

TOSHIBA



Mid-term Business Plan

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Objectives

- **Generate sustained profit in high growth and stable business**
- **Reinforced financial soundness**

FY2005

<i>Sales:</i>	<i>6.6 trillion yen</i>
<i>Operating Income:</i>	<i>270 billion yen</i>
<i>D/E Ratio:</i>	<i>150 %</i>

01 Action Plan

1. Reorganize business by TVC
 - Withdraw from commodity DRAM business
 - Reorganize LCD and CRT business with Matsushita
 - JV with Mitsubishi Electric in power transmission and distribution business
2. Reduce procurement costs by 20% over two years
 - ⇒ Reduced 680 billion yen for two years
3. Reduce group employees by 10%
 - 188,300 (end March 2001)
 - ⇒ 170,000 (forecast to achieve a year forward, by end March 2003)
4. Planned improvement in current assets by 350 billion yen and additional reduced assets by 450 billion yen
5. Contribution of cost reductions under 01 Action Plan to FY2002: 180 billion yen

Business Domains

Three Major Domains

Growth businesses



Support ubiquitous networks

- * Digital Products
- * Electronic Devices

Among the world's top three

Stable business



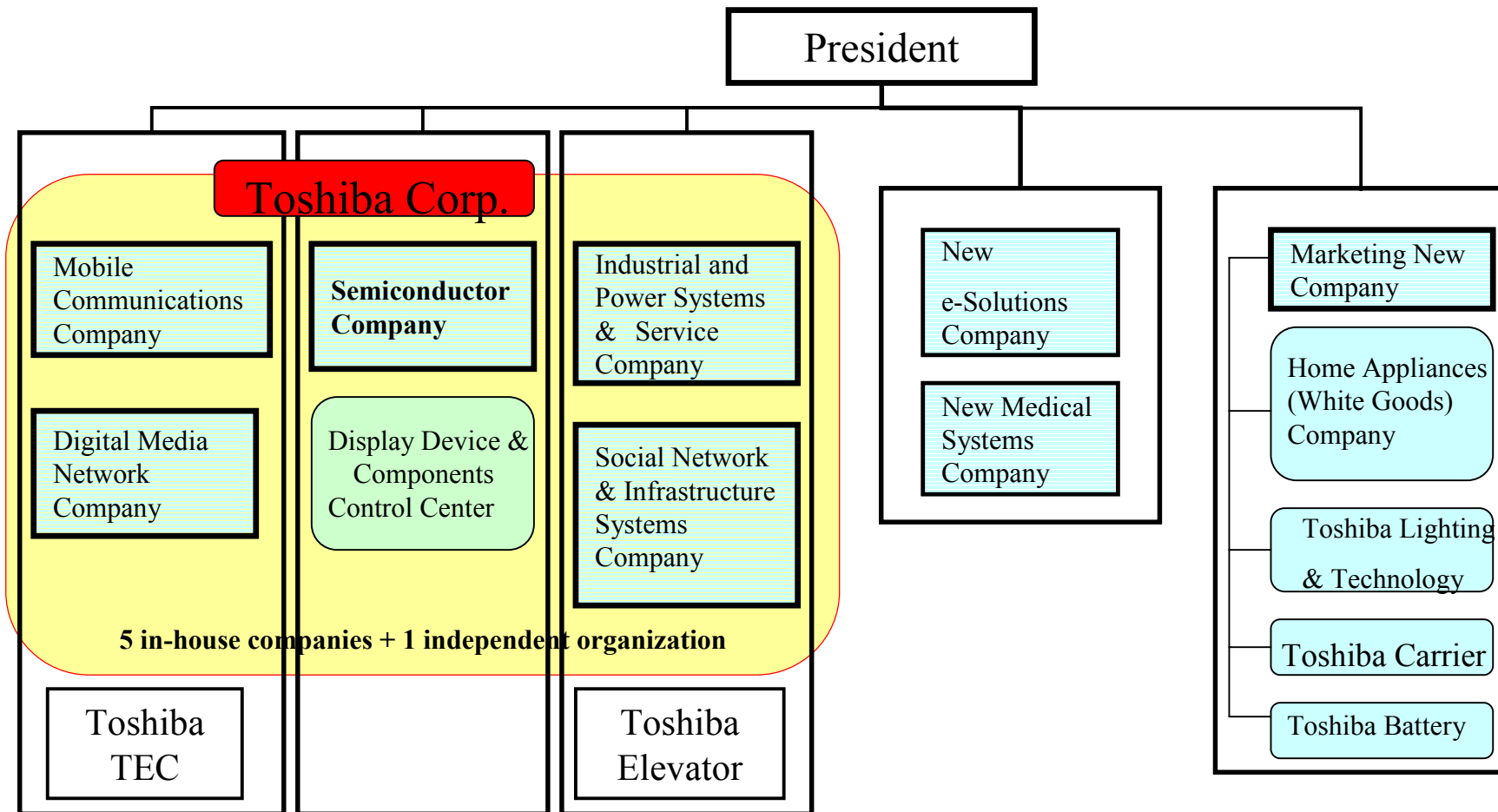
Environmental concerns

New business

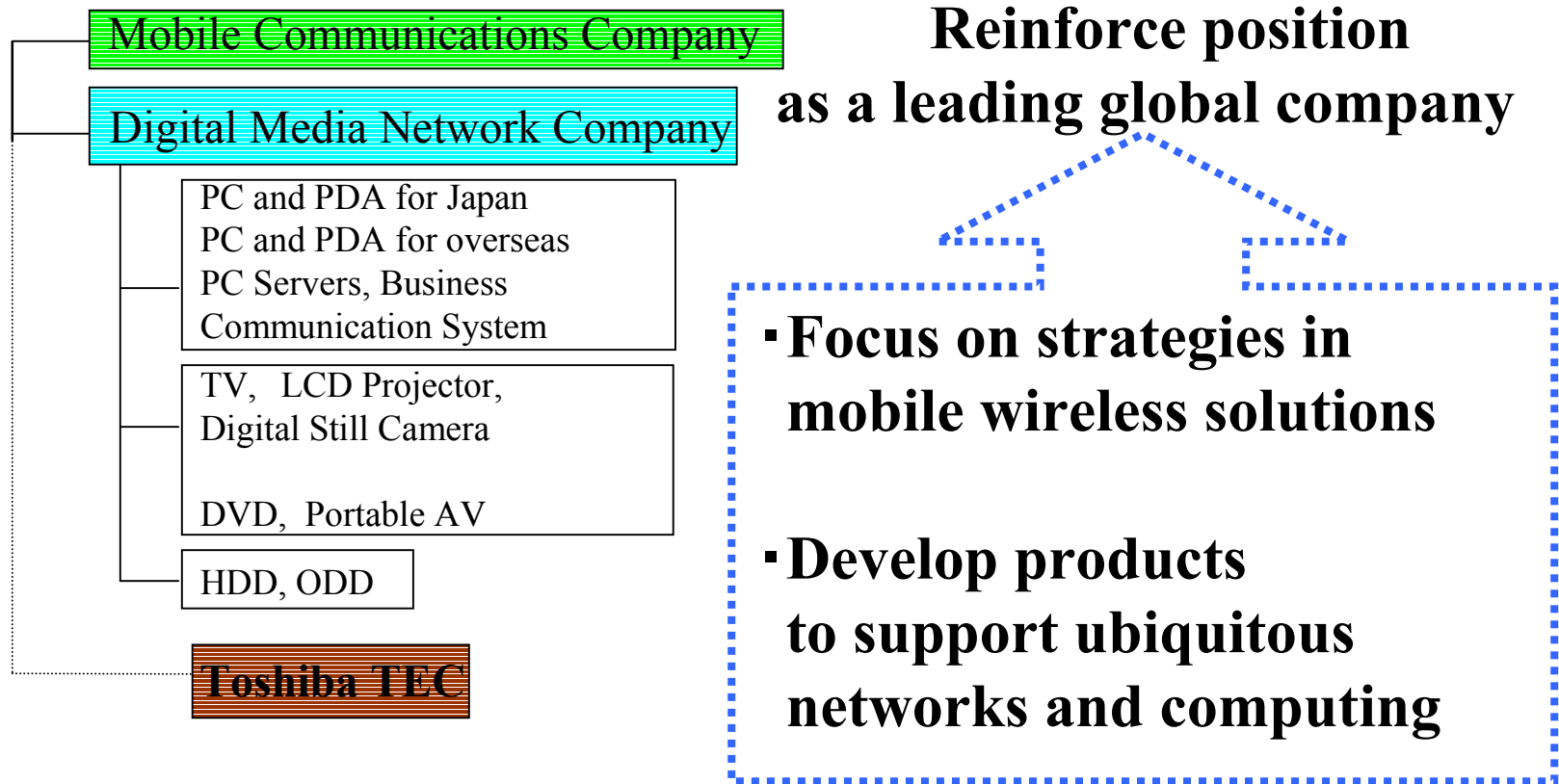
- * Social Infrastructure

Accelerate globalization

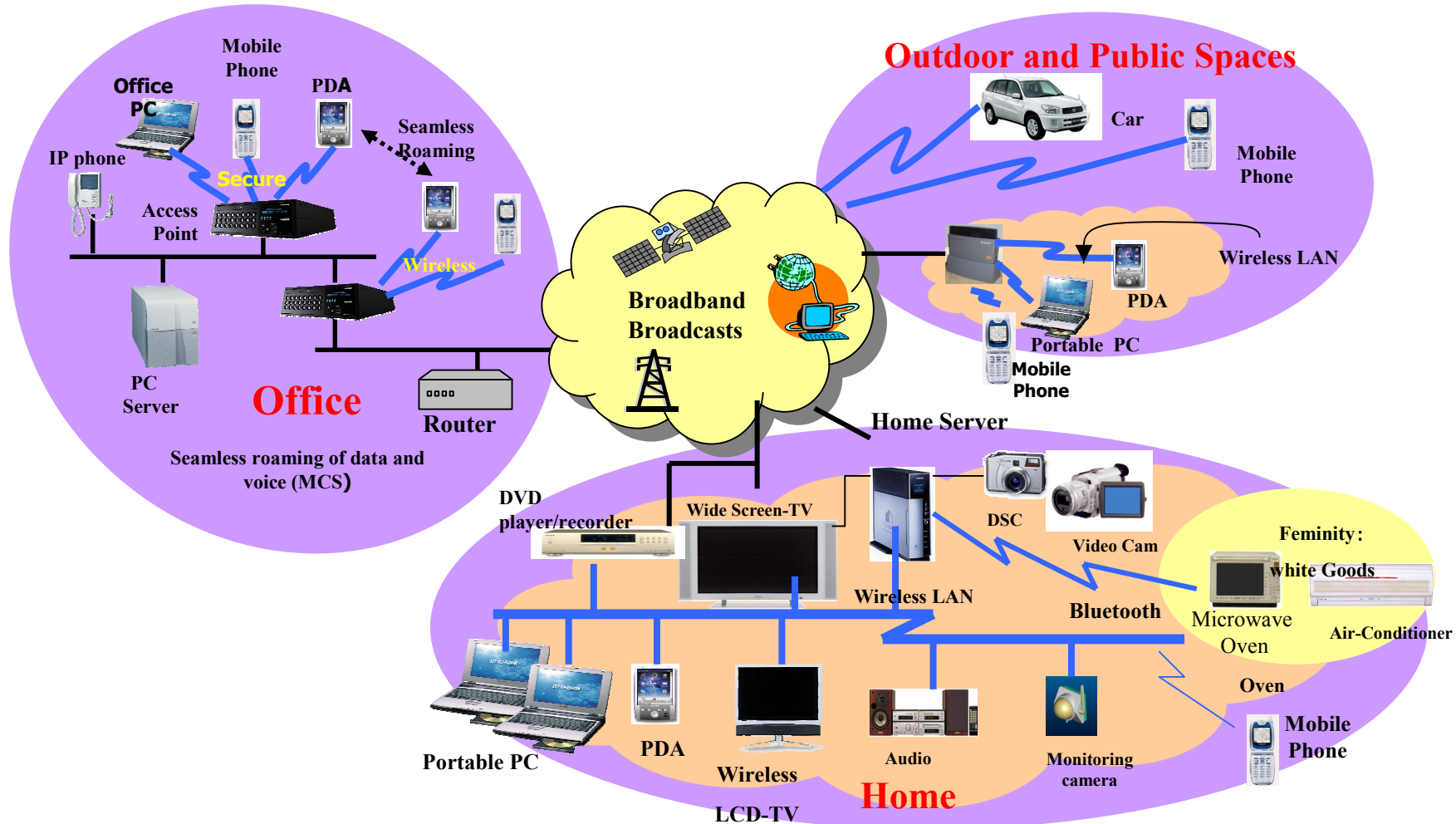
New Organization



Digital Products Business



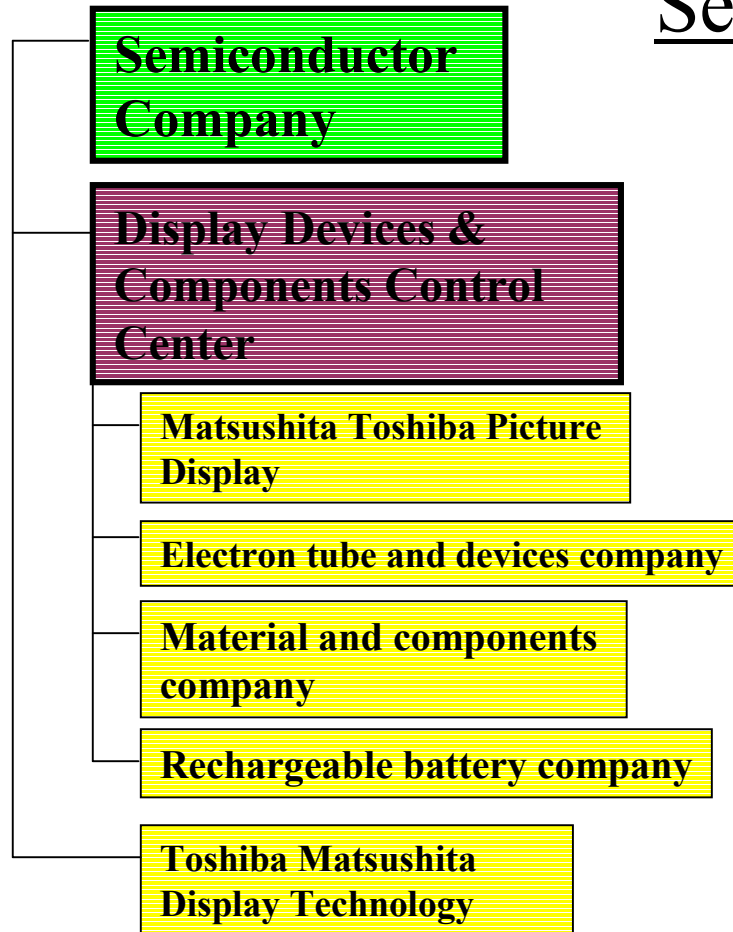
Overall concept of ubiquitous network



Networking of PC, AV and home appliances

Electronic Components

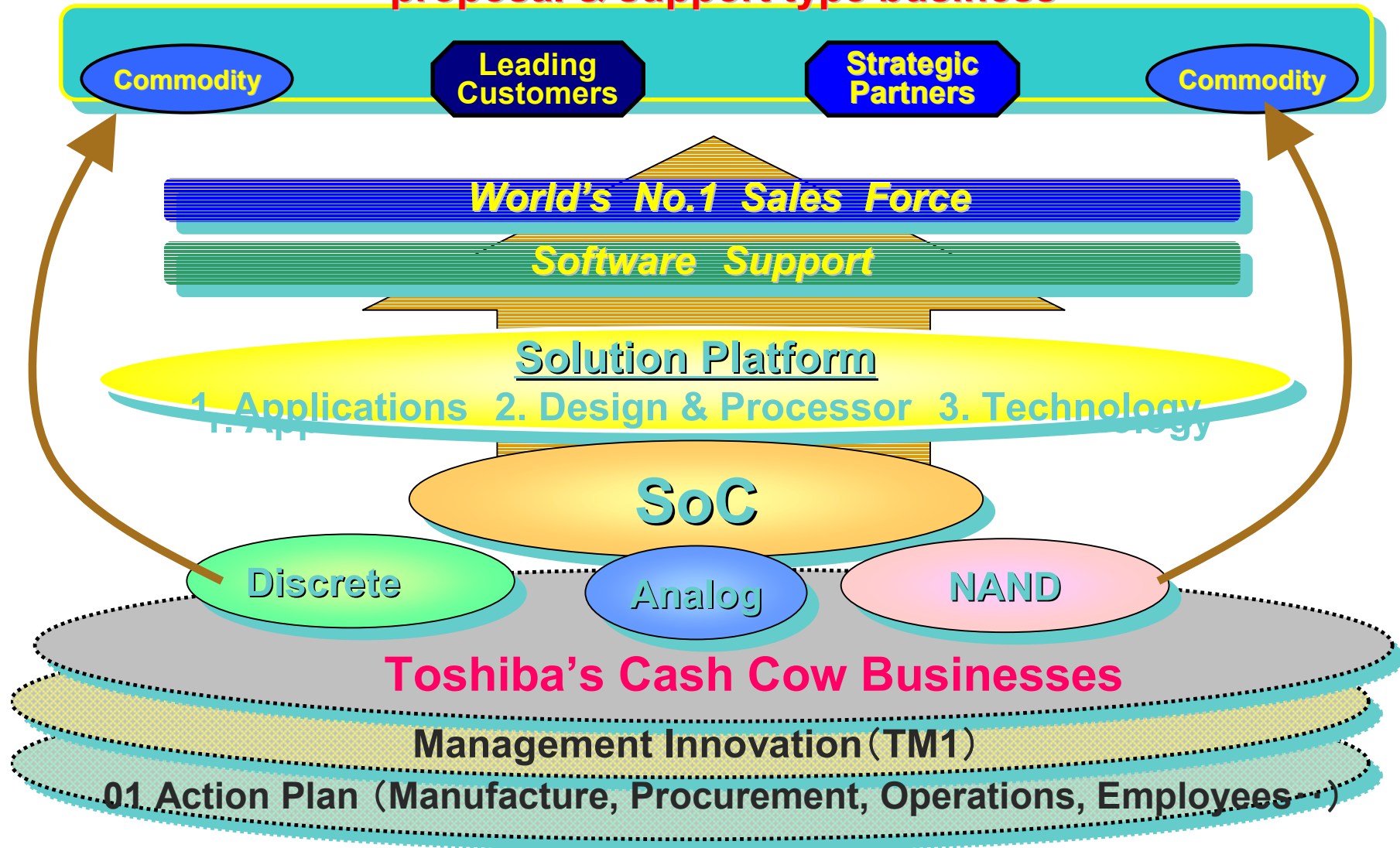
Secure high growth and profitability



- **Semiconductor**
Maintain position in world top three
- **LCD**
Focus on medium to small-sized displays, and become profitable by improving low-temperature polysilicon TFT LCDs manufacturing costs

Toshiba's semiconductor business model

Integrate current business and
proposal & support type business



After re-organizaion **Social Infrastructure Systems**

Industrial and Power Systems & Services Company

Nuclear, Thermal, Hydro Power

Government, Industrial Systems
Transportation Systems
Control and Measurement Systems

International Operations

New Business Promotion

Social Network & Infrastructure Systems Company

System and solutions business in
communication, broadcasting, image-
recognition, etc.

New e-Solutions Company

New Medical Systems Company

Establish basis for stable profit

Accelerate global business, enter new business areas

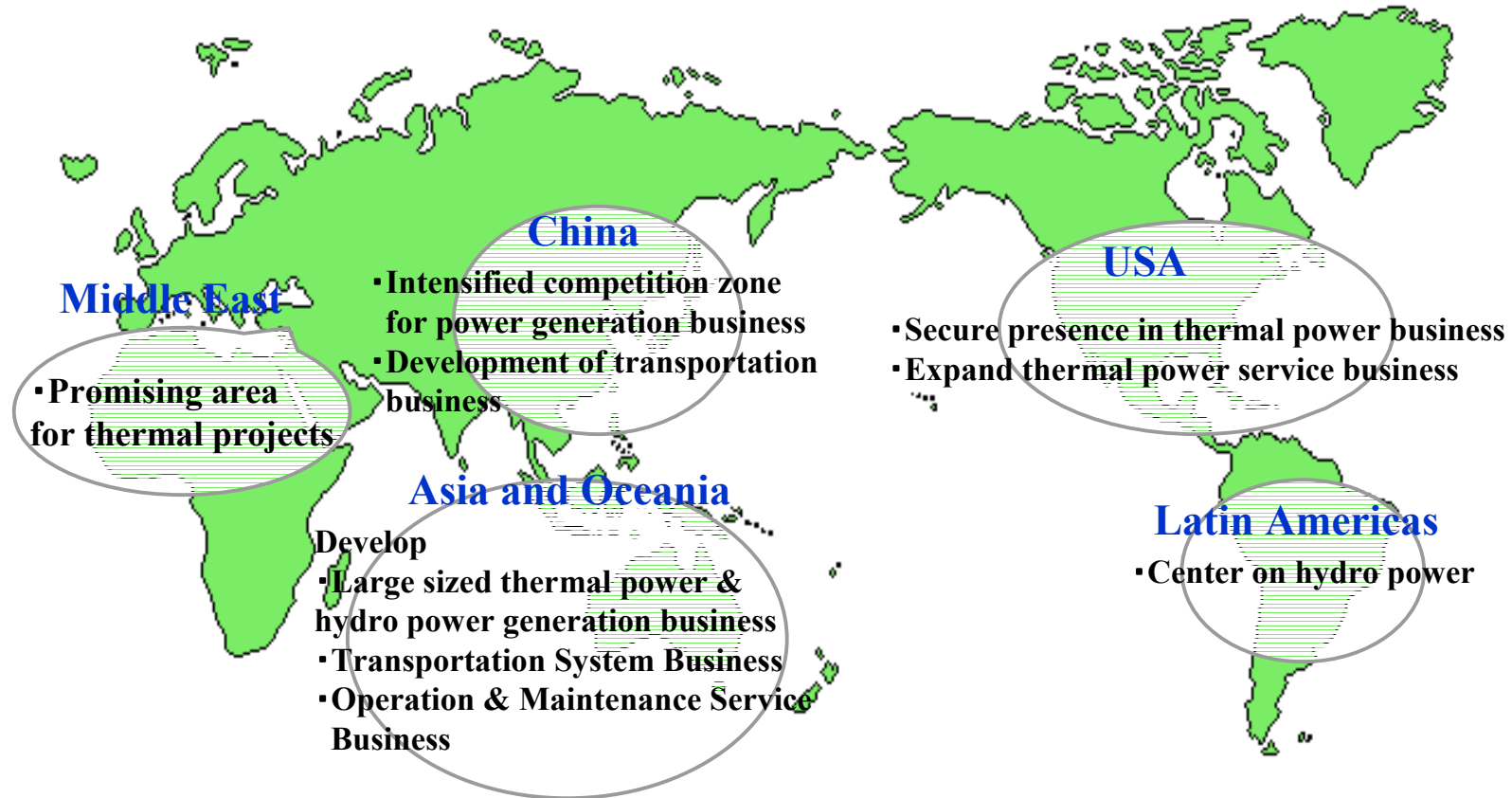


Maximized management resources

- * Improved cost structure
- * Secure profitable sources of business
- * Expand overseas business
- * Enter new business areas

▪ Focus on environment-friendly business

Global Development of Social Infrastructure Business



Spin-offs and others

Marketing New Company

Home Appliances (White Goods)
New Company

Toshiba Lighting & Technology

Toshiba Carrier

Toshiba Battery

New e-Solutions Company

New Medical Systems Co.

Network Services &
Contents Control Center

Automotive System Business Planning

Achieve to optimized
business management

October, 2003

- * Reorganize with group companies and promote rationalization
- * Improve management empowerment and autonomy by spin-offs
- * Accelerate alliances with potential partners

Aiming for further growth

Promote innovation through MI activities

Promote business reorganization by TVC

Performance and ability-oriented evaluation

Market-centric Management

Forward-looking Statements

- This presentation 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 mega-competition 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.