

# Report of the Month

ReportWatch e.com

March 2008

## Toshiba

Tokyo, Japan



## Report Facts

**Company name:** TOSHIBA Corporation

**Fiscal year end:** March 31, 2007

**Report title:** *Leading Innovation*

**Chairman:** Tadashi Okamura

**President and CEO:** Atsutoshi Nishida

**Number of books:** 2

**Report length:** 62 +46 pages

**Auditors:** Ernst & Young ShinNihon

**Design:** N/A

**E-mail:** [ir@toshiba.co.jp](mailto:ir@toshiba.co.jp)

Report Rating: ★★★★★

(Rating scale below)

**Profile-Mission** (Excerpts, as from the report)  
*Toshiba Group comprised Toshiba Corporation and 519 consolidated subsidiaries and its principal operations (are) in the Digital Products, Electronic Devices, Social Infrastructure and Home Appliances.* (MD&A p 1)

(Italics are own company's words)

## Key Figures

**Net sales:** Yen 7,116 million

**Operating income:** Yen 258,364 million

**Net profit:** Yen 137,429 million

**Net earnings per share:** Yen 42.76

**Cash dividends:** Yen 11.00

**Return on equity:** 13.0%

**Return on assets:** 2.6%

**Debt to equity:** 1.0 (times)

(Source: figures sourced from the annual report)

## Some Competitors

- NEC
- FUJITSU
- SONY
- DELL
- PANASONIC
- HITACHI
- SHARP
- HEWLETT-PACKARD
- INTEL
- SAMSUNG
- INFINEON

## Report Rating: ★★★★★

### Very good

- > Thorough review of operations. Market positions shown for each line of business.
- > Eye-catching high-definition pictures effectively convey the message. This also applies to the stylish Chairman and CEO portraits. Worth noting, because many in this industry (and others) care less and less about showing what they products and technologies are about.
- > Comprehensive long-term *Data Section*, including quarterly highlights, detailed *Segment Performance*, and *Long-Term Debt*.
- > Rich in (smart) charts and (intelligible) diagrams.

### Good

- > Strategic options convincingly argued, also through an *Interview with the President* and a snapshot of the *Mid-term Business Plan* (see selected page below).
- > One-page update about *Intellectual Property*.

### Buts

- > Governance matters manly consist of takeover defensive measures. This is certainly transparent but do not make up for a full report.
- > *Business at a glance* comes a bit late to get a full grasp of the scope of businesses.
- > MD&A short on commentary and not most optimally laid out.

### CSR

- > A substantial separate CSR report that goes beyond the vague principles or hollow statements, addresses most key CSR issues, and is backed with facts and figures. Consider e.g. the *Distribution of Economic Value to Stakeholders* (p 7), the spread about *Results and Targets* (pp 21-22), *Double Overall Eco-efficiency* diagram (p 41), the well-charted *Environmental Impacts at a Glance* (p 43). Overall readability and chart and diagram legibility are perfectible, though.

#### Rating Scale

★★★★★: First-rate ★★★★★(★): Excellent ★★★★★: Very good ★★★(★): Sound ★★: Average

★★(★): Uneven ★★: Common ★(★): Substandard ★: Poor (★): Uncompetitive

The rating is based on ReportWatch internal desk research and does not take into account the independent Rating Panel's judgment. It may therefore differ from ratings (to be) published in the **Annual Report on Annual Reports**.

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*How does the company report in key areas? What are the main report pluses and minuses?*

*The **Report Scan** gives an overview of strengths and weaknesses, and scores each item.*

Contact [He.com@reportwatch.net](mailto:He.com@reportwatch.net)

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> MID-TERM BUSINESS PLAN AND VISION 2010

> Mid-term Business Plan

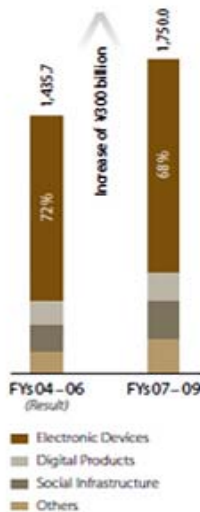
Through FY2008, we will focus on further reinforcing competitiveness and growth in our current businesses by channeling resources to strategic areas. Moving forward to FY2010, we will promote enhanced intra-company collaboration, expand key products, such as NAND, Cell and imaging equipment, and launch new businesses, including next-generation batteries and environmental businesses; all to achieve high growth and profit, win against fierce global competition, and create value for our customers and shareholders.

Performance Goals by Segment

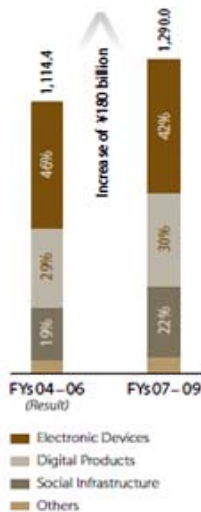
	Net sales (Billions of yen)		Operating income ratio (%)		CAGR* (%)
	FY2006 (Result)	FY2009 (Plan)	FY2006 (Result)	FY2009 (Plan)	
Digital Products	2,805.5	3,430.0	0.6	1.6	7
Electronic Devices	1,657.3	2,330.0	7.2	8.6	12
Social Infrastructure	2,067.7	2,420.0	4.7	5.0	5
Home Appliances	748.9	840.0	1.3	1.8	4

\*Compound Average Growth Rate

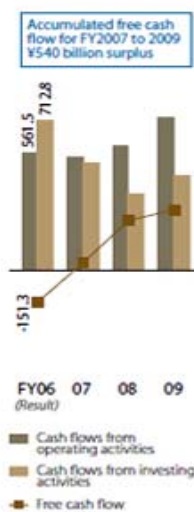
Capital expenditures  
(Billions of yen)



R&D expenditures  
(Billions of yen)



Cash flows  
(Billions of yen)



Shareholders' equity, Interest-bearing debt and D/E ratio  
(Billions of yen) (%)

