

Toshiba America Business Solutions, Inc.

Mark Mathews
President & COO

2011 BTA West “Capture the Magic”

November 17, 2011



1

Agenda

- **Toshiba Corporate Overview**
- **The Reality – What are We Facing?**
- **Toshiba’s Strategic Vision**
- **The Results**
- **The Checklist**
- **Q&A**

2



Let me tell you about Toshiba...
Without It Being a Commercial

3

Basic Corporate Data



Established: 1875 by Hisashige Tanaka

President and CEO: Norio Sasaki

Headquarters : Address: Tokyo, Japan

Employees: Approx. 203,000

Shareholders: 459,114

Net Sales: ¥6,398,505 million (US\$77,090 million)

Total Assets: ¥5,379,319 million (US\$64,811 million)

Shareholders' equity: ¥868,119 million (US\$10,459 million)

(As of March 31, 2011) (1US\$=83Yen) (Source: Toshiba Annual Report 2011)

4

Four Business Areas – A diverse range of products

① Digital Products



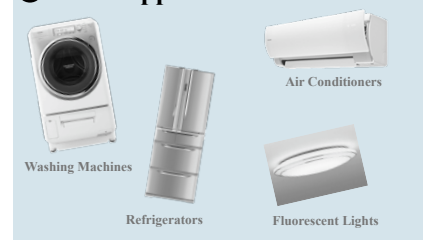
② Electronic Devices



③ Social Infrastructure



④ Home Appliances

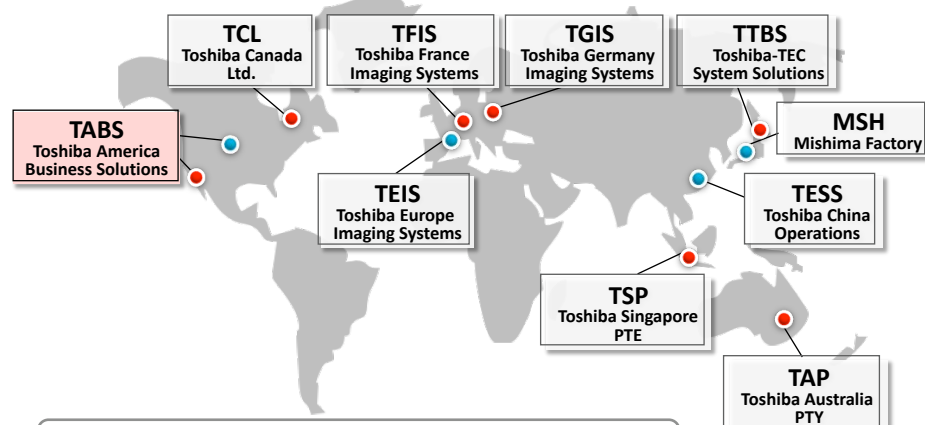


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Toshiba TEC Global Structure

● Sales & Service ● Manufacturing



Toshiba TEC has direct operations in 23 Countries and has held the #1 market share in China for 11 consecutive years.

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6

Toshiba America Business Solutions, Inc.

EID Electronic Imaging Division



Sales, marketing and service support for office products and document solutions

TBS Toshiba Business Solutions



A subsidiary corporation of TABS, that operates a network of wholly owned office equipment dealers throughout the United States and Latin America

DSE Document Solutions Engineering



Research and development of innovative solutions for office products

TPD Toner Products Division

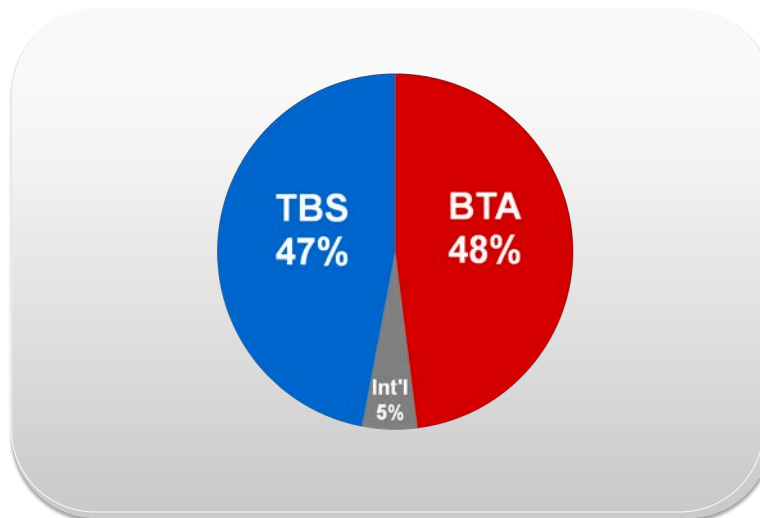


Based in Mitchell, S.D., TPD is the largest of three toner manufacturing facilities owned by Toshiba.

Services & Products

- **Professional Services**
 - Encompass asset management consultative services
 - Total Print Management
- **Solutions**
 - Document management solutions
 - Wide-format printers
 - Single-function scanners
 - Secure print solutions
- **Multifunction Devices**
 - Copy, Print, Scan & Fax MFPs
 - Full monochrome & color product line
- **Printer-based Devices**
 - Multifunction & single function printers
- **Bar Code Printers and POS**

10A Wholesale Hardware By Channel (Wholesale Basis)



Toshiba: Award Winning

Toshiba is consistently recognized
for Innovation and Leadership
in the industry... Year After Year.

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BTA 2011 Channel's Choice Awards



- *For the 5th straight year,* TABS was presented the BTA Channel's Choice *Superior Performance Award* for Primary Product Line Provider

➤ *BTA's top honor*

- Also received BTA Channel's Choice *Award of Excellence* in three key performance categories:

- ① **Distribution**
- ② **Inventory**
- ③ **Corporate Support**



The Reality – What Are We Facing?

Heads Up – It's Still Tough out There

11

What's the Economic Reality?

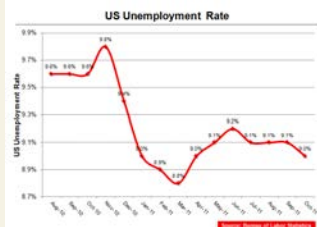
PARAMETERS	2005	2006	2007	2008	2009	2010	2011 Proj*
GDP, Real (Annual % Change)	2.9	2.8	2.0	1.1	-2.6	2.9	2.5
Total Consumption (Annual % Change)	3.0	3.0	2.8	-0.2	-1.2	1.7	2.9
Business Fixed Invest (Annual % Change)	7.2	7.5	4.9	1.6	-17.1	5.7	9.4
Consumer Price Index (Annual % Change)	3.4	3.2	2.9	3.8	-0.3	1.6	2.2
Unemployment Rate (Percentage)	5.1	4.6	4.6	5.8	9.3	9.6	9.1
Federal Funds Rate (Percentage)	3.2	5.0	5.0	1.9	0.16	0.18	0.10

Lease
Approvals
at 75%+

* Annual Projected Rate

Northern Trust Global Economic Research – September 2011

US Unemployment Rate (October 2011)

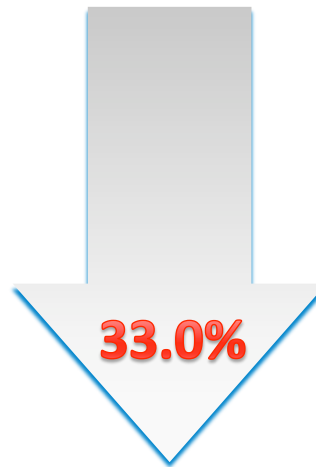
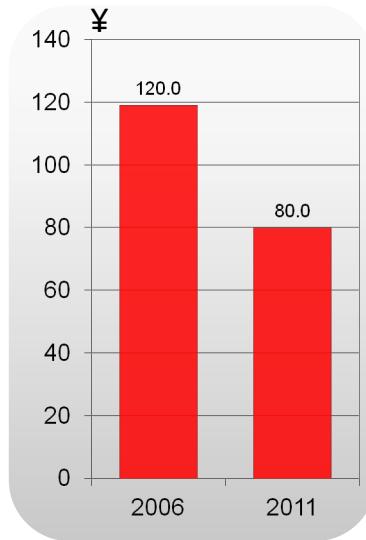


Total TBS Doc Volume (October 2011)



12

Exchange Rate (Yen) impact to Manufacturers

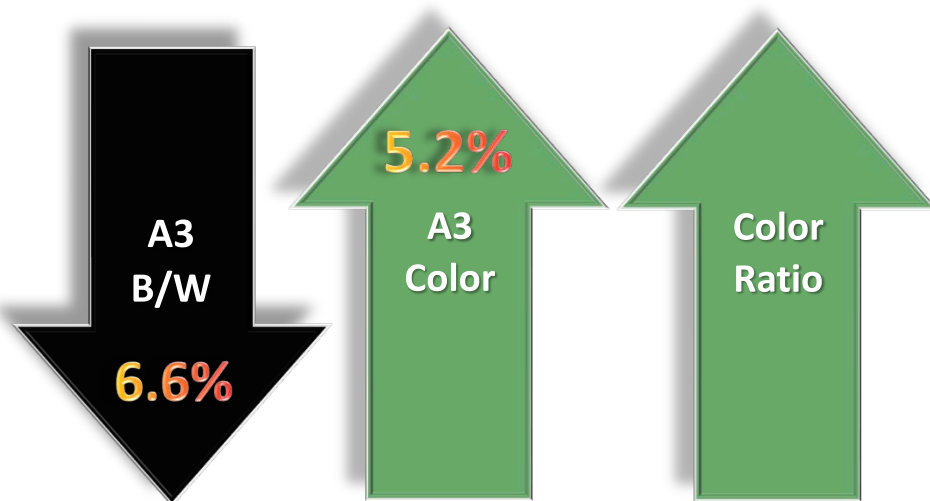


European Sovereign Debt Risk



PIIGS

U.S. A3-Size Copier/MFP Growth Forecast (CAGR 1.89%)



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Source: Info Trends 2011

Secure Your Base With Color Conversion

	% of Units	% of Equivalent Revenue
Average	33%	50%
Best in Class	50%	66%

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Price and Margin Compression



The New Normal

***Constant change is the new normal.
Success now requires not just doing it better,
but mastering the ability to do it differently.***

—Harvard Business Review

- Changes are not temporary
- New ways to save money
- Operate more efficiently

Implications

- On-going economic turmoil
- “The New Normal”
- Margin pressure
- Industry overcapacity

***So what is
Toshiba
doing to solve
this puzzle?***



Toshiba's Strategic Vision



TABS Vision...

To be recognized by our customers as the industry leader, challenging the status quo and achieving superior performance.

TABS Mission...

Always exceed our customer's expectations by providing leading-edge ***imaging and information workflow products and services***, while meeting our commitments to our shareholders, employees and community.

21

The Key Is Service

**“Any industrial manufacturer that
has not awakened to the fact that it
must become a service business
is in serious peril today.”**

—Harvard Business Review

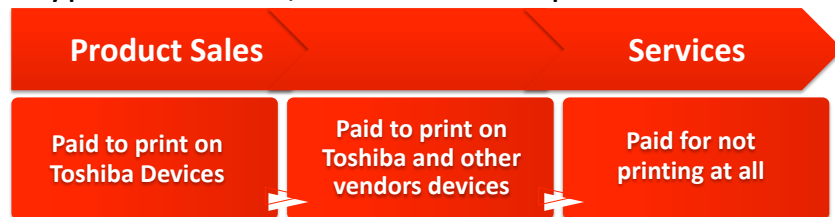
22

Evolution of our Business Model

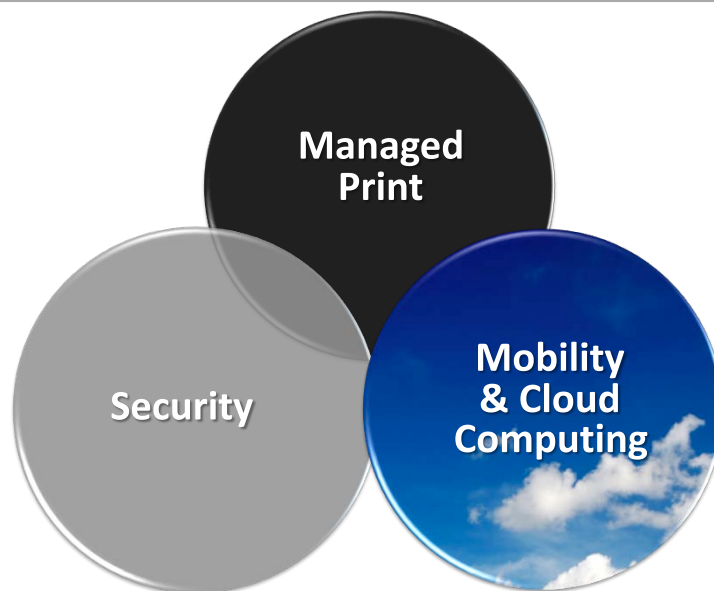
➤ Product Sales > Professional Services > Managed Services



➤ Our Business model needs to evolve to capture customer revenue when they print on our devices, other devices or don't print at all



Opportunities

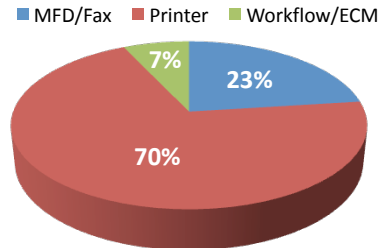


Leveraging the MPS Solution

“With the average print budget and IT budget both equaling six percent of revenue, CIOs wanting to help their organizations cut costs would do well to take a closer look at print expenses – despite print being an area that CIOs have traditionally had little to do with.

—Roswell Jones, VP, Gartner’s CIO Research Group

% of Customer Spend by Category



By 2012, estimates are that 70% of businesses with more than 250 employees will purchase their output devices through an MPS contract.

Percentage of Bids That Are MPS

Industry	% of Bids seeking Managed Print Services
Commercial	62%
Education	58%
Government	11%



ENCOMPASS

Managed Print Services



**A3
Technology**



**A4
Technology**

A graphic comparing A3 and A4 technologies. It features a large, stylized word "BOTH" in the center. To the left of "BOTH", there are three US one-dollar bills stacked vertically. To the right of "BOTH", the text "A3 Technology" is positioned above "A4 Technology". The background is a gradient of blue, orange, and yellow with a grid pattern.

A3 Technology

BOTH

A4 Technology

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MPS Providers

A diagram illustrating the benefits of becoming an MPS provider. It features three blue rectangular blocks of increasing height from left to right, each containing a benefit. To the left of these blocks are three overlapping circles: a black circle labeled "Managed Print", a grey circle labeled "Security", and a blue circle labeled "Mobility & Cloud Computing".

Provide Full Range of Services

Become a Valued Partner

Capture Pages from ANY Device

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30

MPS Partners

LEXMARK™



Expanded
Equipment
Offerings

Strategic
Agreements

Unique for
the Industry

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31

Invasion or Insertion



INVASION

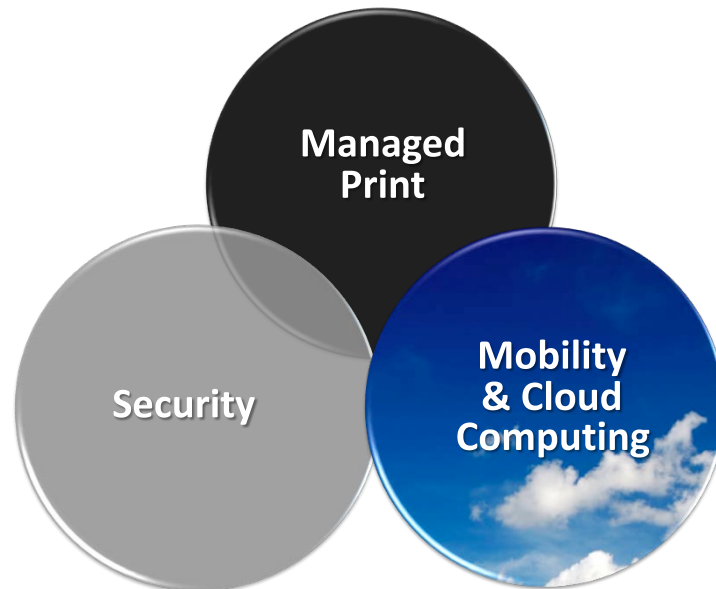


INSERTION

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32

Opportunities



Are Businesses at Risk?

- Attacks on IT infrastructure
 - Printers and multifunction printers are a point of entry
- Theft of intellectual property
 - Over \$600 Billion lost to fraud
- Identity theft
 - Over 10 Million incidents in the US Last Year
- Compliance
 - Ongoing regulatory requirements

Know Where Your Vulnerabilities Lie

Toshiba Encompass Security Assessments

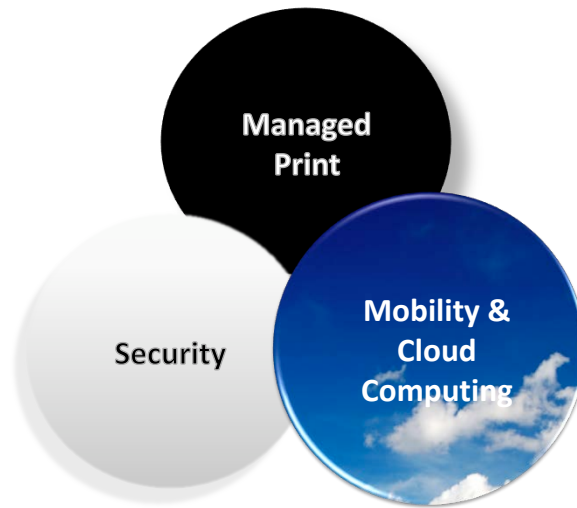
- Toshiba goes beyond the traditional device placement, usage, and volume
- Focuses On
 - Identifying document centric security vulnerabilities
 - Providing a roadmap that remediates the threat
 - Recommending countermeasures in the form of features, products & services
- Four Stage Process
 - Perform Audit
 - Make recommendations
 - Implement countermeasures
 - Label devices



Toshiba Can Help Address These Challenges

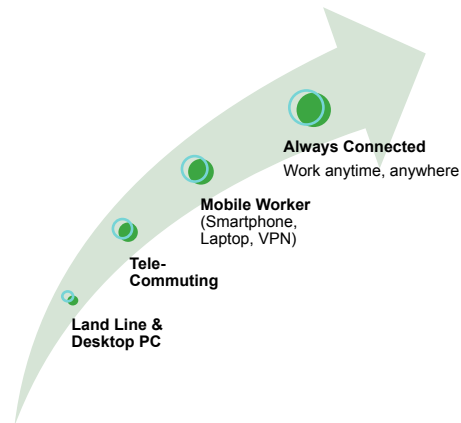
- Toshiba's Security Assessment Program Analyzes four critical area
 - Devices
 - Access & Authentication
 - Documents
 - Equipment End of Life Procedures

Opportunities



The Evolving Workplace

- No longer confined to a traditional 9-5 office
- More sophisticated mobile devices allow us to work anytime, anywhere
- By year-end 2012, 34% of the global workforce will be mobile information workers.¹
- More than 20% of information workers spend at least 3 hours per day using smartphone devices for work.²



1, 2: "Understanding Information Worker Smartphone Usage," Forrester Research, November 20, 2009.

How is Toshiba Addressing the Changing Workplace



- **The Cloud Delivers Content**
 - The MFP is an On-ramp to the Cloud
- **Scan-to and Print-from Cloud-based Applications**
 - Scan to Google Docs

How is Toshiba Addressing the Changing Workplace



- Communicate, Collaborate and Organize Anywhere, Anytime
 - Scan to MS SharePoint
 - Scan to MS Exchange



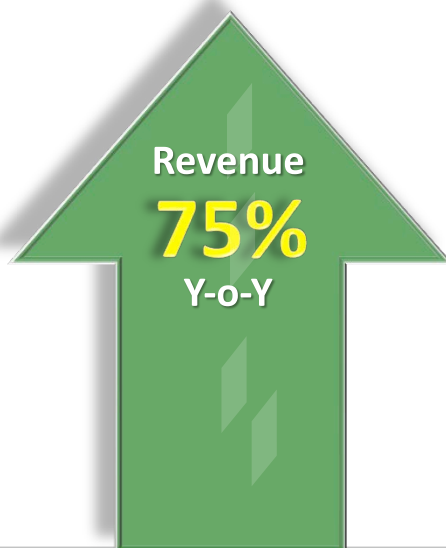
- Printing Content via Mobile Devices



The Results

41

Explosion in Managed Print Services



**12% of TABS'
Total Revenue**

42



Our Advise to the Channel...

Or a word to the wise

43 CONFIDENTIAL

The Checklist

- Secure Your Profitable Base
- Be Brand Agnostic
- Partner Well
- Get Professional Assistance
- Have Dedicated Resources
- Be a Front-Runner



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The Services 'Land Grab'



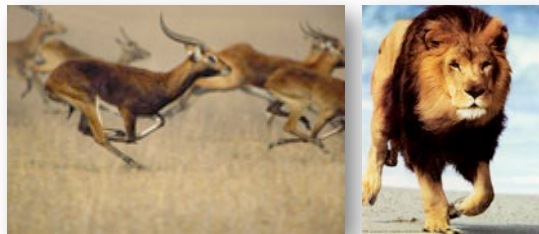
One Final Thought

Everyday in Africa a gazelle wakes up and knows
he must run faster than the fastest lion or be eaten.

Everyday in Africa a lion wakes up and knows he must run faster
than the slowest gazelle or starve.

It doesn't matter whether you are the lion or the gazelle,
when the sun comes up...

YOU BETTER BE RUNNING!





Q&A

47



Thank you.

48



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50