compensation Paid to Directors and Executive Officers (Toshiba Corp.)**

		Number of members	Compensation amount (Millions of yen)
Board of directors	Compensation for directors	10	190
	Retirement benefits for directors	3	48
Executive officers	Compensation for executive officers	39	942
	Retirement benefits for executive officers	5	91

Note: Compensation for directors who are also executive officers is included in compensation for executive officers.

**Toshiba's Corporate Governance Structure**



## CSR Management

Toshiba Group's basic policy rests on "making people's dreams come true, and continuing to provide reassurance and smiles through products and services that change society." The Company is quick to read the way ahead and combine its diverse strengths. Through highly agile management, the company will realize both high growth and stable profitability.

Toshiba Group positions Corporate Social Responsibility (CSR) activities as a main pillar for management. To earn the trust of society, our business activities must be fair. Toshiba Group places the highest priority on "human life and safety" and "legal compliance" throughout our business activities. To put this into practice, Toshiba Group places the principles of corporate social responsibility at the heart of business management. In this way legal compliance, human rights, the environment, customer satisfaction, and corporate citizenship are all systematically managed as an integral part of our business.

### Compliance and Risk Management

By integrating risk management with compliance covering laws and regulations, social norms, and corporate ethics, Toshiba Group is ensuring the fairness and transparency of its management system.

### Thorough Implementation of the Toshiba Group Standards of Conduct

In January 2004 Toshiba defined new Toshiba Group Standards and translated them into 12 languages. In the course of the year, approximately 400 Toshiba Group Companies around the world adopted the Toshiba Group Standards of Conduct and followed up with education programs to achieve full understanding and adherence on the part of all employees in all aspects of business. As an important compliance theme, we put in place an organizational structure and conducted education in preparation for the full enforcement of the Personal Information Protection Law in Japan in April 2005.

In fiscal 2005, in accordance with Toshiba Group Compliance Policy, we will continue efforts to inculcate the Toshiba Group Standards of Conduct throughout the worldwide Group. Also, education will be stressed to enhance awareness concerning compliance, including compliance with the Personal Information Protection Law.

### Risk Management & Compliance Promotion Structure

Toshiba has appointed a senior corporate executive as the Chief Risk-Compliance Management Officer (CRO). The CRO leads Toshiba's efforts to ensure compliance with Toshiba Group Standards of Conduct and promote risk management. The Risk-Compliance Committee chaired by the CRO determines measures and promotes their implementation in cooperation with the organizations concerned. Also, each in-house company has a risk-compliance officer and a risk compliance committee.

In the event of an emergency, the CRO takes the initiative in swift and appropriate risk management in cooperation with the organizations concerned.

The five subcommittees, including the Corporate Risk Management Committee and the Corporate Lawsuit Committee, deal with specific issues such as quality, major earthquakes, and the environment.

The board of directors supervises implementation and promotion of internal control systems concerning risk management and compliance.

### Enhanced Whistleblower System

Toshiba initiated a whistleblower system, the Risk Hotline, in January 2000. Many Group companies have introduced similar systems. Whistleblowers can also send information by email via the intranet or contact the Legal Affairs Division. Early and clear understanding of internal risk is essential to assuming an early solution.

To further enhance the whistleblower system, since January 2005 it has been possible to contact an external attorney in addition to the Legal Affairs Division, thereby enhancing the transparency of the system and convenience for whistleblowers as well as taking advantage of the expertise of the attorney.

In fiscal 2005 major Toshiba Group companies will enhance their whistleblower systems by establishing a channel for contacting attorneys.



**Toshiba's Engagement in Environmental Activities**  
 Toward Doubling Toshiba Group's Total Eco-efficiency  
 Restating our Environmental Vision

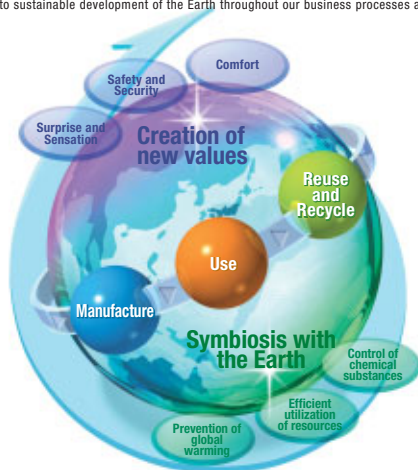
Toshiba reaffirmed the Toshiba Group Environmental Vision in March 2005, and declared that the company would take a proactive leadership role in working toward a sustainable society. Creating affluence and value while coexisting with the earth is the essence of the Company's slogan, "Committed to People. Committed to the Future. TOSHIBA," and Toshiba acts on this by promoting eco-friendliness throughout the product lifecycle: in every stage from development and production, through customer use and on to recycling of end-of-life-products.

Looking further to the future, we have established Toshiba Group's Environmental Vision 2010 with the aim of doubling total business process eco-efficiency in fiscal 2010, against a fiscal 2000 benchmark. The vision will be promoted through a detailed, nine-item action plan that sets targets to take us toward 2010. As part of this, we will extend our current action plans to all Toshiba Group companies, and to all business processes. We will also promote environmental management with the target of simultaneous advances in our business activities and preservation of the global environment by improving eco-efficiency throughout product lifecycles, and through measures to prevent global warming, assure effective utilization of resources, and strengthen management of chemical substances throughout our business processes.

**Toshiba Group's Environmental Management**

**Committed to People. Committed to the Future. Toshiba**

Contribute to sustainable development of the Earth throughout our business processes and products



**Toshiba Embraces and Promotes the Spirit of the United Nations Global Compact Initiative**

Toshiba Group is a signatory to the Global Compact that is promoted by the United Nations and promotes universal principles on human rights, labor rights, and protection of the environment.

Under the spirit of this Global Compact, Toshiba established CSR-based procurement policies in February 2005. These stress consideration for legal compliance, human rights, and environmental protection in procurement activities, and we ask our partner companies worldwide to adopt a similar approach.

In addition, Toshiba is concerned to ensure that people everywhere benefit from the opportunities and benefits that are brought about by globalization. The Company will direct its energies to providing educational support for children in China and Asia and contribute to efforts to bridge the digital divide.



Top: We have opened six Toshiba Hope Elementary Schools in China as of 2004.

Below: Toshiba supports elementary schools in Indonesia through educational materials and school facilities.

For the details of Toshiba's social and environment activities, please refer to the CSR Report 2005.

<http://www.toshiba.co.jp/csr/en/>

## Investor Relations (IR)

### Basic Policy on Timely Disclosure

The “Toshiba Group Standards of Conduct” require that Group companies “endeavor to obtain the understanding of stakeholders, including customers, shareholders, investors, and the local community, in respect of corporate activities, products, and services, and further improve public recognition of Toshiba Group and its corporate image by means of positive and timely corporate communications activities on corporate information, such as corporate strategy and financial data.” This statement defines the basic policy that guides the Group.

### Standards for Information Disclosure and Disclosure Practices

Toshiba Corporation’s information disclosure meets the requirements of the Securities Exchange Law, other legislation, and rules on timely disclosure defined by the stock exchanges on which Toshiba Corporation is listed.

In addition to this, Toshiba Corporation also discloses information not required under rules on timely disclosure, covering such matters as decisions made by the company, events related to the company and items connected to settlement of accounts, in the event that such matters are considered to have the potential to impact on investment decisions by interested parties. Such matters are disclosed as promptly and comprehensively as possible.

In carrying out information disclosure such as these mentioned above, Toshiba Corporation makes full use of the electronic facilities provided by stock exchanges, including the Tokyo Stock Exchange’s TDnet and the Osaka Stock Exchange’s ED-NET. Information disclosed on TDnet and ED-NET is also promptly disclosed via other media, including the Toshiba Web site and direct e-mail.

Regarding the disclosure of information not required by rules for timely disclosure, Toshiba Corporation fully respects and observes the need for timely disclosure, and makes every effort to assure full and fair disclosure to investors by appropriate methods.

### Preparation and Delivery of Materials for Disclosure

- Disclosure materials related to the settlement of accounts
- Systematic disclosure materials including short statements on settlement of accounts announcements, asset securities reports, notices of resolutions, and business reports
- Voluntarily disclosed materials including annual reports, fact books, and business reports (“To all shareholders”)
- Relevant disclosed materials posted on the Web site

### Third-party Evaluation of Toshiba’s IR Activities

- Selected as a Superior Corporate Disclosure Company of the year 2004 by the Tokyo Stock Exchange.
- Selected as best Corporate Website of the Year 2004 by Nikko Investor Relations Co.
- Selected for the DJSI (Dow Jones Sustainability Indexes), the primary SRI (Social Responsibility Investment) stock indexes.
- Certified as the second electrical products manufacturer among 16 companies from around the world included in the social responsibility rating issued by OCT (Öcom Computertechnologie GmbH.)
- Selected for MS-SRI (the Japanese social responsibility stock index), an index of 150 stocks produced by Morning Star Japan K.K.
- Selected for inclusion in the corporate governance fund operated by the Pension Fund Association.



Business Report  
(Available only in Japanese)



Annual Report



Fact Book



IR Site

## Board of Directors and Executive Officers



### Board of Directors

#### Chairman of the Board/Director

Tadashi Okamura

#### Directors

Atsutoshi Nishida	Takeshi Nakagawa	Sadazumi Ryu	Shigeo Koguchi	Yoshiaki Sato
Yuji Kiyokawa	Toshitake Takagi	Takeshi Iida	Masaki Matsuhashi	Sakutarō Tanino
Yasuhiko Torii	Shunsaku Hashimoto	Atsushi Shimizu		

### Executive Officers

#### President and Chief Executive Officer

Atsutoshi Nishida

#### Corporate Senior Executive Vice Presidents

Takeshi Nakagawa

Sadazumi Ryu

Shigeo Koguchi

Yoshiaki Sato

#### Corporate Executive Vice Presidents

Yuji Kiyokawa

Tsuyoshi Kimura

Toshitake Takagi

Masao Niwano

Makoto Azuma

Toshio Yonezawa

#### Corporate Senior Vice Presidents

Tsutomu Miyamoto

Yoshihiro Nitta

Yoshihide Fujii

Hisatsugu Nonaka

Masao Namiki

Masashi Muromachi

#### Corporate Vice Presidents

Shunsuke Kobayashi

Toru Uchiike

Mutsuhiko Arinobu

Fumio Muraoka

Ichiro Tai

Nobuhiro Yoshida

Toshinori Moriyasu

Hisayoshi Fuwa

Toshiharu Kobayashi

Chikahiro Yokota

Kazuo Tanigawa

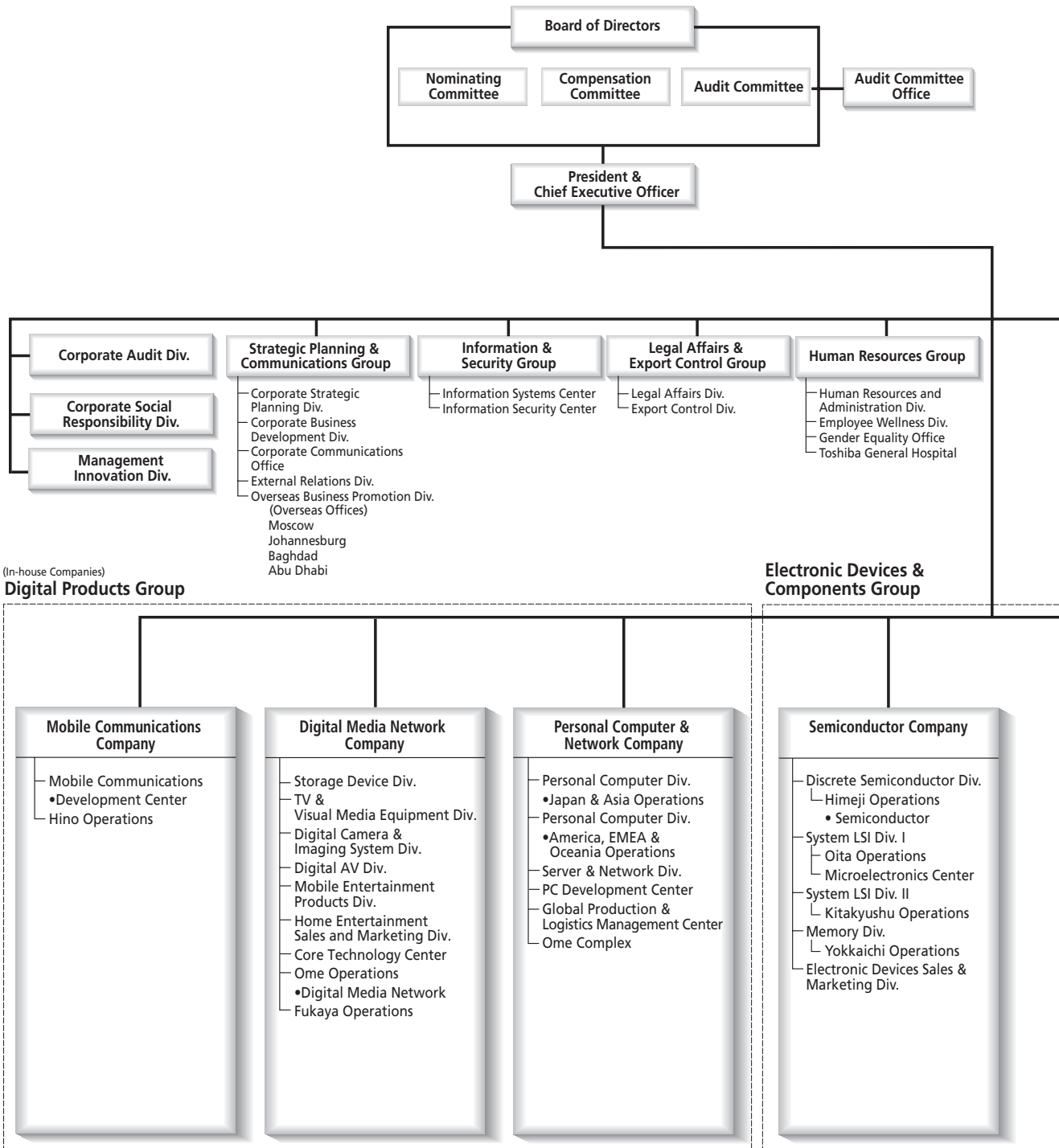
Michiharu Watanabe

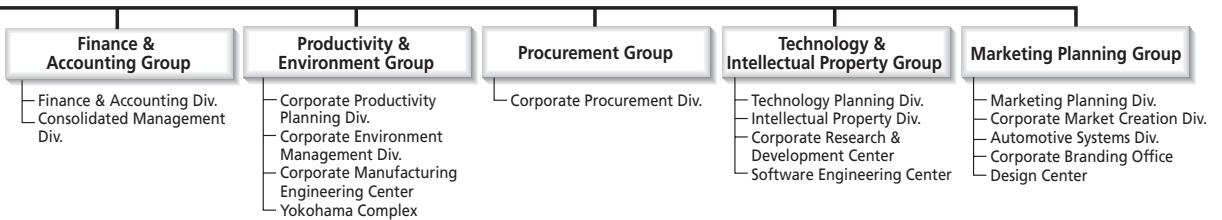
Norio Sasaki

Kazunori Fukuma

(As of June 24, 2005)

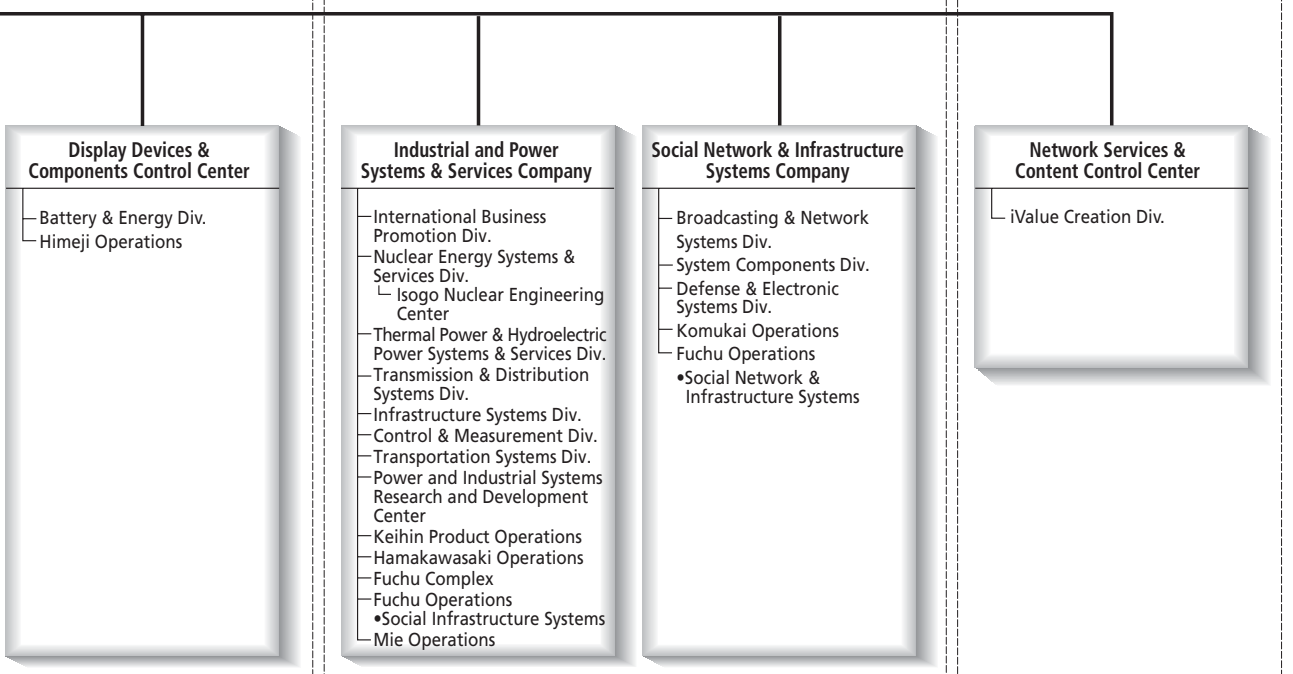
# Organization Chart





**Infrastructure Systems Group**

**(Network Services & Content Group)**



(As of June 1, 2005)

### Overseas Offices

#### EUROPE

Moscow

#### AFRICA

Johannesburg

#### MIDDLE EAST

Baghdad

Abu Dhabi

### Overseas Subsidiaries and Affiliates

#### North America

Toshiba of Canada, Ltd.  
*Canada*

Toshiba America, Inc.  
*U.S.A.*

Toshiba America Capital Corporation  
*U.S.A.*

Toshiba America Research, Inc.  
*U.S.A.*

Toshiba America Medical Systems, Inc.  
*U.S.A.*

Toshiba America MRI, Inc.  
*U.S.A.*

Applied Super Conetics, Inc.  
*U.S.A.*

Toshiba America Information  
Systems, Inc.  
*U.S.A.*

Toshiba America Business  
Solutions, Inc.  
*U.S.A.*

Toshiba America Consumer  
Products, L.L.C.  
*U.S.A.*

Toshiba International Corporation  
*U.S.A.*

Toshiba America Electronic  
Components, Inc.  
*U.S.A.*

#### Latin America

Toshiba de Mexico, S.A. de C.V.  
*Mexico*

Toshiba Electromex, S.A. de C.V.  
*Mexico*

GE Toshiba Turbine Components de  
Mexico S.R.L. de C.V.  
*Mexico*

Toshiba de Venezuela C.A.  
*Venezuela*

Semp Toshiba Amazonas S.A.  
*Brazil*

T and S Serviços Industrias Ltda.  
*Brazil*

Toshiba do Brasil, Ltda.  
*Brazil*

Toshiba Medical do Brasil, Ltda.  
*Brazil*

Toshiba Electronics do Brasil Ltda.  
*Brazil*

#### Europe

Toshiba of Europe Limited  
*U.K.*

Toshiba International Finance (UK) Plc.  
*U.K.*

Toshiba Research Europe Limited  
*U.K.*

Toshiba Information Systems (UK) Ltd.  
*U.K.*

TTI Card Technology Europe Limited  
*U.K.*

Toshiba International (Europe) Ltd.  
*U.K.*

Toshiba Medical Systems Ltd.  
*U.K.*

Toshiba International Finance  
(Netherlands) B.V.  
*The Netherlands*

Toshiba Medical Systems Europe B.V.  
*The Netherlands*

Toshiba Medical Systems NV/SA  
*Belgium*

Toshiba Europe GmbH  
*Germany*

Toshiba Semiconductor G.m.b.H.  
*Germany*

Toshiba Electronics Europe GmbH  
*Germany*

Toshiba Medical Systems GmbH  
*Germany*

Toshiba Systemes (France) S.A.  
*France*

Schneider Toshiba Inverter S.A.S.  
*France*

Schneider Toshiba Inverter Europe  
S.A.S.  
*France*

Toshiba Medical France S.A.  
*France*

Toshiba Medical Systems Gesellschaft  
m.b.H.  
*Austria*

LLC Toshiba Digital Media Network  
CIS  
*Russia*

Toshiba Medical Systems AG  
(Switzerland)  
*Switzerland*

Toshiba Medical Systems S.R.L.  
*Italy*

Toshiba Medical Systems S.A.  
*Spain*

#### Middle East

Toshiba Gulf FZE  
*U.A.E.*

Toshiba El Araby Home Appliances  
Marketing Company  
*Egypt*

#### Asia

Toshiba China Co., Ltd.  
*The People's Republic of China*

Toshiba Dalian Co., Ltd.  
*The People's Republic of China*

Toshiba Hangzhou Co., Ltd.  
*The People's Republic of China*

Hangzhi Machinery & Electronics  
Company Limited  
*The People's Republic of China*

Ningbo Toshiba Huatong Switchgear  
Co., Ltd.  
*The People's Republic of China*

Guangzhou Toshiba Baiyun  
Electrical Equipment Co., Ltd.  
*The People's Republic of China*

Dalian Toshiba Locomotive Electric Equipment Co., Ltd. <i>The People's Republic of China</i>	<i>The People's Republic of China</i> Toshiba Elevator Shenyang Company Limited	Toshiba Semiconductor (Thailand) Co., Ltd. <i>Thailand</i>
Dalian Toshiba Broadcasting Systems Co., Ltd. <i>The People's Republic of China</i>	<i>The People's Republic of China</i> Toshiba Elevator Shanghai Co, Ltd. <i>The People's Republic of China</i>	Toshiba Electronics Service (Thailand) Co., Ltd. <i>Thailand</i>
Dalian Toshiba Television Co., Ltd. <i>The People's Republic of China</i>	Toshiba Products & Services (Shanghai) Co, Ltd. <i>The People's Republic of China</i>	Toshiba Consumer Products (Thailand) Co., Ltd. <i>Thailand</i>
Toshiba Computer Systems (Shanghai) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Electronics Korea Corp. <i>The Republic of Korea</i>	Toshiba Sales and Services Sdn. Bhd. <i>Malaysia</i>
Toshiba Information Equipment (Hangzhou) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Digital Media Network Korea Corp. <i>The Republic of Korea</i>	Toshiba Electronics Malaysia Sdn. Bhd. <i>Malaysia</i>
Toshiba Storage Device (Shanghai) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Electronics Software Solutions Korea Corp. <i>The Republic of Korea</i>	Toshiba Electronics Trading (Malaysia) Sdn. Bhd. <i>Malaysia</i>
Toshiba Visual Imaging Systems (Shenzhen) Ltd. <i>The People's Republic of China</i>	Toshiba Elevator Korea, Inc. <i>The Republic of Korea</i>	TOS Energy Malaysia Sdn Bhd <i>Malaysia</i>
Toshiba Personal Computer & Network (Shanghai) Co., Ltd. <i>The People's Republic of China</i>	Taiwan Toshiba International Procurement Corp. <i>Taiwan</i>	Toshiba Capital (Asia) Ltd. <i>Singapore</i>
Changzhou Toshiba Transformer Co., Ltd. <i>The People's Republic of China</i>	Toshiba Information, Industrial and Power Systems Taiwan Corp. <i>Taiwan</i>	Toshiba Asia Pacific Pte., Ltd. <i>Singapore</i>
Toshiba Electronics (Shanghai) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Digital Media Network Taiwan Corp. <i>Taiwan</i>	Toshiba Data Dynamics Pte., Ltd. <i>Singapore</i>
Toshiba Electronics (Shenzhen) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Memory Semiconductor Taiwan Corp. <i>Taiwan</i>	Toshiba Singapore Pte., Ltd. <i>Singapore</i>
Toshiba Semiconductor (Wuxi) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Electronics Taiwan Corp. <i>Taiwan</i>	Toshiba Electronics Asia (Singapore) Pte., Ltd. <i>Singapore</i>
Tsurong Xiamen Xiangyu Trading Co., Ltd. <i>The People's Republic of China</i>	Toshiba Hong Kong Ltd. <i>Hong Kong SAR</i>	Toshiba Medical Systems Asia Pte., Ltd. <i>Singapore</i>
Toshiba Refrigerator (Xi'an) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Electronics Asia, Ltd. <i>Hong Kong SAR</i>	Toshiba Consumer Marketing (Singapore) Pte., Ltd. <i>Singapore</i>
Toshiba Consumer & Lighting Products Trading (Shanghai) Co., Ltd. <i>The People's Republic of China</i>	Toshiba International Procurement Hong Kong Ltd. <i>Hong Kong SAR</i>	P.T. Toshiba Consumer Products (Indonesia) <i>Indonesia</i>
Toshiba Washing Machine (Wuxi) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Information Equipment (Philippines), Inc. <i>Philippines</i>	P.T. Toshiba Visual Media Network Indonesia <i>Indonesia</i>
Toshiba Electronics (Dalian) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Electronics Philippines, Inc. <i>Philippines</i>	P.T. Nusantara Energy Solution <i>Indonesia</i>
Toshiba Electronics Management (China) Co., Ltd. <i>The People's Republic of China</i>	Toshiba Vietnam Consumer Products Co., Ltd. <i>Vietnam</i>	Toshiba India Private Ltd. <i>India</i>
Toshiba Hydro Power (Hangzhou) Co, Ltd.	Toshiba Vietnam Home Appliances Co., Ltd. <i>Vietnam</i>	<b>Oceania</b>
	Toshiba Thailand Co., Ltd. <i>Thailand</i>	Toshiba International Corporation Pty., Ltd. <i>Australia</i>

(As of April 1, 2005)

## Consolidated Subsidiaries / Affiliated Companies Accounted for by the Equity Method

### Consolidated Subsidiaries

#### Domestic

A&T Battery Corporation  
 Device Link, Inc.  
 Harison Toshiba Lighting Corporation  
 Iwate Toshiba Electronics Co., Ltd.  
 Joint Fuel Co., Ltd.  
 Kaga Toshiba Electronics Corporation  
 Media Serve Corporation  
 Toshiba Building Co., Ltd.  
 Toshiba Capital Corporation  
 Toshiba Carrier Airconditioning Systems Corporation  
 Toshiba Carrier Corporation  
 Toshiba Consumer Marketing Corporation  
 Toshiba Denzai Marketing Co., Ltd.  
 Toshiba Device Corporation  
 Toshiba Elevator and Building Systems Corporation  
 Toshiba HA Products Co., Ltd.  
 Toshiba Home Technology Corporation  
 Toshiba Industrial Products Sales Corporation  
 Toshiba Information Equipments Co., Ltd.  
 Toshiba Information Systems (Japan) Corporation  
 Toshiba Lighting & Technology Corporation  
 Toshiba Logistics Corporation  
 Toshiba LSI Package Solutions Corporation  
 Toshiba Matsushita Display Technology Co., Ltd.  
 Toshiba Medical Systems Corporation  
 Toshiba Multi Media Devices Co., Ltd.  
 Toshiba Plant Systems & Services Corporation  
 Toshiba Samsung Storage Technology Corporation  
 Toshiba Solutions Corporation  
 Toshiba TEC Corporation

Plus 170 Others

#### Overseas

AFPD Pte., Ltd.  
 Dalian Toshiba Television Co., Ltd.  
 Taiwan Toshiba International Procurement Corporation  
 Toshiba (China) Co., Ltd.  
 Toshiba America Business Solutions, Inc.  
 Toshiba America Capital Corporation  
 Toshiba America Consumer Products, Inc.  
 Toshiba America Electronic Components, Inc.  
 Toshiba America Information Systems, Inc.  
 Toshiba America Medical Systems, Inc.  
 Toshiba America MRI, Inc.  
 Toshiba America, Inc.  
 Toshiba Asia Pacific Pte., Ltd.  
 Toshiba Capital (Asia) Ltd.  
 Toshiba Compressor (Taiwan) Corporation  
 Toshiba Consumer Products (Thailand) Co., Ltd.  
 Toshiba Dalian Co., Ltd.  
 Toshiba Digital Media Network Taiwan Corp.  
 Toshiba Electronics Europe GmbH  
 Toshiba Electronics Malaysia Sdn. Bhd.  
 Toshiba Europe GmbH  
 Toshiba Information Equipment (Hangzhou) Co., Ltd.  
 Toshiba Information Equipment (Philippines), Inc.  
 Toshiba Information Systems (UK) Ltd.  
 Toshiba Information, Industrial and Power Systems Taiwan Corp.  
 Toshiba International Corporation  
 Toshiba International Finance (Netherlands) B.V.  
 Toshiba International Finance (UK) Plc.  
 Toshiba Medical Systems Europe B.V.  
 Toshiba Samsung Storage Technology Korea Corporation  
 Toshiba Systemes (France) S.A.  
 Toshiba TEC Europe Imaging Systems S.A.  
 Toshiba TEC France Imaging Systems S.A.  
 Toshiba TEC U.K. Imaging Systems Ltd.

Plus 105 Others

### Affiliated Companies Accounted for by the Equity Method

#### Domestic

ep Broadcasting Corporation  
 ep Corporation  
 Flash Partners, Ltd.  
 FlashVision, Ltd.  
 GE Toshiba Silicones Co., Ltd.  
 Mobile Broadcasting Corporation  
 MT Picture Display Co., Ltd.  
 NEC Toshiba Space Systems, Ltd.  
 Nishishiba Electric Co., Ltd.  
 Shibaura Mechatronics Corporation  
 TM T&D Corporation  
 Topcon Corporation  
 Toshiba Ceramics Co., Ltd.  
 Toshiba Finance Corporation  
 Toshiba Housing Loan Service Corporation  
 Toshiba Machine Co., Ltd.  
 Toshiba Medical Finance Co., Ltd.  
 Toshiba Mitsubishi-Electric Industrial Systems Corporation

Plus 19 Others

#### Overseas

Beijing Matsushita Color CRT Co., Ltd.  
 GD Midea Air-Conditioning Equipment Co., Ltd.  
 Guangdong Meizhi Compressor Limited  
 MT Picture Display (M) Sdn. Bhd.  
 MT Picture Display (Thailand) Co., Ltd.  
 MT Picture Display Corporation of America (Ohio)  
 MT Picture Display Corporation of America (New York)  
 MT Picture Display Indonesia  
 P.T. Display Devices Indonesia  
 Semp Toshiba Amazonas S.A.  
 TM GE Automation Systems L.L.C.  
 Toshiba Carrier (Thailand) Co., Ltd.  
 Toshiba Carrier UK Ltd.

Plus 21 Others

(As of March 31, 2005)



## Investor Reference

Capital: ¥274,926 million

Employees: 165 thousands (consolidated basis)

Common Stock: Authorized: 10,000,000,000 shares

Issued: 3,219,027,165 shares

No. of Shareholders: 479,808

Stock Code: 6502

Transfer Agent: The Chuo Mitsui Trust and Banking Company, Limited

Headquarters: 1-1, Shibaura 1-chome, Minato-ku, Tokyo

105-8001, Japan

As of March 31, 2005

### Principal Shareholders

Voting Rights (%)

The Master Trust Bank of Japan, Ltd. (trust accounts)	6.8
Japan Trustee Services Bank, Ltd. (trust accounts)	4.6
The Dai-ichi Mutual Life Insurance Company	3.4
Nippon Life Insurance Company	3.2
Employees Stock Ownership Plan	1.7
Sumitomo Mitsui Banking Corporation	1.5
Shinsei Bank, Limited	1.5
NIPPONKOA Insurance Co., Ltd.	1.4
Mizuho Corporate Bank, Ltd.	1.2
Mitsui Sumitomo Insurance Co., Ltd.	1.1



### Web site information

Toshiba is vigorously carrying out Internet-based IR activities to ensure timely and fair disclosure to all investors. Our investor relations site features information for investors, including press releases, Fact Books, and business results announcements, as well as streaming video of business results meetings and explanatory sessions. There is also a section that allows site visitors to express their opinions and ask questions, part of our efforts to improve the quality of our IR activities through interactive communications with investors.

[www.toshiba.co.jp/about/ir/](http://www.toshiba.co.jp/about/ir/)

For further information, please contact:

Toshiba Corporation

Investor Relations Group

Corporate Communications Office

1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan

Phone: +81-3-3457-2096 Facsimile: +81-3-5444-9202

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<http://www.toshiba.co.jp/about/ir/index.htm>

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