Note: This English Translation is for English readers' convenience only. If there is difference between this translation and Japanese original, Japanese original supersedes this translation. This English translation has not been audited by the accounting auditor or the audit committee.

Report of Operations
167th Fiscal Period
(April 1, 2005 to March 31, 2006)

1. Business Environment and Results of Toshiba Group (hereinafter the Group)

(1) Operation and Results of The Group

The Japanese economy recovered in this period as capital expenditures increased on solid corporate profitability, though concerns remained about unemployment. Overseas, economic expansion continued in the US on improved employment rates and higher consumption, and Europe saw gradual recovery. In Asia, China and other countries continued their economic expansion.

The Group aims for high growth in its Digital Products and Electronic Devices business domains. In Social Infrastructure domain, the Group seeks to secure stable growth and profits, mainly through expansion of its international business.

Toshiba's consolidated net sales in FY 2005 were 6,343.5 billion yen, 507.4 billion yen higher than in the previous fiscal year. Consolidated operating income increased by 85.8 billion yen from the same period a year earlier to 240.6 billion yen. The Group posted healthy business results, recording year-on-year increases in sales and operating income in all business segments, as a result of business development based on the overall Group strategy of achieving high growth with steady profitability.

Consolidated income before income taxes and minority interest was 178.2 billion yen, a 67.0 billion yen increase from the previous year. Consolidated net income increased by 32.2 billion yen from the previous year to 78.2 billion yen. Basic earnings per share also increased by 10.00 yen to 24.32 yen from a year ago.

Consolidated oversea sales increased by 385.1 billion yen for the same period a year earlier to 2,961.4 billion yen. It registered a year-on-year increase of 3points to 47% of consolidated net sales.

The Company paid an interim dividend of ¥3 per share for the period under review.

In February 2006, the Company reached an agreement with British Nuclear Fuels plc to acquire the Westinghouse group for US$5.4 billion. The Group plans to retain more than 51% of interest and sell the minority stake to joint investors. The transaction will be completed after the details of the acquisition have been coordinated with British Nuclear

Fuels, subject to completion of all necessary procedures, including regulatory approvals of related countries.

Westinghouse group has a solid presence in the global nuclear power industry, particularly in Europe and the U.S. By bringing Westinghouse group into the Group, the Group will be able to take advantage of mutual synergies and substantially speed up the global expansion of the Group's nuclear power business.

(billions of yen)

Segment	Consolidated Net Sales		Consolidated Operating Income (loss)	
		Change		Change
Digital Products	2,536.5	+312.3	20.9	+13.6
Electronic Devices	1,388.1	+80.9	123.3	+30.8
Social Infrastructure	1,882.3	+117.0	76.5	+27.9
Home Appliances	687.5	+26.5	2.7	+6.0
Others	379.8	+8.2	18.0	+8.2
Eliminations	-530.7	-37.5	-0.8	-0.7
Total	6,343.5	507.4	240.6	+85.8

Digital Products

Consolidated net sales of Digital Products increased by 312.3 billion yen to 2,536.5 billion yen. The Personal Computers business saw sales increase from a year ago on overseas sales growth, mainly in the U.S. and Europe. The Digital Media Network business saw sales increase on higher sales of storage devices. The Mobile Phones business also increased sales, as new products, mainly high-end models, met a positive response in the Japanese market. The Retail Information and Office Document Processing Systems business also increased sales.

Consolidated operating income of Digital Products was 20.9 billion yen, an improvement of 13.6 billion yen from a year earlier, as a result of improved operating income in the Mobile Phones business and storage devices, despite adverse impacts from exchange rate fluctuations, and price erosion in such products as DVD recorders.

The Company unveiled a new brand name, "REGZA", for a new line-up of large-sized flat panel TVs and launched it in the market. The Company rolled out the world's first commercially available HD DVD player.

Electronic Devices

Electronic Devices increased consolidated net sales by 80.9 billion yen to 1,388.1 billion yen. The Semiconductor business saw increased sales against the previous year on strong sales of memories, mainly NAND flash memory. Sales in the LCD business were comparable with FY2004, as overseas sales increased despite significant price erosion. The Display Devices & Components business reported a significant sales decline, reflecting the cessation of production of some cathode-ray-tube related products.

Consolidated operating income in Electronic Devices was 123.3 billion yen, an increase of 30.8 billion yen. The Semiconductor business increased its operating income. The LCD business remained profitable through cost reduction programs, though on decreased operating income due to price erosion.

The Company and NEC Electronics Corporation agreed to jointly develop system LSI process technologies for the 45-nanometer (nm) generation. NEC Electronics also joined the leading edge system LSI process technology of joint development of the Company and Sony Corporation.

IBM Corporation, Sony Corporation and the Company strengthened joint technology development alliance and began to work together on fundamental research related to advanced process technologies at 32 nanometers and beyond.

In April 2006, Toshiba and SanDisk Corporation agreed that the Company build manufacturing buildings for NAND flash memories at the Yokkaichi Operations and that both Toshiba and SanDisk will provide funds for the manufacturing equipment.

Social Infrastructure

Social Infrastructure saw consolidated net sales of 1,882.3 billion yen, 117.0 billion yen higher than for the previous year. Sales in the Medical Systems business rose from a year earlier, on strong sales of multi-slice CT scan systems mainly in the US. The Industrial and Power Systems & Services business saw a sales increase from FY2004, reflecting the transition of the power transmission and distribution businesses to the parent from a dissolved joint venture. The Social Network & Infrastructure Systems business also increased its sales against the previous year, as a result of higher sales of broadcasting systems, while the IT Solutions business saw a slight decline in sales, due to decreased orders in the public sector. Sales in the Elevator business were flat compared to the previous year, as sluggish domestic sales undermined higher overseas sales.

Consolidated operating income in Social Infrastructure was 76.5 billion yen, a 27.9 billion yen increase from the year earlier period. The Medical Systems, IT Solutions, Industrial and Power Systems & Services, and Social Network & Infrastructure Systems businesses improved their performance from the previous year, while the Elevator business saw a decline in operating income.

On the end of April 2005, the Company dissolved its joint venture with Mitsubishi Electric Corporation in the power transmissions and distribution business.

At April 1st 2006, in-house companies in the Company, Industrial and Power Systems & Service Company and Social Network & Infrastructure Systems Company were reorganized to Power Systems Company which does power plant equipment business, Industrial Systems Company which does private sector industrial systems, and Social Infrastructure Systems Company which mainly does public sector infrastructure systems.

Home Appliances
Consolidated net sales in Home Appliances increased by 26.5 billion yen from the previous year to 687.5 billion yen on higher sales of washing machines and backlights for LCDs. The segment posted profit of 2.7 billion yen, an improvement of 6.0 billion yen from the year earlier period.

In the year under review, the Company launched a series of strategic new products commemorating the 130th Anniversary of the Group’s founding, achieving hit success with a drum style washer and dryer boasting the best noise and speed performance in the industry, incandescent bulb style fluorescent lamps with the same shape and lighting features as incandescent bulbs, and an air-conditioner featuring a fully-automated air-conditioner's cleaner that automatically cleans the filter of the indoor unit.

Others
Consolidated net sales of Others increased by 8.2 billion yen to 379.8 billion yen from a year and Operating income in Others saw 8.2 billion yen increase from the previous year to 18 billion yen.

（Note）
1. The consolidated balance sheet and the consolidated statement of income of the Company have been prepared based on generally accepted accounting principles in the U.S. pursuant to Article 179, paragraph 1 of the Enforcement Regulation of the Commercial Code. The segment consolidated information have been prepared based on the Consolidated Financial Statement Code Article 15-2 instead of Statement of Financial Accounting Standards No.131 of Financial Accounting Standards Board.

2. Consolidated operating income is the amount which Cost of Sales and Selling, general and administrative expense are deducted from consolidated net sales and subsidy received on return of substitutional portion of Employees' Pension Fund Plan.

3. From FY2005, income (loss) before income taxes and minority interest includes equity in earnings of affiliates, which had not been included until FY2004. The above comparison with the year-earlier period is based on the new accounting presentation.

Compliance Issues
In December 2005, an employee of the Company was ordered by Tokyo Summery Court to pay a fine as a sanction for obstructing competitive bidding about electric equipment construction by the Narita International Airport Corporation (formerly New Tokyo International Airport Authority). In March 2006, the Company received notice that it had been served with an order by the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure and Transport obliging it to suspend business for 30 days (Sales of electrical equipment work related to public construction and private construction supported by subsidy of government and other public offices, to be conducted in the prefectures including Ibaragi, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, and Nagano). In response to this, the Company is working to eradicate illegal activities in connection with bidding and regain trust by establishing sales compliance departments and

employ compliance tools including standards of conducts in the business related to government and public offices.
In addition, the Company received a warning from the Nuclear and Industrial Safety Agency of the Ministry of Economy, Trade and Industry following the discovery of flow-rate test data falsification for nuclear reactor and thermal power generator flow meters. In order to prevent a reoccurrence of this problem, the Company has established a compliance promotion departments and is in the process of strengthening the entire quality control system by reinforcing the quality control department and establishing a quality audit department.
We apologize deeply for any concern and inconvenience that we have caused shareholders through these incidents.

Lawsuit with Lexar Media, Inc.
A lawsuit was filed by Lexar Media, Inc. against the Company and one of its subsidiaries, Toshiba America Electronic Components, Inc., at the Superior Court of the State of California (County of Santa Clara), alleging claims for trade secret misappropriation related to NAND flash memory. In December 2005, the Court ruled on the Company's post-trial motions and granted a new trial on damages issues, vacating the judgment based on a March 2005 jury award that totaled approximately US$465 million. Both the Company and Lexar Media filed notices of appeal and the case is now pending before the Court of Appeal of the State of California..
The Company invented NAND flash memory technology and has been a pioneer in its development since. We intend to pursue all available legal avenues to ensure that our claim is recognized and will continue to actively promote our NAND flash memory business.

(2) Fund-Raising of The Group
The funds required for capital investment and other purposes were derived primarily from internal funds and borrowing.

(3) Capital Investment of The Group
During the period under review, the Group conducted capital investment of 306 billion yen based on the value of orders placed. This was directed principally to the field of semiconductors, which is undergoing remarkable growth. In addition, the Group conducted capital investment of 158.2 billion yen based on the value of orders placed through FlashVision, Ltd., Flash Partners, Ltd., and SED Inc., which are affiliated companies accounted for by the equity method.

The principle items of plant and equipment completed during the fiscal year included the leading edge manufacturing equipment for system LSIs at the Oita Operations, and manufacturing building equipment and power equipment for NAND flash memories at the Yokkaichi Operations.

Capital investment underway during the period included manufacturing building equipment and power equipment for NAND flash memories at the Yokkaichi Operations, manufacturing equipment for system LSIs at Iwate Toshiba Electronics Co., Ltd., manufacturing building equipment and power equipment for Low Temperature Polysilicon TFT LCD at Toshiba Matsushita Display Technology Co., Ltd., and manufacturing building and equipment for cold cathode discharge lamps at Harison Engineering (Korea) Co., Ltd.

Research and Development
The following are the principle results of research and development activities during the period under review.

During the period, the Group was awarded the Okochi Memorial Production Prize for the development of mass-manufacturing technology for a multi-chip package consisting of multiple layers of memory chips, as well as the Nikkei Global Environment Technology Award for the research and development of erasable inks and toners, and the Grand Prize for Energy Conservation by the Commissioner of the Agency for Natural Resources and Energy for the development of open showcases with an inbuilt inverter circuit.

The World's First Commercialization of HD DVD
During the period under review, the Company rolled out the world's first commercially available high definition DVD player supporting the HD DVD format, approved by the DVD Forum as the next generation DVD standard.

In addition to offering consumers the chance to enjoy high-definition quality HD DVD content non-reproducible by standard DVD players on a large display, the new HD DVD player can play current DVD software with far higher picture quality than ever before. The Company plans to follow this roll-out with the commercialization and launch of a range of next-generational DVD products including a HD DVD recorder with a magnetic hard disk drive.

Commercialization of Floor-mounted X-ray Cardiac Diagnostic System to Shot the Whole Body
During the period, the Company also released an X-ray cardiac diagnostic system which enables images to be taken from various angles while being floor-mounted for relatively easy installation. The system's five-axis positioneres ensure coverage of the whole body from head to toe for cardiac imaging, while the flat panel detector delivers outstanding picture quality. The system also enables catheter operation from the upper arm in the diagnostic treatment of patients with ischemic heart disease and the examination of peripheral blood vessels, thereby reducing the burden on patients.

Development of the Fastest and Highest Density 16-megabit MRAM
Toshiba and NEC Corporation have jointly developed a magnetoresistive random access memory (MRAM) that combines the world's fastest speed with the world's highest density. The new MRAM achieves a 16-megabit density and a read and write speed of 200-megabytes a second, and was developed with grant support from Japan's New Energy and Industrial Technology Development Organization (NEDO). It has an improved wiring design that divides the current paths for reading and writing and blocks any negative electrical influence from the writing circuit on peripheral circuits, thus realizing a faster speed. It also reduces equivalent resistance in wiring by approximately 38% by forking the write current and has a low operating voltage of only 1.8V, the ideal voltage for mobile digital products.

Development of the Video-streaming System to Apply Ultra-secure Quantum Cryptography

The Company has developed a video-streaming system that applies ultra-secure quantum cryptography to the transmission of streaming video. The system enables video to be sent securely by combining the quantum cryptography method of using light particles to send and receive digital keys with a system that automatically creates and updates digital keys to encrypt each frame of IP video with a unique digital key, creating an unbreakable sequence of IP traffic.

5) Countermeasures to Large-Scale Acquisitions of the Company’s Shares (Takeover Defense Measure)

Considering the situation that corporate acquisitions have become notably frequent recently, a comprehensive examination of the measures taken by the Company subsequent to the May 2005 announcement of its “Policy Toward Proposals of Acquisitions of Toshiba Shares” has been conducted by an in-house committee and the Company’s Board of Directors, which includes four outside directors. Consequently, the Board has decided that a more transparent plan is appropriate for protecting against acquisitionsthat are detrimental to the Company’s corporate value and the common interests of shareholders.
In April 2006, the Board including the four outside directors unanimously decided that a more transparent plan is appropriate for protecting against acquisitions that are detrimental to the Company’s corporate value and the common interests of shareholders. The Plan will be introduced upon the shareholders granting their approval for the basic concept of the plan at the Ordinary General Shareholders Meeting scheduled to be held in June 2006.
The plan was introduced for the purpose of protecting and enhancing the corporate value of the Company and the common interests of its shareholders by explicitly setting forth the procedures to be followed when a large-scale acquisition of the Company’s shares is made, ensuring that shareholders are provided with necessary and adequate information and sufficient time to make appropriate decisions, and securing the opportunity for the Company to negotiate with the acquirer.

Specifically, the Company will require the acquirer to provide Post-Acquisition management policy, business plan, capital and dividend policies for the Group in advance to its Board of Directors. The Board of Directors will then establish a Special Committee which three or more independent outside directors, will make efforts to understand the opinions of the shareholders and, if necessary, obtain opinions from the customers, business partners, vendors, employees, regional communities and advice from outside experts. On that basis, the Special Committee will evaluate and consider the details of the acquisition from the point of view of disclosing to the Company’s shareholders the necessary information regarding the acquisition and of protecting the Company's corporate values and the common interests of its shareholders. After the Special Committee's consideration, only if the Special Committee recommend to the Company's Board of Directors, the Company's Board of Directors will enforce countermeasures based on the Plan. Except for information that the Special Committee finds it inappropriate to disclose, such as trade secrets, the Special Committee will, in order to increase the transparency of the Special Committee’s decision, promptly disclose information to the shareholders, including a summary of the Acquisition Statement submitted by the Acquirer, summaries

of the opinion submitted by the Chief Executive Officer with respect to the Acquirer’s Acquisition terms and the alternative proposal submitted by the Company’s Chief Executive Officer, and any other matters that the Special Committee deems appropriate.
The effective period of the Plan shall be a period of three years from the conclusion of the Ordinary General Shareholders Meeting relating to the fiscal year ending March 2006 up to the conclusion of the Ordinary General Shareholders Meeting relating to the fiscal year ending March 2009.
(Note)
For the details of the Plan, please refer to The summary of this proposal is described in the Reference Material for Exercising Voting Rights and The Company's web site （http://www.toshiba.co.jp/about/press/2006_04/pr_j2802.html） *.
* The English version is (http://www.toshiba.co.jp/about/press/2006_04/pr2802.htm).

Issues to be Addressed

The Group’s business areas of Energy and Electronics face dramatic change and fierce competition on a global scale. In order to survive in the face of intense competition, the Group will further increase the speed of management decision making and seek market leadership. Toward those ends, the Group will consistently create differentiated products and implement measures to strengthen Group businesses and generate profit.
The Group will drill down business challenges to each process of development, procurement and manufacturing, and marketing, and will strengthen a system that generates new ideas for breaking down barriers to business progress, through a six-sigma program that applies data-driven approaches to overcoming problems. The Group intends to apply this system to all of its activities. The Group will strengthen its competitiveness significantly, to achieve sustained growth, through promotion of “i cube”, the Group-wide program for maximizing the multiplier effect of process innovations by executing process innovations on a routine basis and reflecting each innovation to other processes.

The Company positions Digital Products, Electronic Devices and Social Infrastructure, as its main business domains. In Digital Products, the Group aims to offer a constant stream of new products derived from the Group’s technological expertise in key areas, including notebook PCs, hard disk drives and mobile phones, and to reinforce its business structure and to establish solid foundations for profitability through product differentiation and promotion of decommoditization. The Group also aims for consistent growth through the cultivation of new businesses that will become next-generation core businesses, including SED (surface-conduction electron-emitter display) TVs and HD DVD products. In Electronic Devices, the Group continues proactive investment of resources in NAND flash memory, and seeks to grow the domain further as a pillar of profit through development of SED, high-value added LCD, direct methanol fuel cells for mobile applications and other new technologies. In Social Infrastructure, the Group continues to reinforce its operation, and aims to assure further domain expansion and enhancement, as a basis for generating steady profit, through new business development. By bringing Westinghouse Group into the Group, the Group will also accelerate globalization of the domain’s business operations, and maximize synergy by combining Westinghouse with the Group.

In order to achieve sustainable growth and the Group development, it is essential to accept corporate social responsibility (CSR) and to earn the trust of society by engaging in socially beneficial activities in the countries and regions. The Group will continue to promote activities for compliance with laws and regulations, respect for human rights, environmental preservation, and corporate citizenship.

The Group marked its 130th anniversary in July 2005. Its founder, Mr. Hisashige Tanaka, his passion and spirit of enquiry that inspired his innovation and his reliable technology, are the Group’s heritage, its corporate DNA. On the occasion of its 130th anniversary, the Group has reconfirmed its mission to contribute to society through the creation of new value for society and to maintain an appropriate level of profit, and to make its best efforts to achieve these targets. For these endeavors, we look forward to continuing support of our shareholders.

2. Group Business Results and Asset Conditions for the Four-Year Period

(1) The Group (Consolidated)

Item	164th period Fiscal Year 2002	165th period Fiscal Year 2003	166th period Fiscal Year 2004	167th period Fiscal Year 2005
Sales (Billions of yen)	5,655.8	5,579.5	5,836.1	6,343.5
Net income (loss) (Billions of yen)	18.5	28.8	46.0	78.2
Net income (loss) per share (yen)	5.75	8.96	14.32	24.32
Total assets (Billions of yen)	5,238.9	4,462.2	4,571.4	4,727.1

(Notes) Figures are rounded off.

(2) The Company (Non-consolidated)

Item	164th period Fiscal Year 2002	165th period Fiscal Year 2003	166th period Fiscal Year 2004	167th period Fiscal Year 2005
Sales (Billions of yen)	3,408.2	3,013.1	2,816.3	3,257.5
Net income (loss) (Billions of yen)	83.3	19.6	17.6	22.7
Net income (loss) per share (yen)	25.90	6.12	5.47	7.06
Total assets (Billions of yen)	2,877.8	2,587.7	2,643.2	2,742.2

(Notes) Amounts under 100 million yen were rounded down in the 165th period and before, and rounded off from the 166th period.

3. Status of Consolidation and Others

Outline of Main Group Companies

As of March 31, 2006

Name of Company	Paid in Capital	Investment Ratio (Percentage)	Main Business	Location
Toshiba TEC Corporation	39,971 (Millions of yen)	52.2	Development, design, manufacture, retail, and maintenance of information systems, image information and communication systems, home appliances and others.	Shinagawa-ku, Tokyo
Toshiba Plant Systems & Services Corporation	11,876 (Millions of yen)	69.4	Engineering, construction, trial operation, alignment, maintenance and service of power systems, nuclear systems, and infrastructure & industrial systems. Development, design, manufacture and sales of IT equipments and environmental systems.	Ota-ku, Tokyo
Toshiba Elevator and Building Systems Corporation	21,408 (Millions of yen)	80.0	Development, design, manufacture, sales, installation, maintenance and repair of elevators and escalators, and integrated monitoring and control of building-related facilities.	Shinagawa-ku, Tokyo
Toshiba Solutions Corporation	20,000 (Millions of yen)	100.0	Consultation, development, design, sales and maintenance of IT solutions. Related engineering, work and provision of outsourcing services.	Minato-ku, Tokyo

Name of Company	Paid in Capital	Investment Ratio (Percentage)	Main Business	Location
Toshiba Medical Systems Corporation	14,700 (Millions of yen)	100.0	Development, design, manufacture, sales and maintenance of medical equipment and medical information systems.	Otawara
Toshiba Matsushita Display Technology Co., Ltd.	10,000 (Millions of yen)	60.0	Development, design, manufacture and sales of liquid crystal displays	Minato-ku, Tokyo
Toshiba Consumer Marketing Corporation	3,000 (Millions of yen)	100.0	Business planning and sales of home appliances. Sales of audio & visual equipment and information equipment.	Chiyoda-ku, Tokyo
Toshiba America, Inc.	840,050 (Thousands of U.S. dollars)	100.0	Holding company of operating companies in the U.S.	U.S.
Toshiba America Medical Systems, Inc.	352,250 (Thousands of U.S. dollars)	100.0	Sales and maintenance of medical equipments and medical information systems in the U.S.	U.S.
Toshiba America Business Solutions, Inc.	307,673 (Thousands of U.S. dollars)	100.0	Sales of image information and communication systems in the U.S.	U.S.
AFPD Pte., Ltd.	472,584 (Thousands of Singapore dollars)	100.0	Manufacture of liquid crystal displays	Singapore

Name of Company	Paid in Capital	Investment Ratio (Percentage)	Main Business	Location
Toshiba International Finance (UK) Plc.	5,000 (Thousands of Sterling pounds)	100.0	Loans and other financial support activities for subsidiaries in Europe.	U.K.
Toshiba Capital (Asia) Ltd.	4,000 (Thousands of Singapore dollars)	100.0	Loans and other financial support activities for subsidiaries in Asia and Oceania.	Singapore
Taiwan Toshiba International Procurement Corporation	26,000 (Thousands of Taiwan dollars)	100.0	Procurement and export of computer parts	Taiwan

(Notes) Investment ratios are the ratios of voting rights held by the Group.

The Company has 368 consolidated subsidiaries (including the above 14 companies), and 111 affiliated companies accounted for by the equity method. The main affiliated companies accounted for by the equity method are Toshiba Ceramics Co.,Ltd., Toshiba Machine Co.,Ltd., Topcon Corporation, and Sibaura Mechatronics Corpration.

4. Shares and Stock Acquisition Rights of the Company

As of March 31, 2006

(1) Total Number of Authorized Shares:	10,000,000,000
(2) Total Number of Issued Shares:	3,219,027,165
(3) Total Number of Shareholders:	454,849

(4) Stock Acquisition Rights

Name of Stock Acquisition Rights	Number of Stock Acquisition Rights	Class and number of shares to be issued upon exercise of Stock Acquisition Rights	Issue price of stock acquisition rights
Stock Acquisition Rights Attached to Zero Coupon Convertible Bonds Due 2009 (Issued July 21, 2004)	5,000	85,178,875 shares of common stock	Free of charge
Stock Acquisition Rights Attached to Zero Coupon Convertible Bonds Due 2011 (Issued July 21, 2004)	10,000	184,501,845 shares of common stock	Free of charge

(5) Principal Shareholders

Name of Shareholder	Number (in thousands)	Investment Ratio (Percentage)	Shareholders' Shares held by the Company	
			Number (in thousands)	Investment Ratio (Percentage)
The Master Trust Bank of Japan, Limited (trust accounts)	198,087	6.2	0	-
The Chase Manhattan Bank, N.A. London	137,731	4.3	0	-
Japan Trustee Services Bank, Limited (trust accounts)	129,387	4.1	0	-
The Dai-ichi Mutual Life Insurance Company	108,752	3.4	0	-

Nippon Life Insurance Company	102,542	3.2	0	-
Japan Trustee Services Bank, Limited (trust accounts No. 4)	58,232	1.8	0	-
Toshiba Employees Stocks Ownership Plan	53,799	1.7	0	-
Sumitomo Mitsui Banking Corporation	50,003	1.6	0	-
NIPPONKOA Insurance Company, Limited	46,308	1.5	0	-
Mitsui Sumitomo Insurance Company, Limited	36,952	1.2	0	-

(Note) Investment ratios are the ratios of voting rights held.

(6) Voting Rights held by the following Category of Shareholders:

Category	Government and local public entities	Financial institutions	Securities companies	Other entities	Overseas entities and others	Overseas individuals in overseas entities	Individuals and others
Percentage	0.0	37.7	1.4	2.7	22.3	0.0	35.9

(7) Acquisition, Disposition & Others and Holding of Treasury Stock

Shares held as of the closing date of last period:		3,558,726 (common stock)
Shares acquired during the period:		960,745 (common stock)
	Aggregate amount of acquisition costs:	528,384 (Thousands of yen)
Shares disposed during the period:		90,124 (common stock)
	Aggregate amount of sales value:	47,419 (Thousands of yen)
Shares held as of the closing date of this period:		4,429,347 (common stock)

5. Main Lenders

As of March 31, 2006

Lender	Loans Outstanding (Billions of yen)	Toshiba Shares held by Lenders (Thousands of shares)
Toshiba America Capital Corporation	77.1	0
Sumitomo Mitsui Banking Corporation	30.0	50,003
Mizuho Corporate Bank, Limited	27.0	36,000
The Bank of Tokyo-Mitsubishi UFJ, Limited	23.0	31,000
The Dai-ichi Mutual Life Insurance Company	22.0	108,752

6. Management

(1) Directors

As of March 31, 2006

Chairman of the Board and Director	Tadashi Okamura	(Member of the Nomination Committee and the Compensation Committee)
Director	Atsutoshi Nishida	(Member of the Compensation Committee)
Director	Takeshi Nakagawa	
Director	Sadazumi Ryu	
Director	Shigeo Koguchi	
Director	Yoshiaki Sato	
Director	Yuji Kiyokawa	
Director	Toshitake Takagi	
Director	Takeshi Iida	(Chairman of the Audit Committee)
Director	Masaki Matsuhashi	(Member of the Audit Committee)
Director	Sakutaro Tanino	(Member of the Nomination Committee, Audit Committee, and Compensation Committee, Visiting Professor of Graduate School of Asia-Pacific Studies, Waseda University)

Director	Yasuhiko Torii	(Chairman of the Nomination Committee, Member of the Compensation Committee, President of the Promotion and Mutual Aid Corporation for Private Schools of Japan)
Director	Shunsaku Hashimoto	(Chairman of the Compensation Committee, Member of the Audit Committee, Honorary Advisor at Sumitomo Mitsui Banking Corporation)
Director	Atsushi Shimizu	(Member of the Audit Committee, Professor of the Faculty of Law, Toin University of Yokohama, Attorney-at-law)

(Notes)

1. At the conclusion of the Ordinary General Meeting of Shareholders for the 166th fiscal period held on June 24, 2005, Chairman of the Board and Director, Mr. Taizo Nishimuro, and Director, Mr. Yasuo Morimoto left their office as their terms of office expired and were not reelected.
2. At the Ordinary General Meeting of Shareholders for the 166th fiscal period, two (2) Directors, Messrs. Sigeo Koguchi and Yoshiaki Sato were newly elected and assumed office.
3. At the first meeting of the board of directors held after the Ordinary General Meeting of Shareholders for the 166th fiscal period, Mr. Tadashi Okamura was newly elected as Chairman of the Board and Director and assumed office.
4. Messrs. Sakutaro Tanino, Yasuhiko Torii, Shunsaku Hashimoto, and Atsushi Shimizu, are Outside Directors prescribed by Article 188, paragraph 2 item7-2 of the Commercial Code and they are not elected as Executive Officers.

(2) Executive Officers

Representative Executive Officer President and Chief Executive Officer (*)	Atsutoshi Nishida	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Takeshi Nakagawa	(Support of the President, Managing Director of the Network Services & Content Control Center, General Executive of Strategic Planning & Communication Group)
Representative Executive Officer Corporate Senior Executive Vice President (*)	Sadazumi Ryu	(Support of the President, General Executive of Information & Security Group, General Executive of Finance & Accounting Group)
Representative Executive Officer Corporate Senior Executive Vice President (*)	Shigeo Koguchi	(Support of the President, Responsible for the Electronic Devices & Components Group, General Executive of Productivity & Environment Group, General Manager of Management Innovation Division)
Representative Executive Officer Corporate Senior Executive Vice President (*)	Yoshiaki Sato	(Responsible for Consumer Electronics Group, President and CEO of Toshiba Consumer Marketing Corporation)
Executive Officer Corporate Executive Vice President (*)	Yuji Kiyokawa	(General Executive of Strategic Planning & Communication Group (Public Relations), General Executive of the Legal Affairs & Export Control Group, General Manager of the Corporate Social Responsibility Division)
Executive Officer Corporate Executive Vice President	Tsuyoshi Kimura	(General Manager of Kansai Branch Office)
Executive Officer Corporate Executive Vice President (*)	Toshitake Takagi	(General Executive of Marketing Planning Group)

Executive Officer Corporate Executive Vice President	Masao Niwano	(Responsible for Infrastructure Systems Group, General Executive of Productivity & Environment Group (Environment))
Executive Officer Corporate Executive Vice President	Makoto Azuma	(General Executive of Technology & Intellectual Property Group)
Executive Officer Corporate Executive Vice President	Toshio Yonezawa	(Responsible for the Digital Products Group, Responsible for Consolidated Management Group, General Executive of Finance & Accounting Group (Group Management))
Executive Officer Corporate Senior Vice President	Tsutomu Miyamoto	(President and CEO of Social Network & Infrastructure Systems Company of Toshiba)
Executive Officer Corporate Senior Vice President	Yoshihiro Nitta	(General Executive of Procurement Group)
Executive Officer Corporate Senior Vice President	Yoshihide Fujii	(President and CEO of Digital Media Network Company of Toshiba)
Executive Officer Corporate Senior Vice President	Hisatsugu Nonaka	(Executive Vice President of Personal Computer & Network Company of Toshiba)
Executive Officer Corporate Senior Vice President	Masao Namiki	(President and CEO of Industrial and Power Systems & Services Company of Toshiba)
Executive Officer Corporate Senior Vice President	Masashi Muromachi	(President and CEO of Semiconductor Company of Toshiba)
Executive Officer Corporate Vice President	Shunsuke Kobayashi	(Executive Vice President of Industrial and Power Systems & Services Company of Toshiba)
Executive Officer Corporate Vice President	Toru Uchiike	(Corporate Representative of Americas, Chairman and CEO of Toshiba America, Inc)

Executive Officer Corporate Vice President	Mutsuhiro Arinobu	(Director of Corporate Research & Development Center)
Executive Officer Corporate Vice President	Fumio Muraoka	(General Manager ofCorporate Audit Division)
Executive Officer Corporate Vice President	Ichiro Tai	(Chief Technology Executive of Industrial and Power Systems & Services Company of Toshiba, Senior Manager of Fuel Cells Business Promotion Department of Industrial and Power Systems & Services Company of Toshiba)
Executive Officer Corporate Vice President	Nobuhiro Yoshida	(Executive Vice President of Personal Computer & Network Company of Toshiba)
Executive Officer Corporate Vice President	Toshinori Moriyasu	(Executive Vice President of Semiconductor Company of Toshiba)
Executive Officer Corporate Vice President	Hisayoshi Fuwa	(General Manager of Corporate Strategic Planning Division, General Manager of Business Development Division)
Executive Officer Corporate Vice President	Toshiharu Kobayashi	(General Manager of Legal Affairs Division)
Executive Officer Corporate Vice President	Chikahiro Yokota	(President and CEO of Mobile Communications Company of Toshiba)
Executive Officer Corporate Vice President	Kazuo Tanigawa	(General Executive of Human Resources Group)
Executive Officer Corporate Vice President	Michiharu Watanabe	(General Manager of Corporate Market Creation Division, General Manager of Automotive Systems Division)
Executive Officer Corporate Vice President	Norio Sasaki	(Executive Vice President of Industrial and Power Systems & Services Company of Toshiba)

Executive Officer Corporate Vice President	Kazunori Fukama	(Project Manager of SED Project Team, President and CEO of SED Inc.)

(Notes)

1. (*) indicates that the Executive Officer concurrently holds office as a Director.
2. Executive Officers, Corporate Vice President, Mr. Katsuharu Fujita resigned their office at May 31, 2005.
3. At the conclusion of the first meeting of the board of directors held after the Ordinary General Meeting of Shareholders for the 166th fiscal period held on June 24, 2005, Representative Executive Officer, President and Chief Executive Officer, Mr. Tadashi Okamura, and Representative Executive Officer, Corporate Senior Executive Vice President, Mr. Yasuo Morimoto left their office as their terms of office expired and were not reelected.
4. At the first meeting of the board of directors held after the Ordinary General Meeting of Shareholders for the 166th fiscal period, Executive Officer, Corporate Executive Vice President, Mr. Toshio Yonezawa and three Executive Officers, Corporate Vice Presidents, Messers. Michiharu Watanabe, Norio Sasaki, and Kazunori Fukuma were newly elected and assumed office.
5. At the first meeting of the board of directors held after the Ordinary General Meeting of Shareholders for the 166th fiscal period, Mr. Atsutoshi Nishida was newly elected as Representative Executive Officer President and Chief Executive Officer and assumed office.
6. As of April 1, 2006, the following changes were made:

Representative Executive Officer Corporate Senior Executive Vice President	Sadazumi Ryu	(Support of the President, Responsible for Consolidated Management Group, General Executive of Information & Security Group, General Executive of Finance & Accounting Group)
Representative Executive Officer Corporate Senior Executive Vice President	Shigeo Koguchi	(Support of the President, Responsible for the Electronic Devices & Components Group, General Manager of Management Innovation Division)
Executive Officer Corporate Executive Vice President	Tsuyoshi Kimura	(Deputy General Manager of the Corporate Social Responsibility Division)
Executive Officer Corporate Executive Vice President	Masao Niwano	(Support of the President)

Executive Officer Corporate Executive Vice President	Toshio Yonezawa	(Responsible for the Digital Products Group, General Executive of Productivity & Environment Group)
Executive Officer Corporate Senior Vice President	Tsutomu Miyamoto	(President and CEO of Industrial Systems Company of Toshiba)
Executive Officer Corporate Senior Vice President	Masao Namiki	(Responsible for Infrastructure Systems Group)
Executive Officer Corporate Vice President	Shunsuke Kobayashi	(General Manager of Kansai Branch Office)
Executive Officer Corporate Vice President	Mutsuhiro Arinobu	(Support of Corporate Senior Vice President, Mr. Makoto Azuma)
Executive Officer Corporate Vice President	Ichiro Tai	(Director of Corporate Research & Development Center)
Executive Officer Corporate Vice President	Nobuhiro Yoshida	(General Manager of Technology Planning Division)
Executive Officer Corporate Vice President	Toshinori Moriyasu	(General Manager of Automotive Systems Division)
Executive Officer Corporate Vice President	Hisayoshi Fuwa	(General Manager of Corporate Strategic Planning Division)
Executive Officer Corporate Vice President	Michiharu Watanabe	(General Manager of Corporate Market Creation Division)
Executive Officer Corporate Vice President	Norio Sasaki	(President and CEO of Power Systems Company of Toshiba)

7. Compensation Policy and Amount of Compensation

(1) Compensation Policy

Since the main responsibility of Directors is to supervise the execution of the overall the Group's business, compensation for Directors is determined at an adequate level to secure highly competent personnel and ensure effective working of the supervisory function.

Since the responsibility of Executive Officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, compensation for Executive Officers is divided into "Fixed compensation" and "Performance-based compensation", and determined at an adequate level to secure highly competent personnel and ensure effective working of their compensation package as an incentive to improve business performance.

i. Director's Compensation

"Fixed compensation" is paid to Directors who do not concurrently hold office as an Executive Officer based on his/her status as a full-time or part-time Director and his/her duties.

"Fixed compensation" is paid to Directors who concurrently hold office as an Executive Officer in addition to the Executive Officer's compensation specified in (ii).

ii. Executive Officer's Compensation

Executive Officer's compensation is comprised of "Basic compensation" based on the Executive Officer's rank (eg. President and Chief Executive Officer, Corporate Senior Executive Vice President) and "Service compensation" calculated according to his/her duties as an Executive Officer.

35% of "Service compensation" will fluctuate from 0 to 2 times according to the year-end performance of division for which the Executive Officer is responsible or of the Company.

In addition, benefits are paid according to the Executive Officer's annual contribution to the Company Executive Stock Ownership Plan, except those who the Executive Officer concurrently holds office as a Director.

iii. Compensation Standards

Compensation standards are determined at suitable levels as a global company, with the aim of securing highly competent management personnel. The compensation standards and employee benefits of other listed companies are considered when determining the Company's compensation standards.

iv. Retirement Allowance

A retirement allowance calculated by the following method is paid to retiring Directors and Executive Officers:

The result of multiplication of (a) the amount of his/her "Basic compensation" or ""Fixed compensation" according to his/her rank (at the time of retirement) multiplied by his/her rank's coefficient and the number of years he/she occupied that rank, and (b) a bonus rate based on his/her achievement or contribution to the Company.

(Note)

Compensation Committee held in April 2006 decided the abolishment of a retirement allowance and revise of "Fixed compensation" of Directors and "Basic compensation" of Executive Officers.

(2) Amount of Compensation Paid

Item		Number of Directors/Executive Officers	Amount (Millions of Yen)
Directors	Compensation	8	185
	Retirement allowances	1	403
Executive Officers	Compensation	41	998
	Retirement allowances	2	85

(Notes) 1. Compensation paid to Directors who concurrently hold office as an Executive Officer is counted under the compensation of Executive Officers.

2. The compensation of Executive Officers includes compensation paid to seven (7) Executive Officers who left their office during the previous fiscal period.

8. Amount of Agreed Compensation to be paid by the Group to Accounting Auditors

	Amount (Millions of Yen)
(1) Total amount of agreed compensation to be paid by the Group	707
(2) Total amount of agreed compensation within (1) above to be paid by the Group as remuneration for audit certification work	663
(3) Total amount of agreed compensation within (2) above to be paid by the Company	226

(Notes) The amount of (3) above includes compensation for audits required under The Law for Special Exceptions to the Commercial Code and audits required under Securities and Exchange Law, which are not separately distinguished in the auditing agreement between the Company and its accounting auditors.

9. Matters Necessary for the Exercise of the Group Audit Committee’s Duties

The summary of resolutions made by the Board of Directors concerning matters necessary for the performance of the Audit Committee is as follows:

(1) In order to support the duties of the Audit Committee, an Audit Committee Office, which consists of around 5 members or so, shall be established.

(2) In order to maintain the independence of the members of the Audit Committee Office, the Audit Committee shall be consulted in advance on personnel issues related to the members.

(3) In order to maintain effective auditing, the regulations regarding matters to be reported to the Audit Committee by Executive Officers and employees shall be established, and thereby the Audit Committee shall be kept informed of matters that will impact management and business results.

(4) In order to maintain the effective auditing, the regulations regarding the preservation period of important documents concerning the execution of Executive Officers’ duties shall be established.

(5) In order to organize the risk management system, the constitution of the regulations concerning risk management, the establishment of the committee, the educational programs for Executive Officers and employees, the organization of employee’s reporting system, and others shall be done.

(6) In order to maintain a system ensuring compliance with laws and regulations, the internal rule concerning compliance and a Compliance Committee shall be established and compliance education shall be provided to Executive Officers and employees.
At the same time, in order to maintain a system ensuring the legality and efficiency of Executive Officers’ management conduct, an internal control system, shall be established.
The General Manager of the Corporate Audit Division shall closely cooperate with the Audit Committee. For example, the General Manager of the Corporate Audit Division shall consult with the Audit Committee on auditing policy and plans in advance and regularly report audit results to the Audit Committee .

10. The Group Employees

As of March 31, 2006

Segment	Number of Employees
Digital Products	44,572
Electronic Devices & Components	33,277
Social Infrastructure	56,888
Home Appliances	24,605
Others	9,380
Group-wide (shared)	3,267
Total	171,989

(Notes) The Company has 31,595 employees.

11. Main Business of the Group

Digital Products

Mobile phones, Hard disk drives, Optical disk drives, Televisions, Liquid crystal display televisions, Projection televisions, Projectors, Camera systems, DVD players, DVD recorders, Personal computers, PC servers, Business telephones, POS systems, Digital multi-function peripherals and others

Electronic Devices & Components

General-purpose logic ICs, Small signal devices, Optoelectronic devices, Power devices, Image information system LSIs, Communication & network system LSIs, CMOS image sensors, Micro computers, LCD driver, Bipolar ICs, Flash memories, Multi chip packages, Liquid crystal displays, X-ray tubes, and others

Social Infrastructure

Nuclear power generators, Thermal power generators, Hydro-power generators, Electric distribution systems, Water supply and sewage systems, Government systems, Instruments control systems, Transportation equipments, Electrical machinery, Broadcasting systems, Transmission network systems, Automatic letter handling machines, Banking machines, Automatic railroad station equipments, Radar systems, Elevators, Escalators, Computer systems, Diagnostic X-ray systems, CT systems, MRI systems, Diagnostic ultrasound systems, Clinical analysis systems and others

Home Appliances

Refrigerators, Washing Drying machines, Washing machines, Kitchen appliances, Vacuum Cleaners, Light bulbs, Fluorescent lamps, Light fixtures, Industrial light parts, Air-conditioners, Compressors, Cold chain equipments, Batteries, Vending machines and others

Others

Rental & sale of real estate and others

12. Main Places of Business and Facilities of the Group

As of March 31, 2006

(1) The Company

Places of Business:

Principal Office (Minato-ku, Tokyo), Hokkaido Branch Office (Sapporo), Tohoku Branch Office (Sendai), Shutoken Branch Office (Saitama), South-Shutoken Branch Office (Yokohama), Hokuriku Branch Office (Toyama), Chubu Branch Office (Nagoya), Kansai Branch Office (Osaka), Chugoku Branch Office (Hiroshima), Shikoku Branch Office (Takamatsu), Kyushu Branch Office (Fukuoka)

Production Facilities:

Fukaya Operations (Fukaya), Ome Complex (Ome), Hino Operations (Hino), Fuchu Complex (Fuchu, Tokyo), Komukai Operations (Kawasaki), Microelectronics Center (Kawasaki), Hamakawasaki Operations (Kawasaki), Keihin Product Operations (Yokohama), Yokohama Complex (Yokohama), Mie Operations (Asahi City, Mie Prefecture), Yokkaichi Operations (Yokkaichi), Himeji Operations (Himeji), Kitakyushu Operations (Kitakyushu), Oita Operations (Oita)

Laboratories:

Corporate Research & Development Center (Kawasaki), Software Engineering Center (Kawasaki), Corporate Manufacturing Engineering Center (Yokohama), Mobile Communications Development Center (Ome), Core Technology Center (Ome), PC Development Center (Ome), Power and Industrial Systems Research and Development Center (Yokohama)

(2) The Group Companies

Name and Location of the main companies in the Group are noted in Section 3 “Status of Consolidation and others.”

CONSOLIDATED BALANCE SHEET

As of March 31, 2006

Assets	(Millions of yen)	Liabilities	(Millions of yen)
Current assets	**2,646,616**	**Current liabilities**	**2,408,970**
Cash and cash equivalents	270,921	Short-term borrowings	142,530
Notes and accounts receivable, trade	1,254,480	Current portion of long-term debt	163,558
Notes	101,208	Notes payable, trade	63,574
Accounts	1,181,943	Accounts payable, trade	1,037,048
Allowance for doubtful notes and accounts	-28,671	Accounts payable, other and accrued expenses	411,220
Inventories	664,922	Accrued income and other taxes	48,725
Deferred tax assets	146,655		
Prepaid expenses and other current assets	309,638	Advance payments received	144,362
		Other current liabilities	397,953
		Long-term liabilities	**1,157,653**
		Long-term debt	611,430
Long-term receivables and investments	**487,741**	Accrued pension and severance costs	474,198
Long-term receivables	18,883	Other liabilities	72,025
Investments in and advances to affiliates	228,402	**Total liabilities**	**3,566,623**
Marketable securities and other investments	240,456	**Minority interest in consolidated subsidiaries**	**158,325**
		Shareholders' equity	
Property, plant and equipment	**1,176,550**	**Common stock:**	274,926
Land	161,503	Authorized — 10,000,000,000 shares	
Buildings	1,084,433	Issued: 3,219,027,165 shares	
Machinery and equipment	2,402,752		
Construction in progress	64,345	**Additional paid-in capital**	285,743
		Retained earnings	570,080
Less — Accumulated depreciation	-2,536,483	**Accumulated other comprehensive loss**	-126,509
		Treasury stock, at cost: 4,429,347 shares	-2,075
Other assets	**416,206**		
Deferred tax assets	237,334	**Total shareholders' equity**	**1,002,165**
Other assets	178,872	**Commitments and contingent liabilities**	
Total assets	**4,727,113**	**Total liabilities and shareholders' equity**	**4,727,113**

(Notes)

1. Accumulated other comprehensive loss is included Unrealized gains on securities, Foreign currency translation adjustments, Minimum pension liability adjustment and Unrealized losses on derivative instruments.

2.	Collateral assets	(Millions of yen)	Property, plant and equipment	14,353
3.	Liabilities on guarantees and their kinds	(Millions of yen)		125,256

CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2006

	(Millions of yen)
Sales and other income:	**6,410,681**
Net sales	6,343,506
Subsidy received on return of substitutionl portion of Employees' Pension Fund Plan	4,085
Interest and dividends	13,485
Other income	49,605
Costs and expenses:	**6,232,504**
Cost of sales	4,659,795
Selling, general and administrative	1,447,186
Interest	24,601
Equity in losses of affiliates	4,452
Other expense	96,470
Income before income taxes and minority interest	**178,177**
Income taxes:	**90,142**
Current	57,051
Deferred	33,091
Income before minority interest	**88,035**
Minority interest in income of consolidated subsidiaries	**9,849**
Net income	**78,186**

(Notes)

1. The Company has adopted a single-step income statement as a form of the consolidated statement of income.
2. Net income per share (yen)

	Basic net income per share	24.32
	Diluted net income per share	22.44

BASIC STATEMENT OF PREPARE FOR THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED STATEMENT OF INCOME

(SIGNIFICANT ACCOUNTING POLICIES)

1. Standard of Preparation of the consolidated balance sheet and the consolidated statement of income
The Group prepares the consolidated balance sheet and the consolidated statement of income in accordance with accounting principles generally accepted in the U.S. in light of Article 179, paragraph 1 of the Enforcement Regulation of Commercial Code. However, according to this paragraph, the Company omits a part of presentation and note required by accounting principles generally accepted in the U.S.

2. Inventories
Raw materials, finished products and work in process for products are stated at the lower of cost or market, cost being determined principally by the average method. Finished products and work in process for contract items are stated at the lower of cost or estimated realizable value, cost being determined by accumulated production costs.

3. Marketable Securities and Other Investments
In accordance with Statement of Financial Accounting Standards (“SFAS”) No. 115 (Accounting for Certain Investments in Debt and Equity Securities), the Company classifies all of its marketable securities as available-for-sale which are reported at fair value, with unrealized gains and losses included in accumulated other comprehensive income (loss), net of taxes. Other investments without quoted market prices are stated at cost. Realized gains or losses on the sale of securities are based on the average cost of a particular security held at the time of sale.

4. Method of depreciation for property, land and equipment
Depreciation for property, plant and equipment is computed generally by the declining-balance method.

5. Impairment of Long-Lived Assets
Long-lived assets, other than goodwill and indefinite-lived intangible assets with indefinite lives, are evaluated for impairment using an estimate of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the estimate of undiscounted cash flow is less than the carrying amount of the asset, an impairment loss is recorded based on the fair value of the asset. Fair value is determined primarily by using the anticipated cash flows discounted at a rate commensurate with risk involved. For assets held for sale, an impairment loss is further increased by costs to sell. Long-lived assets to be disposed of other than by sale are consolidated held and used until disposed of.

6. Goodwill and Other Intangible Assets
In accordance with “SFAS” No. 142 (Goodwill and Other Intangible Assets), goodwill and recognized intangible assets determined to have an indefinite useful life are no longer amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized over their respective estimated useful lives.

7. Allowance for Uncollectible Receivables
An allowance for uncollectible receivables is recorded based on a combination of the write-off history, aging analysis, and an evaluation of any specific known troubled accounts. When all collection options are exhausted including legal recourse, the accounts or portions thereof are deemed to be uncollectible and charged against the allowance. An allowance for uncollectible finance receivables has been provided based on past loss experience and the estimation of value of the underlying collateral.

8. Accrued Pension and Severance Costs
The Company has various retirement benefit plans covering substantially all employees. Current service

costs of the retirement benefit plans are accrued in the period. The unrecognized net obligation existing at initial application of “SFAS” No. 87 (Employers' Accounting for Pensions) and prior service costs resulting from amendments to the plans are amortized over the average remaining service period of employees expected to receive benefits. Unrecognized actuarial losses that exceed 10 percent of the greater of the projected benefit obligation or the fair value of plan assets are also amortized over the average remaining service period of employees expected to receive benefits.

9. Net Income Per Share

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.

CONSOLIDATED STATEMENT OF CASH FLOWS (for reference)

For the year ended March 31, 2006

	(Millions of yen)
Cash flows from operating activities	501,426
Cash flows from investing activities	-303,385
Free cash flows	198,041
Cash flows from financing activities	-235,298
Effect of exchange rate changes on cash and cash equivalents	13,175
Net decrease in cash and cash equivalents	-24,082
Cash and cash equivalents at beginning of year	295,003
Cash and cash equivalents at end of year	270,921

(The following balance sheet, statement of income, and appropriation of unappropriated retained earnings are for The Company only. Therefore, net sales, net income and all other figures are on an unconsolidated basis.)

BALANCE SHEET

As of March 31, 2006

Assets	(Millions of yen)	**Liabilities**	(Millions of yen)
Current assets	**1,184,595**	**Current liabilities**	**1,239,561**
Cash and cash equivalents	57,971	Notes payable	2,348
Notes receivables	7,424	Accounts payable	661,237
Accounts receivables	551,886	Short-term loans	113,103
Marketable Securities	20,000	Current portion of debentures	84,587
Finished products	135,107	Accrued liabilities	260,004
Semi-finished products and Work in process	140,753	Corporate and other taxes payable	1,757
		Advance payments received	82,976
Raw materials	27,968	Deposits received	1,537
Advance payments	23,538	Allowance for warranty and others	3,466
Prepaid expenses	10,402	Allowance for losses on construction contracts	11,609
Deferred tax assets	47,208	Other current liabilities	16,934
Other current assets	193,806	**Long-term liabilities**	**768,318**
Allowance for doubtful accounts	-31,471	Debentures	313,934
		Long-term loans	231,000
Fixed assets	**1,557,579**	Allowance for retirement benefits	218,510
Tangible fixed assets	507,769	Allowance for recycle of computers	4,780
Buildings	164,927	Other long-term liabilities	93
Structures	16,261	**Total liabilities**	**2,007,880**
Machinery and equipment	198,741	**Shareholder's equity**	
Delivery equipment	203	**Capital Stock**	**274,926**
Tools, fixtures and furniture	54,440	**Capital surplus**	**262,657**
Land	47,485	Capital surplus	262,650
Construction in progress	25,709	Other capital surplus	6
Intangible fixed assets	40,235	Gains from the disposal of treasury stock	6
Software	31,817		
Other intangible fixed assets	8,418	**Retained earnings**	**167,527**
		Voluntary Reserves	22,580
Investments and other assets	1,009,574	Reserves for deferral of gains on sales of property	12,531
Investment securities	119,686	Reserves for special depreciation	10,000
Security investments in affiliates	532,180	Reserves for program and others	48
Other investments in affiliates	68,791	Unappropriated retained earnings for the period	144,946
Long-term loans	78,159		
Long-term prepaid expenses	4,950	**Unrealized gains of investment securities and others, net of tax effect**	**31,258**
Deferred tax assets	160,070		
Other assets	46,392	**Treasury stock**	**-2,074**
Allowance for doubtful accounts	-657	**Total shareholders' equity**	**734,294**
Total assets	**2,742,175**	**Total liabilities and shareholders' equity**	**2,742,175**

(Notes)

1. Amounts under million are rounded down.
2. Current monetary receivables to subsidiaries and affiliate (Millions of yen) 331,239
   Long-term monetary receivables to subsidiaries and affiliate (Millions of yen) 92,157
   Current monetary liabilities to subsidiaries and affiliate (Millions of yen) 607,304
3. Accumulated depreciation for tangible fixed assets (Millions of yen) 1,351,060
4. Liabilities on guarantees and their kinds (Millions of yen) 322,930
5. Net assets as set forth in Article 124, item 3 of the Enforcement Regulation of the Commercial Code. (Millions of yen) 31,258
6. Method of valuation of securities
   Marketable securities are valued at market value by the moving average method.
7. Method of valuation of inventories
   Finished and semi-finished products are valued at original cost based on the specific identification method, or at lower-of-cost-or-market method based on the moving average method. Work-in-process is valued at original cost based on the specific identification method, or at lower-of-cost-or-market method based on the weighted average method. Raw materials are valued at original cost or lower-of-cost-or-market method based on the moving average method.
8. Method of depreciation for tangible fixed assets is the declining balance method. However, for buildings acquired on or after April 1, 1998 (excluding appurtenant equipment), the straight-line method is applied.
9. Allowance for retirement benefits is based on the estimated amount of the liabilities of retirement benefits and the assets of the employees' pension fund at the end of fiscal year 2005.
10. Allowance for losses on construction contracts is the allowance prescribed in Article 43 of the Enforcement Regulation of Commercial Code.
11. Accounting standards for impairment of fixed assets have been adopted as of the fiscal year 2005. Owing to this, impairment losses have been recorded to 6,649 million yen.

STATEMENT OF INCOME AND UNAPPROPRIATED RETAINED EARNINGS

For the year ended March31, 2006

Ordinary income and loss	(Millions of yen)
Operating income and expenses	
Net Sales	3,257,451
Cost of goods sold	2,594,308
Selling, general and administrative expenses	538,101
Net operating income	**125,041**
Non-operating income and expenses	
Non-operating income	**61,193**
Interest income	944
Dividend income	39,404
Miscellaneous income	20,844
Non-operating expenses	**78,359**
Interest expenses	9,835
Miscellaneous losses	68,523
Recurring profit	**107,876**
Extraordinary gains and losses	
Extraordinary gains	**8,946**
Gains from sales of fixed assets	8,946
Extraordinary losses	**81,369**
Losses from impairment of investment securities	37,096
Restructuring charges	22,800
Losses from compensation for power plants	14,823
Losses from impairment of fixed assets	6,649
Income before taxes	**35,452**
Corporate tax, inhabitant tax and business tax	-22,819
Taxes deferred	35,577
Net income	**22,694**
Retained earnings brought from the previous period	131,897
Interim dividend	9,645
Unappropriated retained earnings for the period	**144,946**

(Notes)

1. Amounts under million are rounded down.
2. The percentage-of-completion method is applied for long term construction work contracts (2 years or longer and 1 billion or more). Although the percentage-of-completion method was applied only to long term contracts whose construction period had been 2 years or longer and whose contract amount had been 5 billion or larger, the method has also been applied to long term contracts which have 2 years or longer construction period and 1 billion or larger amount of contracts. Due to this change, sales increased by 45,266 million yen, while net operating income, recurring profit and income before taxes each increased by 4,872 million yen, compared to the figures that would have been recorded under the past accounting policy.
3. The ¥8,946 million gains from sales of fixed assets are mainly brought by ¥8,450 million gains of sales of land.
4. The ¥37,096 million losses from impairment of investment securities consist of ¥ 34,326 million impairment of security investments and other investments in subsidiaries and affiliate and ¥2,769 million impairment of investment securities and others.
5. The ¥22,800 million restructuring charges are mainly brought by TV tube business.

6.	Sales to subsidiaries and affiliate	(millions of yen)	1,978,252
7.	Purchases from subsidiaries and affiliate	(millions of yen)	1,686,698
8.	Non-operating transactions with subsidiaries and affiliate	(millions of yen)	96,069
9.	Net income per share for the period	(yen)	7.06

APPROPRIATION OF UNAPPROPRIATED RETAINED EARNINGS

1.Appropriation of retained earnings

	(Yen)
Unappropriated retained earnings for the period	**144,946,914,055**
Transfer from reserves for deferral of gains on sales of property	855,586,051
Transfer from reserves for program and others	15,261,827
Total	145,817,761,933
Appropriation is as follows:	
Dividend (¥3.5 per share)	11,251,092,363
Reserves for special depreciation	4,286,981,267
Balance carried forward	130,279,688,303

(Notes)

1. The Company paid interim dividend ¥9,645,174,690 (¥3 per share) on December 2, 2005.
2. Transfer from reserves for deferral of gains on sales of property, transfer from reserves for program and others, and reserves for special depreciation are pursuant to the Special Taxation Measures Law.

2.Reasons of appropriation and so forth

The Company, in principle, intends to pay a stable dividend. The Company also seeks to promote continuous increase of dividend payments, based on its consolidated business performance and in consideration of factors such as strategic investments necessary to secure medium- to long-term growth.

Based on this policy, the Company decided to pay 3.5 yen per share as a year-end dividend. Combined with the interim dividend (¥3 per share), The Company pays 6.5 yen per share as a dividend for this fiscal year.

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Report of Independent Auditors (Consolidated balance sheet and the consolidated statement of income)

To : Mr. Atsutoshi Nishida
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

April 26, 2006

ERNST & YOUNG SHINNIHON

Kazuo Ogawa
Designated and Engagement Partner
Certified Public Accountant

Hideo Kojima
Designated and Engagement Partner
Certified Public Accountant

Hiroshi Hamao
Designated and Engagement Partner
Certified Public Accountant

Hitoshi Uehara
Designated and Engagement Partner
Certified Public Accountant

In accordance with Paragraph2, Article 21-32 of "The Law for Special Exceptions to the Commercial Code Concerning Audits, etc. of Joint Stock Corporations," we have audited the consolidated balance sheet and the consolidated statement of income of Toshiba Corporation ("the Company") applicable to the 167th fiscal year from April 1, 2005 to March 31, 2006. The consolidated balance sheet and the consolidated statement of income are the responsibility of the Company's management. Our responsibility is to independently express an opinion on the consolidated balance sheet and the consolidated statement of income based on our audit.

We conducted our audit in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated balance sheet and the consolidated statement of income are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated balance sheet and the consolidated statement of income. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated balance sheet and the consolidated statement of income. We believe that our audit provides a reasonable basis for our opinion. Our audit included procedures applied to the accounts of the subsidiaries as considered necessary.

As a result of our audit, it is our opinion that the consolidated balance sheet and the consolidated statement of income referred to above present properly the financial position and the results of operation of Toshiba Corporation and its consolidated subsidiaries in accordance with the related regulations and the Articles of Incorporation.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

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AUDIT REPORT (The consolidated balance sheet and the consolidated statement of income)

April 27, 2006

We, the audit committee of the Company, have audited the consolidated balance sheet and the consolidated statement of income of the Company during the 167th fiscal period, from April 1, 2005 to March 31, 2006. We report the results as follows:

1. Outline of audit method

Pursuant to the audit policy, assigned duties and other rules that the audit committee decided, we have conducted the following activities regarding the consolidated balance sheet and the consolidated statement of income:

(1) Received reports and explanation on execution of duties of directors, executive officers and accounting auditors

(2) Requested the Company's subsidiaries to provide reports on their accounting, and investigated their status of the business operation and assets, if necessary;

2. Results of audit

(1) The method and results of the audit by ERNST & YOUNG SHINNIHON, the accounting auditor, are appropriate.

(2) Based on our investigation of subsidiaries, we are not aware of anything to point out as to the consolidated balance sheet and the consolidated statement of income referred to above

Audit Committee
Toshiba Corporation

Takeshi Iida
(full time)

Masaki Matsuhashi
(full time)

Sakutaro Tanino

Shunsaku Hashimoto

Atsushi Shimizu

Note: Messrs. Sakuatro Tanino, Shunsaku Hashimoto and Atsushi Shimizu are outside directors prescribed by Article 21-8, paragraph 4 proviso clause of “The Law for Special Exceptions to the Commercial Code concerning Audit, etc., of Joint Stock Corporations.”

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Report of Independent Auditors

To: Mr. Atsutoshi Nishida
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

April 26, 2006

ERNST & YOUNG SHINNIHON

Kazuo Ogawa
Designated and Engagement Partner
Certified Public Accountant

Hideo Kojima
Designated and Engagement Partner
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Hiroshi Hamao
Designated and Engagement Partner
Certified Public Accountant

Hitoshi Uehara
Designated and Engagement Partner
Certified Public Accountant

In accordance with Paragraph4 Article 21-26 of "The Law for Special Exceptions to the Commercial Code Concerning Audits, etc. of Joint Stock Corporations," we have audited the balance sheet, the statement of income, the accounting matters stated in the business report, the proposal for appropriation of retained earnings and the accounting matters stated in the supplementary schedules of Toshiba Corporation applicable to the 167th fiscal year from April 1, 2005 to March 31, 2006. The accounting matters which we have audited in the business report and the supplementary schedules were derived from the accounting books and records of the Company. These financial statements and the supplementary schedules are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements and the supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the supplementary financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules. We believe that our audit provides a reasonable basis for our opinion. Our audit included procedures applied to the accounts of the Company's subsidiaries as considered necessary.

As a result of our audit, our opinion is the following.

(1) The balance sheet and the statement of income present properly the Company's financial position and the results of its operations in accordance with the related regulations and the Articles of Incorporation.
As stated in the note No.12 of the balance sheet, the Company has adopted accounting standards for impairment of fixed assets as of the fiscal year ended March 31, 2006. Because the adoption was in accordance with the changes in the accounting standards, it's thought to be reasonable.
As stated in the note No.2 of the statement of income, the percentage-of-completion method was applied only to long term contracts whose construction period had been 2 years or longer and whose contract amount was ¥5 billion or larger, but the method has also been applied to long term contracts which have 2 years or longer construction period and ¥1 billion or larger amount of contracts as of the fiscal year ended March 31, 2006. This change expanded the range of the application of percentage-of-completion method in order to record the profit and loss during fiscal year properly, in reflection of the preparedness of accounting for smaller amount of contracts. Therefore it's thought to be reasonable.

(2) The accounting matters stated in the business report present properly the Company's affairs in accordance with the related regulations and the Articles of Incorporation.

(3) The proposal for appropriation of retained earnings is presented in accordance with the related regulations and the Articles of Incorporation.

(4) There is nothing to point out as to the accounting matters stated in the supplementary schedules in accordance with the provisions of the Commercial Code.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

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AUDIT REPORT

April 27, 2006

We, the audit committee of Toshiba Corporation, have audited directors' and executive officers' execution of their duties during the 167th fiscal period, from April 1, 2005, to March 31, 2006. We report the results as follows:

1. Outline of audit method

The audit committee oversaw and examined the contents of the resolution of the board of directors with respect to matters listed in Article 21-7 Paragraph1 item (2) of "The Law for Special Exceptions to the Commercial Code Concerning Audits, etc. of Joint Stock Corporations" and Article 193 of "The Enforcement Regulation of the Commercial Code" and the internal control system of the Company, which is established upon the resolutions.

At the same time, pursuant to the audit policy, assigned duties and other rules that the audit committee decided, and in cooperation with the internal audit division, we have conducted the following activities:

(1) Attended the important meetings;
(2) Received reports on execution of duties of directors, executive officers and others from them and inquired about it;
(3) Inspected important documents of management's decision making and others;
(4) Investigated the status of the business operations and assets at the head office and other main places of business;
(5) Requested the Company's subsidiaries to provide reports on their business, and investigated their status of the business operation and assets, if necessary;
(6) Received reports and explanations from the accounting auditor; and
(7) Examined accounting documents and the supplementary financial schedules, based on reports and explanations from the accounting auditor.

In addition to the audit mentioned above, whenever necessary, we requested the directors, executive officers and others to provide reports and investigated their conducts intensively regarding any director's or executive officer's engagement in any business competing with the Company, transactions bearing a conflict of interest between any director or executive officer and the Company, conducts of the Company in connection with extending free benefits or favors, extraordinary transactions between the Company and subsidiaries or shareholders, and acquisition and disposition of the Company's own shares.

2. Results of audit

(1) The contents of the resolution of the board of directors with respect to matters listed in Article 21-7 Paragraph1 item (2) of "The Law for Special Exceptions to the Commercial Code Concerning Audits, etc. of Joint Stock Corporations" and Article 193 of "The Enforcement Regulation of the Commercial Code" are appropriate.
(2) The method and results of the audit by ERNST & YOUNG SHINNIHON, the accounting auditor, are appropriate.
(3) The business report presents fairly the status of the Company in accordance with the related regulations and the Articles of Incorporation.
(4) The proposal for appropriation of unappropriated retained earnings does not contain any matters to

be pointed out in the light of the status of assets of the Company and other conditions.

(5) The supplementary financial schedules present fairly the matters which are required to be mentioned therein, and they do not contain any matters to be pointed out.

(6) With respect to the directors' and executive officers' execution of their duties, including duties related to subsidiaries, we are not aware of any unfair conduct or any material breach of the related regulations or the Articles of Incorporation.

In addition, we are not aware of any breach of duty by the directors and executive officers concerning the conduct of any director or executive officer engaging in any business competing with the Company, transactions bearing a conflict of interest between any director or executive officer and the Company, the conduct of the Company extending free benefits or favors, extraordinary transactions between the Company and its subsidiaries or shareholders, and the acquisition and disposition of the Company's own shares.

Audit Committee
Toshiba Corporation

Takeshi Iida
(full time)

Masaki Matsuhashi
(full time)

Sakutaro Tanino

Shunsaku Hashimoto

Atsushi Shimizu

Note: Messrs. Sakuatro Tanino, Shunsaku Hashimoto and Atsushi Shimizu are outside directors prescribed by Article 21-8, Paragraph 4 proviso clause of “The Law for Special Exceptions to the Commercial Code concerning Audit, etc., of Joint Stock Corporations.”