Note: This English translation of Reports for the 168th Fiscal Period (Business Report, Consolidated Financial Statements, Financial Statements and Audit Reports) is for English readers' convenience only. If there are any differences between this translation and the Japanese original, the Japanese original supersedes this translation. This English translation has not been audited by the accounting auditor or the audit committee.

Reports for the 168th Fiscal Period

Toshiba Corporation

Business Report

168th Fiscal Period (April 1, 2006 to March 31, 2007)

1. Business Environment and Results of the Group

(1) Operation and Results of the Group

The Japanese economy recovery continued a pace during this period, as capital expenditures increased on continued solid corporate profitability, and despite remaining areas of weakness in consumer spending. Overseas, the pace of economic expansion in the US eased on decreased investment in housing, while Europe continued economic recovery. In Asia, China and other countries continued their economic expansion.

Toshiba Group aims for high growth in its Digital Products and Electronic Devices business domains. In its Social Infrastructure domain, the Group seeks to secure stable profitability mainly at domestic market and strives to achieve further growth through the expansion of its international business.

As a result of business development grounded in a Group strategy of achieving high growth with steady profitability, Toshiba posted higher consolidated sales in FY2006 than for the year earlier period. Toshiba's overall consolidated sales in FY 2006 were 7,116.4 billion yen, 772.9 billion yen higher than in the previous fiscal year. Digital Products, Electronic Devices, Social Infrastructure and Home Appliances all saw sales increase against the year-earlier period.

Consolidated operating income increased by 17.8 billion yen from the same period a year earlier to 258.4 billion yen. Social Infrastructure and Home Appliances achieved increased operating income against the previous year, while Digital Products and Electronic Devices saw a decrease in operating income.

Income before income taxes and minority interest and net income both recorded the highest figures in Toshiba Group's history. Income before income taxes and minority interest rose by 120.3 billion yen to 298.5 billion yen, including a gain from sales of securities in affiliated companies. Net income increased by 59.2 billion yen from the previous year to 137.4 billion yen. Basic earnings per share also increased by 18.44 yen year on year to 42.76 yen.
Consolidated overseas sales increased by 555.6 billion yen year-on-year to 3,517.0 billion yen, registering a year-on-year increase of 2 percentage points to 49% of consolidated sales.

（Notes）

1. The Company states the matters concerning the business results of the Group based on the consolidated financial statements in accordance with the provisions of Article 120, Paragraph 2 of the Company Law Enforcement Regulations.

2. The consolidated financial statements of the Company have been prepared based on generally accepted accounting principles in the U.S. pursuant to Article 148, Paragraph 1 of the Regulations for Corporate Accounting. The consolidated segment information has been prepared based on Article 15-2 of the Regulations for Consolidated Financial Statements instead of Statement of Financial Accounting Standards (“SFAS”) No. 131.

3. Consolidated operating income is the amount of consolidated net sales less the cost of sales and selling, general and administrative expenses. (Consolidated operating income for the previous fiscal year includes the subsidy received as a result of the return of the substitutional portion of the Employees' Pension Fund.)

Performance by Segment **(billions of yen)**
(billions of yen)

Segment	Consolidated Net Sales	Change	Consolidated Operating Income	Change
Digital Products	2,805.5	＋269.0	15.8	△5.1
Electronic Devices	1,657.3	＋269.2	119.7	△3.6
Social Infrastructure	2,067.7	＋185.4	96.8	＋20.3
Home Appliances	748.9	＋61.4	9.7	＋7.0
Others	391.6	＋11.8	18.7	＋0.7
Eliminations	△554.6	△23.9	△2.3	△1.5
Total	**7,116.4**	**＋772.9**	**258.4**	**＋17.8**

Digital Products

Consolidated net sales of Digital Products increased by 269.0 billion yen to 2,805.5 billion yen. The PC business saw sales increase from a year ago on overseas sales growth, and the Digital Media Network business saw increased sales on higher sales of TV and portable digital music players. The Mobile Phones business saw sales decrease from the previous year, on lower sales in the Japanese market, while the Retail Information and Office Document Processing Systems business saw increased sales on higher sales of POS systems and multi-function peripherals.

Consolidated operating income in Digital Products was 15.8 billion yen, a decrease of 5.1 billion yen from a year earlier. The PC business posted a solid performance as a result of profitability improvement actions, and the Digital Media Network business saw improved operating income on increased sales. The Retail Information and Office Document Processing Systems business recorded increased operating income on higher sales. The Mobile Phones business remained profitable although lower sales resulted in a decrease in operating income.

The Group put on the market second-generation, the popular version HD DVD players. It will continue to introduce new products with higher quality pictures and more attractive functions not realized in DVD players thus far.

Electronic Devices

Electronic Devices increased consolidated net sales by 269.2 billion yen to 1,657.3 billion yen. The Semiconductor business saw increased sales against the previous year on solid sales of memories, mainly NAND flash memory. Sales in the LCD business also increased on overseas sales growth. The Components business reported sales decline, reflecting the cessation of production of some cathode-ray-tube related products.

Consolidated operating income of Electronic Devices was 119.7 billion yen, a decline of 3.6 billion yen from the previous year. The Semiconductor business saw decreased operating income as a result of a significant decline in prices of NAND flash memories, while the LCD business posted higher operating income, largely the result of focusing sales on high-value added products and of thorough cost reduction programs.

Through a joint venture with SanDisk Corp., the Group expanded its production equipment for NAND flash memories.
Toshiba signed a contract with Micron Technology Inc. regarding the transfer and licensing of semiconductor patents, and agreed to end all ongoing disputes with Lexar Media, Inc., Micron Technology's subsidiary. In addition, it concluded a patent cross-license contract, etc., with Hynix Semiconductor Inc. in South Korea to terminate all of the disputes with Hynix.
Regarding business structure, the Company sold all of its shares in SED Inc. to Canon Inc. It will continue to strive to launch TV business utilizing SED panels with high-quality picture.

Social Infrastructure

Social Infrastructure saw consolidated net sales of 2,067.7 billion yen, 185.4 billion yen higher than for the previous year. The Power Systems business saw sales rise on the consolidation of Westinghouse into the Group. The Social Infrastructure Systems business reported increased sales, primarily in the transmission network systems. Sales in the Medical Systems business rose from a year earlier, on strong sales of multi-slice CT scan systems, and the Industrial Systems business also recorded increased sales on higher sales of automation systems for train station operations. While the IT Solutions business saw a sales decline, the Elevator business saw increased sales on growth of orders in the Japanese market.

Consolidated operating income in Social Infrastructure was 96.8 billion yen, a 20.3 billion yen increase from the year earlier period. The Medical Systems business maintained solid profitability, while the Industrial Systems business saw a decline in operating income. The Power Systems business saw improved performance, and the

Elevators, Social Infrastructure Systems and IT Solutions businesses all posted solid performances.

Regarding business structure, The Group completed the purchase of the Westinghouse group in October 2006. By joining the Westinghouse group to the Toshiba Group, the Group will work to bring about synergies through the merger of the two groups and will also greatly accelerate the global expansion of nuclear energy business. In addition, in April 2006, it reorganized its in-house companies into Power Systems Company, Industrial Systems Company and Social Systems Company.

Regarding the obstruction of competitive biding for the order placed by the former New Tokyo International Airport Authority, the Company was obliged to partially suspend business under the Construction Industry Law from March to April 2006. The Group took various measures to eliminate illegal bidding acts and to reestablish trust.

Home Appliances

Consolidated net sales in Home Appliances increased by 61.4 billion yen from the previous year to 748.9 billion yen, and operating income increased by 7.0 billion yen to 9.7 billion yen. This reflects sales growth of high-value added products in air conditioners and washing machines, and the continued favorable performance of lighting equipment.

Toshiba achieved hit success with the drum-type washing-drying machine, which has the same dehumidifying and cooling functions as air-conditioners and an energy-saving efficiency that is among highest in the industry.

Others

The consolidated net sales of Others increased by 11.8 billion yen year on year to 391.6 billion yen and the operating income saw a year-on-year increase of 0.7 billion yen to 18.7 billion yen.

Regarding business structure, the Group sold all of its shares in GE Toshiba Silicones Co., Ltd. and other joint ventures in the silicone business to the General Electric Co. group, and sold its shares in Toshiba Ceramics Co., Ltd. to SIC Investment Co., Ltd. in response to a tender offer. It also decided to sell all of its shares in Toshiba-EMI Ltd. to the EMI Group.

Decision of the European Commission on Gas Insulated Switchgear

The European Commission has adopted a decision imposing fines on 19 companies, including the Company, on the grounds of infringing EU Competition Law in the GIS market. The decision imposes the Company a fine of 90.9 million euros (approx. 14.3 billion yen), including the amount the Company should pay jointly with Mitsubishi Electric Corp. Though the Company regrets to have caused anxiety to shareholders about this matter, the Company contends that it has not found any infringement of EU Competition Law following its own investigation. It will bring an action to the European Court of First Instance seeking annulment of the European Commission's decision

(2) Fund-raising of the Group

The funds required for capital investment and other purposes were derived primarily from internal funds and borrowings.

The Company issued straight bonds totaling 100 billion yen in November 2006 and those amounting to 30 billion yen in February 2007. It also raised 250 billion yen in December 2006 through syndicated loans.

(3) Capital Investment of the Group

Segment	Amount of Capital Investment (Based on the Value of Orders Placed)
	billions of yen
Digital Products	48.2
Electronic Devices	429.6
Social Infrastructure	75.4
Home Appliances	32.0
Others	14.2
Total	599.4

The Group made capital investments mainly in semiconductor business, which is experiencing rapid growth. The above capital investment amount includes 169.8 billion yen, which is part of the investment of 339.6 billion yen made by companies accounted for by the equity method such as FlashVision, Ltd., Flash Partners, Ltd., and Flash Alliance, Ltd.

Main Property, Plant & Equipment Completed during the fiscal year.

Electronic Devices

Leading-edge LSI manufacturing facilities (at the Oita Operations), manufacturing building equipment and power equipment for NAND flash memories (at the Yokkaichi Operations), manufacturing building equipment and power equipment for discrete semiconductors (at Kaga Toshiba Electronics Co.), and manufacturing building equipment and power equipment for low-temperature polysilicon TFT LCDs (at Toshiba Matsushita Display Technology Co., Ltd.)

Main equipment for which an order was placed during the fiscal year
Electronic Devices
Manufacturing building equipment and power equipment for NAND flash memories (at the Yokkaichi Operations), manufacturing equipment for discrete semiconductor (at Kaga Toshiba Electronics Co.), and manufacturing building equipment and power equipment for low-temperature polysilicon TFT LCDs (at Toshiba Matsushita Display Technology Co., Ltd.).

(4) Research and Development of the Group

The following are the principle achievements 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 and commercialization of hard disks using perpendicular magnetic recording, as well as the Grand Prize for Energy Conservation by the Minister for Economy, Trade and Industry for the research and development of air-conditioners for business-use freezers.

The World's First Commercialization of HD DVD recorder (Digital Products)

During the period under review, the Company rolled out the world's first commercially available high-definition DVD recorder supporting the play and storage of pictures recorded on a HD DVD (high-density, high-definition DVD), approved by the DVD Forum as the next-generation DVD standard. This player can record long high-definition pictures on its 1-terabyte hard disk and can also store high-definition pictures on a HD DVD-R disc. It can also play the pictures recorded on a DVD by the conventional method with a higher picture quality.

Commercialization of 100-gigabyte, 1.8-inch hard disk (Digital Products)

The Company succeeded in the commercialization of a hard disk drive having the world's greatest storage capacity (100 gigabytes) as a 1.8-inch hard disk drive. This large storage capacity was enabled by adopting perpendicular magnetic recording that can realize high-density recording capacity and stable storage. This hard disk is expected to be installed in small-size notebook computers for mobile computing, which requires high-capacity storage.

Commercialization of the World's First Mobile Phone Equipped with a 3-inch wide VGA LCD (Digital Products)

First in the world, the Company commercialized a mobile phone with a 3-inch wide VGA LCD. This mobile phone has a resolution about five times that of traditional mobile phones having a QVGA LCD. It also supports "One Seg," the digital terrestrial broadcasting for mobile phones and mobile terminals in Japan, allowing the user to enjoy programs on the large screen.

Commercialization of a NAND Flash Memory Utilizing 56-nanometer Fine Processing Technology (Electronic Devices)

The Company commercialized a NAND flash memory utilizing 56-nanometer (billionth of a meter) fine processing technology. This helped realize a greater storage capacity as well as a higher-speed processing by doubling the quantity of data processed at one time. In the years ahead, the Company will strive to reinforce cost competitiveness by continuing to develop the technology for fine processing and increasing the bit capacity per memory cell and also by further improving production efficiency.

Commercialization of a Pedestrian Face Identification System – a First in Japan (Social Infrastructure)

First in Japan, the Company successfully commercialized a pedestrian face identification system for buildings and facilities that is capable of identifying pedestrians in about one second by precisely checking their faces. Compared to cases where an ID card and the like are used, the system has less risk of loss, and can even effectively identify children and wheelchair users, thus helping increase the convenience for users.

(5) Issues to be Addressed

The Group operates in the business areas of Energy and Electronics and faces fierce competition on a global scale from large-sized competitors. In order to survive and to achieve sustained growth with profit, the Company will execute following measures:

- Execute proactive management through strategic allocation of resources into growth areas, and aim to expand market share by enhancing competitiveness
- Increase the ratio of overseas business in net sales and operating income through continuous overseas expansion

- Promote reinforcement of product manufacturability, essential for the manufacturing industry, as a Group-wide and cross-organizational project. While it is hard to achieve both quality and cost optimization at the same time, the Group will seek to reconcile such seeming contradictions through such measures as promotion of design for manufacturability, and so reinforce overall manufacturability.
- Build a corporate culture that generates continuous innovations. The Group will routinely carry out process innovation to maximize profits through completely new ways of thinking. The Group will also promote value innovation that creates value for the market and society.

In order to achieve sustainable growth, it is essential for the Group to gain greater trust and to be rated more highly in its local communities by positively making contributions to the countries and regions in the world and by properly performing its corporate social responsibility (CSR). The Group will continue to place first priority on human life and safety and on compliance with laws and regulations. As a global business, it will also respect diversity due to differences in nationality, gender and other factors as well as work to establish a work-life balance. The Group will play a leading role in environmental preservation, and contribute toward the building of a sustainable society.
The Group has reconfirmed its missions of contributing to society through the creation of new social value and of maintaining an appropriate level of profit, and will continue its best efforts to make itself into a Group full of energy aiming at profitable and sustainable growth. For these endeavors, we look forward to the continuing support of our shareholders.

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

(1) The Group (Consolidated)

Item	165th Period Fiscal Year 2003	166th Period Fiscal Year 2004	167th Period Fiscal Year 2005	168th Period Fiscal Year 2006
Net Sales (Billions of yen)	5,579.5	5,836.1	6,343.5	7,116.4
Net income (loss) (Billions of yen)	28.8	46.0	78.2	137.4
Net income (loss) per share (Yen)	8.96	14.32	24.32	42.76
Total Assets (Billions of yen)	4,462.2	4,571.4	4,727.1	5,932.0

(Note) Figures are rounded off.

(2) The Company (Non-consolidated)

Item	165th Period Fiscal Year 2003	166th Period Fiscal Year 2004	167th Period Fiscal Year 2005	168th Period Fiscal Year 2006
Sales (Billions of yen)	3,013.1	2,816.3	3,257.5	3,544.9
Net income (loss) (Billions of yen)	19.6	17.6	22.7	72.4
Net income (loss) per share (Yen)	6.12	5.47	7.6	22.52
Total Assets (Billions of Yen)	2,587.7	2,643.2	2,742.2	3,373.5

(Note) Figures are rounded off except for the sales, net income and total assets of the 165th period that are rounded down.

3. The Company's Policy Regarding Decision of Dividends etc.

The Company while giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, seeks to achieve continuous increases in its actual dividend payments, in line with a payout ratio in the region of 30 percent, on a consolidated basis.

The Company paid an interim dividend of ¥4.50 per share, ¥1.50 up from the previous term, and decided to pay a year-end dividend of ¥6.50 per share, ¥3 up from the previous term.

4. Outline of Main Group Companies As of March 31, 2007

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
Digital Products	Toshiba TEC Corporation	39,971 (Millions of yen)	52.4	Development, design, manufacture, retail, and maintenance of information systems, image information and communication systems, home appliances and others.	Shinagawa-ku, Tokyo
	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.
Electronic Devices	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

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
	AFPD Pte., Ltd.	472,584 (Thousands of Singapore dollars)	100.0	Manufacture of liquid crystal displays	Singapore
Social Infrastructure	Toshiba Plant Systems & Services Corporation	11,876 (Millions of yen)	61.6	Engineering, construction, trial operation, alignment, maintenance and service of power systems, nuclear systems, and infrastructure & industrial 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

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
	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
	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 Nuclear Energy Holdings (US) Inc.	4,000,000 (Thousands of U.S. dollars)	77.0	Holding company of nuclear power business	US

	Toshiba Nuclear Energy Holdings (UK) Ltd.	1,400,000 (Thousands of U.S. dollars)	77.0	Holding company of nuclear power business	UK
	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.
Home Appliances	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
Others	Toshiba America, Inc.	840,050 (Thousands of U.S. dollars)	100.0	Holding company of operating companies in the U.S.	U.S.

	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 personal computers and their parts	Taiwan

(Notes) 1. The Company has 519 consolidated subsidiaries (including the above 16 companies) in accordance with Generally Accepted Accounting Standards in the U.S., and 153 affiliated companies accounted for by the equity method. The main affiliated companies accounted for by the equity method are Shibaura Mechatronics Corporation, Toshiba Machine Co., Ltd., and Topcon Corporation.

2. Toshiba Nuclear Energy Holdings (US) Inc. substantially owns all of the equity of Westinghouse Electric Company.

3. Mobile Broadcasting Corporation became a consolidated subsidiary in accordance with Generally Accepted Accounting Standards in the U.S. in March 2007.

5. Shares and Stock Acquisition Rights of the Company

As of March 31, 2007

(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:	411,723

(4) Principal Shareholders

Name of Shareholder	Number (in thousands)	Investment Ratio (Percentage)
The Master Trust Bank of Japan, Limited (trust accounts)	217,097	6.8
Japan Trustee Services Bank, Limited (trust accounts)	129,318	4.1
The Chase Manhattan Bank, N.A. London	116,641	3.7
The Dai-ichi Mutual Life Insurance Company	115,159	3.6
Nippon Life Insurance Company	108,752	3.4
Japan Trustee Services Bank, Limited (trust accounts No. 4)	81,381	2.6
Toshiba Employees Stocks Ownership Plan	50,979	1.6
Sumitomo Mitsui Banking Corporation	50,003	1.6
NIPPONKOA Insurance Company, Limited	46,308	1.5
Mizuho Corporate Bank, Limited	44,900	1.4

(Note) No shareholder of the Company owns 10% or more of the issued shares.

(5) 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		Individuals and others
					Other than individuals	individuals	
Percentage	0.0	39.4	1.7	2.7	25.0	0.0	31.2

(6) 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

6. Main Lenders of the Group

As of March 31, 2007

Lender	Loans Outstanding (Billions of yen)
Sumitomo Mitsui Banking Corporation	93.4
Mizuho Corporate Bank, Limited	84.3
The Bank of Tokyo-Mitsubishi UFJ, Limited	69.3

7. Names, Responsibilities, etc. of the Company's Directors / Officers

As of March 31, 2007

(1) Director

		Responsibilities	Representation or positions holding at other entities, etc.
Chairman of the Board and Director	Tadashi Okamura	Member of the Nomination Committee Member of the Compensation Committee	Vice Chairman of Japan Business Federation
Director	Atsutoshi Nishida	Member of the Compensation Committee	
Director	Shigeo Koguchi		
Director	Yoshiaki Sato		
Director	Masao Niwano		
Director	Toshio Yonezawa		
Director	Tsuyoshi Kimura		
Director	Fumio Muraoka		
Director	Sadazumi Ryu	Chairman of the Audit Committee	

Director	Masaki Matsuhashi	Member of the Audit Committee	
Outside Director	Sakutaro Tanino	Chairman of the Compensation Committee Member of the Nomination Committee Member of the Audit Committee	Visiting Professor of Graduate School of Asia-Pacific Studies, Waseda University
Outside 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 Representative Director of Institute for Better Future Society
Outside Director	Atsushi Shimizu	Member of the Audit Committee	Professor of the Faculty of Law, Toin University of Yokohama, Attorney-at-law
Outside Director	Kiichiro Furusawa	Member of the Audit Committee Member of the Compensation Committee	Chairman of the Board of Mitsui Trust Holdings, Inc.

(Notes)1. The five Directors, Messers. Masao Niwano, Toshio Yonezawa, Tsuyoshi Kimura, Fumio Muraoka and Kiichiro Furusawa were newly elected at the Ordinary General Meeting of Shareholders for the 167th fiscal period held on June 27, 2006 and assumed office.

2. Chairman of the Audit Committee, Mr. Sadazumi Ryu and Member of the Audit Committee, Mr. Kiichiro Furusawa have long taken charge of accounting work and financing work, respectively, and have considerable knowledge about financial affairs and accounting.

(2) Executive Officer

		Responsibility	Representation or positions holding at other entities, etc.
Representative	Atsutoshi Nishida		

Executive Officer President and Chief Executive Officer (*)			
Representative Executive Officer Corporate Senior Executive Vice President (*)	Shigeo Koguchi	Support of the President Responsible for the Electronic Devices & Components Group General Executive of Innovation Division	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Yoshiaki Sato	Support of the President Responsible for Consumer Electronics Group General Executive of Export Control Group General Executive of Marketing & Regional Strategy Group	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Masao Niwano	Support of the President	Chairman, Toshiba Nuclear Energy Holdings (US) Inc. President, Toshiba Nuclear Energy Holdings (UK) Limited President, TSB Nuclear Energy Investment US Inc. President, TSB Nuclear Energy Investment UK Limited
Representative Executive Officer Corporate Senior Executive Vice President (*)	Toshio Yonezawa	Support of the President Responsible for the Digital Products Group, General Executive of Productivity Procurement & Environment Group	Chairman, Toshiba Hangzhou Co., Ltd. Chairman, Toshiba Dalian Co.,Ltd.
Executive Officer Corporate Executive Vice President (*)	Tsuyoshi Kimura	General Executive of the Legal Affairs Group, General Manager of the	

		Corporate Social Responsibility Division	
Executive Officer Corporate Executive Vice President	Makoto Azuma	General Executive of Technology & Intellectual Property Group	
Executive Officer Corporate Executive Vice President	Masashi Muromachi	President and CEO of Semiconductor Company of Toshiba	
Representative Executive Officer Corporate Executive Vice President (*)	Fumio Muraoka	General Executive of Information & Security Group General Executive of Finance & Accounting Group	
Executive Officer Corporate Senior Vice President	Tsutomu Miyamoto	President and CEO of Industrial Systems Company of Toshiba	
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	President and CEO of Personal Computer & Network Company of Toshiba	
Executive Officer Corporate Senior Vice President	Masao Namiki	Responsible for Social Infrastructure Group General Executive of Group Relations Group	
Executive Officer Corporate Senior Vice President	Toshinori Moriyasu	General Manager of Automotive Systems Division	
Executive Officer Corporate Senior Vice President	Chikahiro Yokota	President and CEO of Mobile Communications Company of Toshiba	
Executive Officer	Shunsuke	General Manager of	Representative Director

Corporate Vice President	Kobayashi	Kansai Branch	and Corporate Senior Executive Vice President of Denshi Kaikan Corporation
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	General Manager of Corporate Audit Division	
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	Chairman, Toshiba Computer Systems (Shanghai) Co., Ltd. President, Toshiba Venture Capital, Inc.
Executive Officer Corporate Vice President	Hisayoshi Fuwa	General Executive of Strategic Planning & Communications Group (External Relations) General Manager of Corporate Strategic Planning Div.	
Executive Officer Corporate Vice President	Toshiharu Kobayashi	General Manager of Legal Affairs Division	
Executive Officer Corporate Vice President	Kazuo Tanigawa	Responsible for Network Services & Content Group General Executive of Human Resources Group	President of Toshiba Human Resources Development Corporation
Executive Officer Corporate Vice President	Michiharu Watanabe	General Manager of Corporate Market Creation Division	
Executive Officer Corporate Vice	Norio Sasaki	President and CEO of Power Systems Company	

President		of Toshiba	
Executive Officer Corporate Vice President	Shozo Saito	Executive Vice President of Semiconductor Company of Toshiba	
Executive Officer Corporate Vice President	Hisao Tanaka	Executive Vice President of PC& Network Company of Toshiba	Chairman of Toshiba Information Equipment (HANGZHOU) Co., Ltd.
Executive Officer Corporate Vice President	Yoshio Ooida	Executive Vice President of Semiconductor Company of Toshiba	
Executive Officer Corporate Vice President	Shunichi Kimura	President and CEO of Social Infrastructure Systems Company	Chairman, Dalian Toshiba Broadcast Systems Co., Ltd.
Executive Officer Corporate Vice President	Kouji Iwama	Executive Vice President of Semiconductor Company of Toshiba	
Executive Officer Corporate Vice President	Satoshi Niikura	Executive Vice President of Digital Media Network Company of Toshiba	Chairman, Dalian Toshiba Television Co., Ltd.
Executive Officer Corporate Vice President	Hidejiro Shimomitsu	Executive Vice President of PC& Network Company of Toshiba	Chairman, Toshiba Computer Systems (Shanghai) Co., Ltd.

(Notes)1. (*) indicates that the Executive Officer concurrently holds office as a Director.

2. At the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 167th fiscal period, seven Executive Officers, Corporate Executive Vice Presidents, Messrs. Shozo Saito, Hisao Tanaka, Shunichi Kimura, Koji Iwama, Satoshi Niikura and Hidejiro Shimomitsu were newly elected and assumed office.

3. Executive Officer, Corporate Executive Vice President, Mr. Kazunori Fukuma (Project Manager, SED Development and Business Promotion Project Team; President, SED Inc.) resigned as of January 29, 2007.

(3) Outside Directors

i. Positions Concurrently Held at Other Companies as Representative or Outside Director/Auditor

Name	Name of Company	Position
Yasuhiko Torii	Institute for Better Future Society	Representative Director
Atsushi Shimizu	East Nippon Expressway Company Limited.	Outside Auditor
Kiichiro Furusawa	Mitsui Trust Holdings, Inc.	Representative Director and Chairman of the Board
	Fujifilm Holdings Corporation	Outside Auditor

(Note) The Company has an ongoing business relationship with the Mitsui Trust Financial Group composed of Mitsui Trust Holdings, Inc. and its subsidiaries. The Mitsui Trust Financial Group also owns a portion of the Company's shares.

ii. Main Activities

In the year under review, the Board of Directors and the Audit Committee met 17 times, where the Outside Directors commented as necessary. The Outside Directors received explanations about the matters to be resolved at the board meetings from the staff in charge, etc. in advance. They also attended the monthly liaison conferences of Executive Officers in an effort to communicate and share information with the Executive Officers.

The Outside Directors who were members of the Audit Committee were supported by the full-time staff of the Audit Committee Office. The Outside Directors who were members of the Nomination Committee or the Compensation Committee were supported by the staff in charge, etc.

Name	Activities
Sakutaro Tanino	Attended the meeting of the Board of Directors 16 times and that of the Audit Committee 16 times. Commented as necessary based on rich experience and knowledge as a diplomat.
Yasuhiko Torii	Attended the meeting of the Board of Directors 14 times. Commented as necessary based on rich experience and knowledge as an economist and a manager of a university.
Atsushi Shimizu	Attended the meeting of the Board of Directors 16 times and that of the Audit Committee 17 times. Commented as necessary based on rich experience and knowledge as a specialist in law.
Kiichiro Furusawa	Attended the meeting of the Board of Directors 12 times and that of the Audit Committee 13 times since June 2006, when assuming

	office. Commented as necessary based on rich experience and knowledge as a specialist in financing and management.

iii. Limited Liability Contracts

The Company has signed a limited liability contract with each of the four Outside Directors, Messrs. Sakutaro Tanino, Yasuhiko Torii, Atsushi Shimizu and Kiichiro Furusawa, to limit their liabilities as provided in Article 423, Paragraph 1 of the Corporate Law to 24 million yen or the minimum liability amount stated in Article 425, Paragraph 1 of the Company Law, whichever is larger.

8. Compensation Policy and the Amount of Compensation

(1) Compensation Policy

The Compensation Committee established compensation policy regarding compensation of each director and/or executive officer as follows;

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.

40-45% 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.

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 of management of other listed companies and compensation and benefits of employees are considered when determining the Company's compensation standards of management.

iv. Retirement Allowance

The Compensation Committee held in April 2006 resolved the abolishment of retirement allowances.

(2) Amount of Compensation Paid

Item	Number of Directors/Executive Officers	Amount
	Persons	Millions of yen
Directors	14	261
(Outside Directors)	(4)	(56)
Executive Officers	34	1,135

(Note) It was resolved at the meeting of the Compensation Committee held in April 2006 to abolish retirement allowances, and it was also resolved at the meeting of the Compensation Committee held in June 2006 to pay retirement allowances at the time of retirement to six directors in a total amount of 400 million yen and to 26 executive officers in a total amount of 551 million yen.

9. The Company's Accounting Auditor

(1) Name of the Company's Accounting Auditor

Ernst & Young ShinNihon

(Note) Of the main Group companies, following companies were audited by accounting auditors other than Ernst & Young ShinNihon: Toshiba America Business Solutions, Inc., Advanced Flat Panel Display, Inc., Toshiba Nuclear Energy Holdings (US), Inc., Toshiba Nuclear Energy Holdings (UK), Limited, Toshiba America Medical Systems, Inc., Toshiba America, Inc., Toshiba International Finance (UK) Plc., Toshiba Capital (Asia) Ltd., and Taiwan Toshiba International Procurement Corporation.

(2) Amount of economic benefits to be paid by the Group to Accounting Auditors

	Millions of yen
i. Total amount of economic benefits to be paid by the Group	1,143
ii. Total amount to be paid by the Group as remuneration for audit certification work within (i.) above	632
iii. Total amount of remuneration within (ii.) above to be paid by the Company	173

(Note) The audit contract between the Company and its accounting auditors does not distinguish the remuneration for audits required under the Company Law from the remuneration for audits required under the Securities and Exchange Law. Because of this, the amount shown in (iii.) above is the sum of these two types of remuneration.

(3) Non-audit work

The Company receives advice from Ernst & Young ShinNihon about, among others, the construction of an internal control system under the Financial Instruments and Exchange Law.

(4) Policy of the Dismissal or Non-reappointment of Accounting Auditors

i. The Audit Committee will, if it considers that any accounting auditor comes under any of the items of Article 340, Paragraph 1 of the Company Law, dismiss such accounting auditor by the agreement of all of its members.

ii. The Audit Committee will, if it considers that any accounting auditor comes under any of the following items, decide to propose the appointment of a new accounting auditor and the dismissal and non-reappointment of such accounting auditor at the General Meeting of Shareholders:

a. If the accounting auditor received an administrative punishment for violation of any law or regulation;

b. If the accounting auditor was punished, etc. in accordance with the regulations of the Japanese Institute of Certified Public Accountants;

c. If the Company receives from the independent accountant a notice to the effect that the accountant does not continue the audit contract with the Company; or
d. If the Company intends to make the audit work more proper or more efficient.

10. System for Ensuring the Proper Performance of the Company's Business (Internal Control System), etc.

(1)Systems to Ensure the Appropriateness of Business Operations

The Board of Directors resolved systems to ensure the appropriateness of business operations as follows:

i. System to ensure that Executive Officers' compliance with laws and regulations and the Articles of Incorporation.

a. Executive Officers periodically report to the Board of Directors on their execution of their duties and are required to report on necessary items to the Board of Directors, as necessary.
b. The General Manager of the Corporate Audit Division periodically reports to the Board of Directors on internal audit results.
c. The Audit Committee periodically interviews Executive Officers and the General Manager of the Corporate Audit Division reports to the Audit Committee on internal audit results.
d. Executive Officers report to the Audit Committee on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.

ii. System for retention and management of information concerning Executive Officers' execution of their duties.

a. In accordance with the Rules concerning the Document Retention Period, Executive Officers appropriately retain and manage material documentation, such as information materials for the Management Meetings and decision-making documents, and other documents such as account books and records.
b. Executive Officers run a system that allows Directors to access important information, such as information materials for the Management Meetings, decision-making documents, financial statements and records and business reports.

iii. Rules and other systems concerning risk management

a. In accordance with the Basic Rules concerning Risk-Compliance Management, the Chief Risk-Compliance Management Officer (hereinafter referred to as the "CRO") formulates and promotes measures concerning crisis and risk management in his/her capacity as the chairman of the Risk-Compliance Committee.

b. Executive Officers formulate and promote measures necessary for continuously clarifying business risk factors and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.

iv. System to ensure that Executive Officers efficiently execute their duties

a. The Board of Directors determines the basic management policy and approves the mid-term business plan and annual budgets prepared by the Executive Officers.

b. The Board of Directors delegates authority and responsibilities to each Executive Officer in an appropriate manner and Executive Officers clarify the authority and responsibilities of the Executive Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.

c. Executive Officers set concrete targets and roles of organizations and employees.

d. Executive Officers make decisions on business operations based on appropriate procedures in accordance with the Board of Directors Rules, the Corporate Decision Making Rule, the In-house Company Decision Making Rule and other rules.

e. Executive Officers follow up annual budget implementation and appropriately evaluate performance evaluation by means of monthly meetings and the Performance Evaluation Committee.

f. Executive Officers promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.

v. System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation

a. The President & CEO ensures, through continuous execution of employee education etc., that employees comply with the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees.

b. The CRO formulates and promotes measures concerning compliance with laws and regulations in his/her capacity as the chairman of the Risk-Compliance Committee in accordance with the Basic Rules concerning Risk-Compliance Management.

c. The Executive Officer in charge endeavors to detect problems early and deal with them in an appropriate manner by making use of the whistle-blower system.

vi. System to ensure the appropriateness of business operations of Toshiba Group

a. Toshiba Corp. requests its subsidiaries to adopt and implement the Toshiba Group Standards of Conduct.

b. Toshiba Corp. requests its subsidiaries to report to Toshiba Corp. in accordance with the Operational Communication Arrangement in the event that material issues arise in their business operations.

c. Toshiba Corp. formulates appropriate measures for internal control, including that of its subsidiaries, and requests its subsidiaries to promote the measures according to their situations.

d. Toshiba Corp. requests its subsidiaries to establish audit systems in accordance with the Toshiba Group Auditors' Audit Policy.

e. Toshiba Corp. executes management audits of its subsidiaries, as necessary.

(2)Items Necessary for the Audit Committee's Performance of its Duties

The Board of Directors resolved items necessary for the Audit Committee’s performance of its duties as follows;

i. Employees assigned to assist the Audit Committee in the performance of its duties

a. In order to assist the Audit Committee in the performance of its duties, the Audit Committee Office consisting of around five staff is established. No director is assigned to assist the Audit Committee in the performance of its duties.

ii. Independence of employees mentioned in the preceding paragraph from Executive Officers

a. Personnel transfer of employees of the Audit Committee Office is discussed with the Audit Committee in advance.

iii. System for reporting by Executive Officers and employees to the Audit Committee and other systems concerning reporting to the Audit Committee

a. Executive Officers and employees report to the Audit Committee in accordance with the Rules concerning Reporting to the Audit Committee in the event that any material issue arises that may affect operation and financial performance.

b. The President & CEO provides auditors designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.

iv. System to ensure that audits by the Audit Committee are conducted effectively

a. The President & CEO periodically dialog with the Audit Committee.

b. Executive Officers and employees report the execution of their duties to the Audit Committee by means of the periodical interviews conducted by the Audit Committee and circuit interviews.

c. The General Manager of the Corporate Audit Division discusses the policy and the plan for internal audits at the beginning of each fiscal year with the Audit Committee in advance and timely reports the internal audit results to the Audit Committee.

d. The Audit Committee has accounting auditors provide explanations and reports concerning the accounting audit plan at the beginning of each fiscal year, the situation of accounting audits during each term and the results of the accounting audits at the end of each fiscal year.

e. The Executive Officer in charge provides explanations to the Audit Committee concerning the interim settlement of accounts and settlement of accounts at the end of fiscal year as well as quarterly settlement of accounts prior to the approval by the Board of Directors.

f. The President & CEO informs the Audit Committee in advance and provides explanations concerning the assignment of the General Manager of the Corporate Audit Division, taking into consideration the independence of the General Manager of the Corporate Audit Division from other Executive Officers and organizations.

11. Basic Policy in Control of the Company and Takeover Defense Measure

(1)Basic Policy

In order for the Toshiba Group (the "Group") to earn appropriate profit for return to our shareholders, and to achieve sustainable, continuous growth in the corporate value and common interests of shareholders over the medium-to long-term, we believe it is essential to maintain and develop a proper and good relationship with our shareholders and with other stakeholders, such as customers, business partners, vendors, employees and regional communities, and to adequately consider the interests of these stakeholders.

The Group is one of Japan's largest companies, the scope of the Group's businesses is highly diversified. Therefore, when we receive a proposal for acquisition for the Company’s shares, in order to make a suitable determination regarding the effect that such acquisition would have on the value of the company and the common interests of our shareholders, we believe it is necessary to gain an adequate understanding of the feasibility and legality of the business plan being proposed by the acquirer, the impact on the Company’s tangible and intangible management resources and its stakeholders, as well as the effect it would have on corporate value, the latent effect on future policies, the synergies that could potentially be achieved through a combination of business fields, the current business condition of the Group, and other factors that contribute to the corporate value of the Company.

In light of the required considerations described above, the Company's Board of Directors believes that any party acquiring a large amount of the Company's shares, or making a proposal to do so, that does not contribute to protecting and enhancing the corporate value of the Company and the common interests of shareholders, is an inappropriate party to be in control of decisions about the financial and business policy of the Company.

(2)Undertakings to Contribute to Achieving the Company's Basic Policies

The Group will achieve sustainable growth by shifting the focus or management to "Growth" and boldly carry out strategy and promote operations, and continue the structural reforms it has been promoting to date.

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

We will make use of the strengths that enable us to provide a wide range of solutions for the age of ubiquitous connectivity that will most likely be realized in the near future, through using our broad range of management resources. In addition, by sharing our base technology and fundamental activities such as development, procurement, production and sales activities among our main business areas, we will nurture our strengths to create a spillover effect throughout the entire the Group, while at the same time preserving the Group's business leadership.

In order to continue the sustained development of the Group, it is essential that we increase our social standing by positively contributing to the communities of the countries and regions around the world, and by discharging our corporate social responsibilities. The Group will promote activities for continuous compliance with laws and regulations, respect for human rights, protection of the environment, and contributions to society.

(3)Measures to Prevent Persons Considered Inappropriate, in Light of the Company's Basic Policies (Takeover Defense Measure)

The Company introduced a plan for countermeasures to any large-scale acquisitions of the Company's shares (the "Plan"), based on the shareholders' approval for the basic concept of the Plan at the Ordinary General Shareholders Meeting held in June 2006, for the purpose of protection and enhancement of the corporate value of the Company and the common interests of shareholders.

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, if an acquirer starts or plans to start an acquisition or a takeover bid that would result in the acquirer holding 20% or more of the Company's total outstanding shares, the Company will require the acquirer to provide the necessary information in advance to its Board of Directors. The Board of Directors will then establish a Special Committee that will, at its discretion, obtain advice from outside experts, evaluate and consider the details of the acquisition, disclose to the Company's shareholders the necessary information regarding the acquisition, as well as the alternative proposal prepared by the Company's Chief Executive Officer, and then negotiate with the acquirer. If the acquirer does not comply with the procedures under the Plan, or the Special Committee decides that the acquisition would damage the corporate value of the Company or the common interests of shareholders, the Special Committee will recommend to the Board of Directors that the Company implement countermeasures (a gratis allotment of stock acquisition rights (*shinkabu yoyakuken no mushou wariate*), a condition of which will be that they cannot be exercised by acquirers or the like) and protect the corporate value of the Company and the common interests of shareholders.

(4)Reasonableness of the Plan

For the reasons set out below, the Company's Board of Directors believes that the Plan is based on the Company's basic policies and does not prejudice the corporate value or the common interests of shareholders of the Company, and it also believes that the introduction of the Plan is not for the purpose of maintaining the status held by the management of the Company.

a. Reflection of the intent of shareholders

The Plan was introduced upon the shareholders' approval for the basic concept of the Plan at the Ordinary General Shareholders Meeting held in June 2006.

Further, the Plan may be terminated by a resolution of the Board of Directors even if the effective period of the Plan has not expired. As the term of office of directors of the Company is stipulated as one year, the intentions of the shareholders may also be reflected each year through the election of directors.

b. Disclosure of information and decision making based on the decisions of independent outside parties

The Company is a corporation with committees. Through establishing the Special Committee solely comprised of three or more independent outside directors who are in a position to monitor the executive officers of the Company, the Company may exclude arbitrary decisions by the management of the Company and thereby ensure the objectivity and reasonableness of the Special Committee's judgments. At the same time, the Company believes that the Special Committee, through its understanding of the current status of the Company and the essentials that comprise the Company's corporate value, will be able to appropriately judge the effect that an Acquisition may have on the Company's corporate value and the common interests of its shareholders.

Furthermore, for the purpose of increasing transparency in judgments made by the Special Committee, the Company will promptly disclose outlines of the Acquisition Statement provided by the Acquirer, the opinion of the Company's Chief Executive Officer on the details of an Acquisition made by the Acquirer, outline of an alternative proposal, and any other matters that the Special Committee deems appropriate to disclose to its shareholders.

c. Establishment of reasonably objective requirements for triggering the Plan

The Plan is so constituted that it will not be triggered unless previously determined reasonable and objective requirements have been satisfied, and the objective requirements are consistent with the Company's basic policy, providing that any party acquiring a large amount of the Company's shares or making a proposal to do so, which does not contribute to protecting and enhancing the corporate value of the Company and the common interests of shareholders, is an inappropriate party to control decisions on the Company's financial and business policies. Consequently, the Plan eliminates arbitrary triggering by the Company's management.

d. Obtaining the advice of third-party experts

The Special Committee may obtain the advice of independent third parties (financial advisors, certified public accountants, lawyers, consultants and other experts) at the cost of the Company. This mechanism will even more securely enhance the objectivity and fairness of the decisions made by the Special Committee.

For the details of the Plan, please refer to 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).

12. The Group's Employees

As of March 31, 2007

Segment	Number of Employees
	Persons
Digital Products	45,666
Electronic Devices	34,871
Social Infrastructure	67,344
Home Appliances	27,175
Others	12,316
Group-wide (shared)	3,336
Total	190,708

(Note) The Company has 32,309 employees.

13. Main Business of the Group

Digital Products

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

Electronic Devices

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, Instruments control systems, Transportation equipments, Electrical machinery, Automatic letter handling machines, Banking machines, Automatic railroad station equipments, Gauge, Switchgear, Road equipment system, Government systems, Broadcasting systems, Transmission network systems, Radar systems, Elevators, Escalators, IT solutions, 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 and others

Others

Rental & sale of real estate and others

14. Main Places of Business and Facilities of the Group

As of March 31, 2007

(1) The Company

Company-wide

Office

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)

Laboratories

Corporate Research & Development Center (Kawasaki), Software Engineering Center (Kawasaki), Corporate Manufacturing Engineering Center (Yokohama), Yokohama Complex (Yokohama),

Digital Products

Laboratories

Mobile Communications Development Center (Ome), Core Technology Center (Ome), PC Development Center (Ome),

Production Facilities:

Fukaya Operations (Fukaya), Ome Complex (Ome), Hino Operations (Hino),

Electronic Devices

Laboratories

Center For Semiconductor Research & Development (Kawasaki) Process & Manufacturing Engineering Center (Yokohama)

Production Facilities:

Microelectronics Center (Kawasaki), Yokkaichi Operations (Yokkaichi), Himeji Operations (Himeji), Kitakyushu Operations (Kitakyushu), Oita Operations (Oita)

Social Infrastructure

Laboratories

Power and Industrial Systems Research and Development Center (Yokohama), Isogo Nuclear Engineering Center (Yokohama)

Production Facilities:

Fuchu Complex (Fuchu, Tokyo), Komukai Operations (Kawasaki), Microelectronics Center (Kawasaki), Hamakawasaki Operations (Kawasaki), Keihin Product Operations (Yokohama), Mie Operations (Asahi Cho, Mie),

(2) The Group Companies

The names and locations of the main companies in the Group are noted in 4. Outline of Main Group Companies.

Consolidated Balance Sheet
Toshiba Corporation and Subsidiaries
As of March 31, 2007

(millions of yen)

Assets	
Current assets:	
Cash and cash equivalents	¥309,312
Notes and accounts receivable, trade:	
Notes	106,395
Accounts	1,295,808
Allowance for doubtful notes and accounts	(30,599)
Inventories	801,513
Deferred tax assets	138,714
Prepaid expenses and other current assets	370,064
Total current assets	2,991,207
Long-term receivables and investments:	
Long-term receivables	19,329
Investments in and advances to affiliates	240,249
Marketable securities and other investments	250,536
	510,114
Property, plant and equipment :	
Land	156,445
Buildings	1,146,350
Machinery and equipment	2,594,284
Construction in progress	104,612
	4,001,691
Less－Accumulated depreciation	(2,681,489)
	1,320,202
Deferred tax assets	211,336
Other assets	899,103
	¥5,931,962

Liabilities and shareholders' equity	
Current liabilities:	
Short-term borrowings	¥71,626
Current portion of long-term debt	130,703
Notes payable, trade	59,592
Accounts payable, trade	1,305,639
Accounts payable, other and accrued expenses	508,888
Accrued income and other taxes	77,625
Advance payments received	229,635
Other current liabilities	427,583
Total current liabilities	2,811,291
Long-term liabilities:	
Long-term debt	956,156
Accrued pension and severance costs	540,216
Other liabilities	191,263
	1,687,635
Minority interest in consolidated subsidiaries	324,715
Shareholders' equity:	
Common stock:	
Authorized－10,000,000,000 shares	
Issued:	
2007－3,219,027,165 shares	274,926
Additional paid-in capital	285,765
Retained earnings	681,795
Accumulated other comprehensive loss	(131,228)
Treasury stock, at cost:	
2007－5,537,542 shares	(2,937)
	1,108,321
Commitments and contingent liabilities	
	¥5,931,962

Consolidated Statement of Income
Toshiba Corporation and Subsidiaries
For the years ended March 31, 2007

	(millions of yen)
Sales and other income:	
Net sales	¥7,116,350
Interest and dividends	24,375
Equity in earnings of affiliates	27,878
Other income	155,270
	7,323,873
Costs and expenses:	
Cost of sales	5,312,179
Selling, general and administrative	1,545,807
Interest	31,934
Equity in losses of affiliates	—
Other expense	135,493
	7,025,413
Income before income taxes and minority interest	298,460
Income taxes :	
Current	88,911
Deferred	56,444
	145,355
Income before minority interest	153,105
Minority interest in income of consolidated Subsidiaries	15,676
Net income	¥137,429

Consolidated Statement of Shareholders' Equity
Toshiba Corporation and Subsidiaries
For the years ended March 31, 2007

	millions of yen					
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
Balance at March 31, 2006	274,926	285,743	570,080	(126,509)	(2,075)	1,002,165
Comprehensive income (loss):						
Net income			137,429			137,429
Other comprehensive income (loss), net of tax:						
Unrealized gains on Securities				23,555		23,555
Foreign currency translation adjustments				10,081		10,081
Minimum pension liability adjustment				4,214		4,214
Unrealized gains on derivative instruments				412		412
Comprehensive income						175,691
Adjustment to initially apply SFAS 158, net of tax				(42,981)		(42,981)
Dividends			(25,714)			(25,714)
Purchase of treasury stock, net, at cost		22			(862)	(840)
Balance at March 31, 2007	¥274,926	¥285,765	¥681,795	¥(131,228)	¥(2,937)	¥1,108,321

Notes

1. BASIC STATEMENT OF PREPARE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (excluding consolidated cash flow statement)

(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 148, Paragraph 1 of the Regulations for Corporate Accounting. 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, 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 the 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 trade 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.

(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. 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.

Change of Accounting Policy

On March 31, 2007 Toshiba adopted Statement of Financial Accounting Standards (“SFAS”) No. 158 (Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans). As a result, Toshiba recorded the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plans as accumulated other comprehensive income (loss), net of tax. The adjustment to accumulated other comprehensive income (loss) at adoption represents the unrecognized actuarial loss, unrecognized prior service cost, and unrecognized net obligation at transition, all of which were previously netted against the plans’ funded status in the consolidated balance sheet pursuant to the provisions of SFAS No. 87 (Employers’ Accounting for Pensions). Due to change of this accounting policy, accrued pension and severance costs increased by 72,943million yen and accumulated other comprehensive loss, net of tax, decreased by 42,981million yen. It has no impact on profit (loss).

(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.

2. Notes to consolidated balance sheet

(1) Collateral assets and liabilities secured by collaterals

Collateral assets	(Millions of yen)	Time deposits	4,516
		Property, Plant and Equipment	12,814
		Total	17,330
liabilities secured by collaterals	(Millions of yen)	Short-term borrowings	1,358
		Long-term borrowings	3,744
		Liabilities on guarantees	4,516
		Total	9,618
(2)Liabilities on guarantees and their kinds		(Millions of yen)	240,042

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

(4)Important disputes

The European Commission decided to impose surcharges on 19 companies, including Toshiba, for an alleged violation of the European competition law in the gas insulated switchgear market. It set the amount of the surcharges on the Company at 90.9 million euros (approx. 14.3 billion yen), including the amount Toshiba should pay jointly with Mitsubishi Electric Corp. According to its investigation, the Company was not acting against the European competition law and filed a suit in the European Court of Justice to dispute the EC’s decision.

3. Notes to net income per share

Net income per share (yen)	Basic net income per share	42.76
	Diluted net income per share	39.45

4. Acquisition of Westinghouse

On October 16, 2006, the Group completed the US$5.4 billion acquisition of all the stock of BNFL USA Group Inc. and Westinghouse UK Limited (collectively Westinghouse), which has its primary operations in the nuclear power systems business. The Group's investment ratio to Westinghouse is 77% (US$4,158 million).

Since this acquisition is recorded by purchase method in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141, Business Combinations, acquired assets and liabilities are allocated at fair value and difference with purchase price is recorded as goodwill. Such procedure has not finished, yet.

CONSOLIDATED STATEMENT OF CASH FLOWS (for reference)
For the year ended March 31, 2007

(Millions of yen)

Cash flows from operating activities	561,474
Cash flows from investing activities	-712,782
Free cash flows	-151,308
Cash flows from financing activities	154,796
Effect of exchange rate changes on cash and cash equivalents	34,903
Net increase in cash and cash equivalents	38,391
Cash and cash equivalents at beginning of year	270,921
Cash and cash equivalents at end of year	309,312

(These financial statements are for The Company stand-alone basis. Therefore, net sales, net income and all other figures are on a non-consolidated basis.)

BALANCE SHEET

As of March 31, 2007
(Millions of yen)

Assets		Liabilities	
Current assets	**1,310,294**	**Current liabilities**	**1,483,728**
Cash and cash equivalents	58,990	Notes payable	3,136
Notes receivables	7,797	Accounts payable	808,004
Accounts receivables	618,861	Short-term loans	159,200
Finished products	139,416	Current portion of debentures	79,627
Semi-finished products	13,506	Accrued liabilities	112,440
Raw materials	30,796	Accrued expense	179,415
Work in process	132,675	Corporate and other taxes payable	18,920
Advance payments	29,924	Advance payments received	93,853
Prepaid expenses	10,248	Deposits received	7,066
Deferred tax assets	52,077	Allowance for warranty and others	3,896
Other current assets	274,410	Allowance for losses on construction contracts	7,325
Allowance for doubtful accounts	-58,410	Other current liabilities	10,843
Fixed assets	**2,063,245**	**Long-term liabilities**	**1,097,053**
Tangible fixed assets	550,738	Debentures	364,306
Buildings	165,231	Long-term loans	510,000
Structures	16,226	Allowance for retirement benefits	198,834
Machinery and equipment	212,572	Allowance for recycle of personal computers	4,016
Delivery equipment	211		
Tools, fixtures and furniture	61,814	Other long-term liabilities	19,895
Land	47,857	**Total liabilities**	**2,580,781**
Construction in progress	46,822	**Net Assets**	
Intangible fixed assets	41,941	**Shareholders' equity**	**748,869**
Software	31,267	Common stock	274,926
Other intangible fixed assets	10,674	Capital surplus	262,679
Investments and others	1,470,564	Additional paid-in capital	262,650
Investment securities	141,311	Other capital surplus	28
Security investments in affiliates	975,536	Retained earnings	214,200
		Other retained earnings	214,200
Other investments	766	Reserves for deferral of gains on sales of property	11,557
Other investments in affiliates	83,383		
Long-term loans	82,871	Reserves for special depreciation	10,333
Long-term prepaid expenses	2,576	Reserves for program and others	18
Deferred tax assets	109,955	Retained earnings brought forward	192,290
Other assets	74,827		
Allowance for doubtful accounts	-665	Treasury stock	-2,937
		Difference of appreciation and conversion	**43,889**
		Net unrealized gains (losses) on investment securities	43,825
		Deferred profit (loss) on hedges	63
		Total net assets	**792,758**
Total assets	**3,373,540**	**Total liabilities and net assets**	**3,373,540**

STATEMENT OF INCOME

For the year ended March 31, 2007

(Millions of yen)

Net Sales	3,544,860
Cost of sales	2,899,674
Gross Margin	**645,186**
Selling, general and administrative expenses	573,044
Net operating income	**72,141**
Non-operating income	**124,228**
Interest income	6,347
Dividend income	76,394
Miscellaneous income	41,486
Non-operating expenses	**98,280**
Interest expenses	11,790
Miscellaneous losses	86,490
Recurring profit	**98,089**
Extraordinary gains	**99,857**
Gains from sales of securities	65,086
Gains from sales of fixed assets	34,770
Extraordinary losses	**75,502**
Losses from impairment of investment securities	36,745
Losses from recognition of allowance for doubtful accounts	26,000
Restructuring charges	7,691
Losses from impairment on fixed assets	5,065
Income before taxes	**122,444**
Corporate tax, inhabitant tax and business tax	13,480
Taxes deferred	36,577
Net income	**72,387**

Non-Consolidated Statement Of Changes In Net Assets

(Millions of yen)

	Shareholders' equity									Difference of appreciation and conversion		Total net assets
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	Net unrealized gains(losses) on investment securities	Deferred profit(loss) on hedges	
				Other retained earnings								
		Additional paid-in capital	Other capital surplus	Reserves for deferral of gains on sales of property	Reserves for special depreciation	Reserves for program and others	Retained earnings brought forward					
Balance of March 31,2006	¥274,926	¥262,650	¥6	¥12,531	¥10,000	¥48	¥144,946	¥(2,074)	¥703,036	¥31,258	¥0	¥734,294
Changes in the term												
Reversal of reserves for deferral of gains on sales of property (previous year)				(855)			855		0			0
Reversal of reserves for deferral of gains on sales of property				(117)			117		0			0
Transfer to reserves for special depreciation (previous year)					4,286		(4,286)		0			0
Reversal of reserves for special depreciation					(3,954)		3,954		0			0
Reversal of reserves for program and others (previous year)						(15)	15		0			0
Reversal of reserves for program and others						(14)	14		0			0
Dividends from surplus (previous year)							(11,251)		(11,251)			(11,251)
Dividends from surplus							(14,463)		(14,463)			(14,463)
Net income(loss)							72,387		72,387			72,387
Purchase of treasury stock								(907)	(907)			(907)
Disposal of treasury stock			21					45	67			67
Net changes of items other than shareholders' equity										12,566	63	12,630
Total changes in the term			21	(973)	332	(29)	47,343	(862)	45,833	12,566	63	58,463
Balance of March 31,2007	¥274,926	¥262,650	¥28	¥11,557	¥10,333	¥18	¥192,290	¥(2,937)	¥748,869	¥43,825	¥63	¥792,758

Notes

1. Notes to significant accounting policies

(1) Valuation of securities

Investment securities in affiliates	valued at acquisition cost based on the moving average method
Other investments	
Marketable securities	valued at market value at the end of fiscal year (The difference are recorded directly in net assets and acquisition costs are calculated by the moving average method)
Non marketable securities	valued at acquisition cost based on the moving average method

(2) Valuation of derivative and others

Derivative	valued at market value

(3) Valuation of inventories

Finished and semi-finished products	valued at acquisition cost based on the specific identification method, or at lower-of-cost-or-market method based on the moving average method
Work-in-process	valued at acquisition cost based on the specific identification method, or at lower-of-cost-or-market method based on the weighted average method
Raw materials	valued at acquisition cost or lower-of-cost-or-market method based on the moving average method.

(4) Depreciation for fixed assets

Tangible fixed assets	The declining balance method. However, for buildings acquired on or after April 1, 1998 (excluding appurtenant equipment), the straight-line method is applied. Service life of buildings and structure is from 3 years to 50 years. Service life of Machinery and equipment is from 3 years to 18 years
Intangible fixed assets	The straight line method. However, for software for sales, the straight line method based on estimated sales volume or remaining effective life (up to 3 years). For software for internal use, the straight line method based on service life (5 years).

(5) Recognition of allowance

Allowance for doubtful accounts	To prepare the bad debt expense, allowance for doubtful accounts are recognized. Allowance is recognized based on the historical default ratio in general and allowance for any specific known troubled accounts is recognized based on the evaluation of possibility of collection of specific accounts.
Allowance for warranty and others	To cover costs of after-sale service of products, estimated cost during guarantee period is recognized based on historical record
Allowance for losses on construction contracts	To cover the estimated loss of uncompleted engineering works, the estimated loss is recognized.
Allowance for retirement benefits	To cover retirement benefits, it is recorded based on estimated accrued pension and severance costs at the end of fiscal year. Prior service cost is amortized by straight line method over 10 years.

Allowance for recycle of personal computers	To cover costs of recycle of personal computers, the estimated recycle costs are recognized based on sales performance. Because it has passed three years since recycle system of personal computers was introduced, it is possible to estimate recycle costs more reasonably. Therefore, estimates of recycle costs are changed. The amount of adjustment for previous years, 2,071 million yen, is recognized as non-operating income.

(6) Revenue recognition
The percentage-of-completion method is applied for long term construction work contracts (2 years or longer and 1 billion or more).

(7)Lease
For finance lease, except such lease that ownership of leased assets is considered to be transferred to lessee, accounting for rental is applied mutatis mutandis.

(8)Hedge accounting
Method
In principal, the Company adopts the deferral hedge accounting method. In addition, when the forward exchange contracts meet the conditions for hedged items, the Company does not account for gains and losses on those forward exchange contracts on a fair value basis, but converts hedged items using the rates of those forward exchange contracts at the closing day. Moreover, when interest swap agreements meet the conditions for hedged items, the Company does not account for gains and losses on those interest swap agreements on a fair value basis, but recognizes swap interest on an accrual basis.

Measures and objects

Measures	Forward exchange contracts, , currency swap agreements, currency options and interest rate swap agreements etc.
Objects	Monetary assets and liabilities denominated in foreign currency, commitments on future transactions denominated in foreign currency and borrowings etc.

Policy
To reduce foreign currency risk and interest risk and to improve net interest expense, the Company employs derivative instruments within actual demand of the Company.
Evaluation of effectiveness
The Company compares the total amount of market change or change of cash flow of objects and the total amount of market change or change of cash flow of measures. Effectiveness of hedge is evaluated based on change of both. However, when interest rate swap agreements are recognized by the exceptional method described above, evaluation of effectiveness is skipped.

(9)Accounting of consumption tax
It is recorded without tax.

(10)Consolidated taxation system
The Company adopted consolidated taxation system

(11)Presentation of amount
Amounts under million are rounded down.

(12)Change of accounting policy
The Company applied “Accounting standard regarding presentation of net assets in balance sheet (Financial Accounting Standard of Japan No.5, December 9, 2005) and “Guideline of accounting standard regarding presentation of net assets in balance sheet” (Guideline of Financial Accounting Standard of Japan, December 9, 2005). The amount of shareholders equity in previous standard is 792,694 million yen.

2. Notes to Balance Sheet

(1)Accumulated depreciation for tangible fixed assets: 1,385,782 million yen

(2) Liabilities on guarantees and their kinds

The Company guarantees bonds and borrowings from financial institution and so on as follows;

(Millions of yen)

Warrantee	Balance of Liabilities on guarantees and their kinds
Flash Partners, Ltd.	107,488
Westinghouse Electric Company, LLC	100,227
Toshiba Capital Corporation	68,085
Toshiba Capital (Asia) Ltd.	56,292
Toshiba International Corporation	41,105
Toshiba International Finance (Netherlands)B.V.	36,222
others	91,737
Total	501,157

(3) Important disputes

The European Commission decided to impose surcharges on 19 companies, including Toshiba, for an alleged violation of the European competition law in the gas insulated switchgear market. It set the amount of the surcharges on the Company at 90.9 million euros (approx. 14.3 billion yen), including the amount Toshiba should pay jointly with Mitsubishi Electric Corp. According to its investigation, the Company was not acting against the European competition law and filed a suit in the European Court of Justice to dispute the EC's decision.

(4)Monetary receivable and liabilities to subsidiaries and affiliates

Current monetary receivables to subsidiaries and affiliates	(Millions of yen)	449,414
Long-term monetary receivables to subsidiaries and affiliates	(Millions of yen)	94,212
Current monetary liabilities to subsidiaries and affiliates	(Millions of yen)	760,989

3. Notes to Income statement

Sales to subsidiaries and affiliates	(millions of yen)	2,262,010
Purchases from subsidiaries and affiliates	(millions of yen)	2,017,934
Non-operating transactions amounts with subsidiaries and affiliates	(millions of yen)	149,486

4. Notes to statement of change in net assets

(1)The amount and class of issued shares at the end of March 31, 2007

Common stock 3,219,027,165 shares

(2)The amount and class of treasury stock at the end of March31, 2007

Common stock 5,537,542 shares

(3)Resolution of dividend etc,

Resolution	Total amount of dividend	Dividend per share	Record date	Effective Date
Board of Directors held on April 28, 2006	11,251 million yen	3.5 yen	March 31, 2006	June 2, 2006
Board of Directors held on October 31, 2006	14,463 million yen	4.5 yen	September 30, 2006	December 1, 2006
Board of Directors held on April 26, 2007 (Scheduled)	20,887 million yen	6.5 yen	March 31, 2007	June 1, 2007

5. Notes to deferred income tax accounting

The main causes of accrual of deferred tax assets are non-recognition of retirement allowance and impairment of investment securities at tax return. The main causes of accrual of deferred tax liabilities are other comprehensive income on securities and reserves pursuant to the Special

Taxation Measures Law

6. Notes to fixed assets by lease

In addition to fixed assets recorded in the balance sheets, the Company employs part of tools, fixtures and furniture and machinery and equipment through finance lease agreement that ownership of leased assets is not considered to be transferred to lessee.

7. Notes to transaction with related parties

(Millions of yen)

Type	Company	Holding ratio of voting rights*1	Relationship	Transaction	Amount	accounts	Balance
Subsidiary	Toshiba Capital (Asia) Ltd.	100%	Sales of products	Sales of products*3	552,757	Accounts receivables	2,270
				Guarantees	56,292	-	-
Subsidiary	Toshiba International Finance (UK) Plc.	100%	Sales of products	Sales of products*3	431,084	Accounts receivables	2,448
Subsidiary	Toshiba America Information Systems, Inc.	100%	Sales of products	Sales of products*3	284,069	Accounts receivables	52,339
Subsidiary	Toshiba Capital Corporation	100%	Lending and borrowing of cash	Lending of cash*4	-	Other current assets	18,000
						Long-term loans	69,880
				Receive of interests*4	715	Other current assets	137
				Borrowing of cash*4	-	Short-term loans	58,000
				Payment of interests*4	38	Accrued expense	0
				Guarantees	68,085	-	-
Subsidiary	Taiwan Toshiba International Procurement Corporation	100%	Procurement	Procurement*5	656,332	Accounts payable	155,059
Subsidiary	Toshiba Plant Systems &	61.6%	Procurement	Procurement*5	78,107	Accounts payable	40,889

	Services Corporation						
Subsidiary	Toshiba America Capital Corporation	100%	Borrowing of cash	Borrowing of cash*4	-	Short-term loans	89,200
				Payment of interests*4	275	Accrued expense	0
Subsidiary	Westinghouse Electric Company LLC	100%*2	Guarantees	Guarantees	100,227	-	-
Subsidiary	Toshiba International Corporation	100%	Guarantees	Guarantees	41,105	-	-
Subsidiary	Toshiba International Finance (Netherlands)B.V.	100%	Guarantees	Guarantees	36,222	-	-
Affiliate	Toshiba Finance Corporation	35.0%	Paying agent of debt	Paying agent of debt	355,538	Accounts payable	123,571
Affiliate	Flash Partners, Ltd.	50.1%	Guarantees	Guarantees	107,488	-	-

*1. Voting rights includes voting rights held through subsidiaries of the Company

*2.Toshiba Nuclear Energy Holdings (US) Inc., 77% of whose voting rights held by subsidiaries of the Company, holds all of voting rights of Westinghouse Electric Company LLC.

*3. Conditions of sales of products are determined considering market price and same condition of arms-length transaction

*4. Conditions of lending and/or borrowing of cash are determined considering market interest rate and same condition of arms-length transaction

*5. Conditions of procurement are determined considering market price and same condition of arms-length transaction

8. Notes to information per share

Net assets per share (yen) 246.70

Net income per share (yen) 22.52

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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 24, 2007

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

Pursuant to Article 444, Paragraph 4 of the Company Law, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity, and the notes of Toshiba Corporation. (the “Company”) applicable to the 168th fiscal year from April 1, 2006 through March 31, 2007. These consolidated financial statements and the related supplementary schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. 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 financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group that is consist of Toshiba Corporation and its subsidiaries applicable to the168th fiscal year ended March 31, 2007 in conformity with accounting principles generally accepted in the U.S. pursuant to Article 148, Paragraph 2 of the Regulations for Corporate Accounting.

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

We continuously provide service prescribed in Articles 2, Paragraph 2 of Certified

Public Accountants Law that is permitted to provide service simultaneously with attestation service.

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AUDIT REPORT (The consolidated financial statements)

We, the audit committee of the Company, have audited the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity and the notes) during the 168th fiscal period, from April 1, 2006 to March 31, 2007.
We report the method and the results as follows:

1. Method and contents of audit

Pursuant to the audit policy, assigned duties and other rules that the audit committee decided, we have received reports on consolidated financial statements from executive officers and other personnel and requested them explanation. In addition, we have overseen and inspected whether the accounting auditor keeps their independency and conducts appropriate audit. We have received reports on execution of its duties from the accounting auditor and requested it explanation. Also, we have received notice from the accounting auditor that it maintains systems to ensure appropriateness of execution of duties (items described in each paragraph of Article 159 of the Regulations for Corporate Accounting) in accordance with "quality control standard regarding audit"(October 28, 2005, Business Accounting Council), and requested it explanation.

Based on the method above, we have examined consolidated financial statements for the 168th fiscal period.

2. Results of audit

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

April 25, 2007

Audit Committee
Toshiba Corporation

Sadazumi Ryu
(full time)

Masaki Matsuhashi
(full time)

Sakutaro Tanino

Atsushi Shimizu

Kiichiro Furusawa

Note: Messrs. Sakutaro Tanino, Atsushi Shimizu and Kiichiro Furusawa are outside directors prescribed by Article 2, Section 15 and Article 400, Paragraph 3 of Company Law.

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Report of Independent Auditors

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

April 24, 2007

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

Pursuant to Article 436, Paragraph 2, Section 1 of the Company Law, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes and the related supplementary schedules of Toshiba Corporation. (the "Company") applicable to the 168th fiscal year from April 1, 2006 through March 31, 2007. These financial statements and the related supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related 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 related supplementary 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 related supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Toshiba Corporation applicable to the168th fiscal year ended March 31, 2007 in conformity with accounting principles generally accepted in Japan.

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

We continuously provide service prescribed in Articles 2, Paragraph 2 of Certified Public Accountants Law that is permitted to provide service simultaneously with attestation service.

Copy

AUDIT REPORT

We, the audit committee of Toshiba Corporation, have audited directors' and executive officers' execution of their duties during the 168th fiscal period, from April 1, 2006, to March 31, 2007. We report the method and the results as follows:

1. Method and contents of audit

We, the Audit Committee, have overseen and inspected current status of internal control system (Board resolution with respect to items prescribed in Article 416 Paragraph 1 item 1 b) and e) of Company Law). Also, 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 attended the important meetings; received reports on execution of duties of directors, executive officers and others from them and inquired about them, inspected important documents of management's decision making and others; and investigated the status of the business operations and assets at the head office and other main places of business.

Also, We have examined "Basic Policy in Control of the Company and Takeover Defense Measure" described in Business Report (basic policy prescribed in Article 127 paragraph 1 of the Company Law Enforcement Regulations and undertakings prescribed in Article 127 paragraph 2 of the Company Law Enforcement Regulations) based on discussion in the Board and other meetings. We tried to enhance close communication with directors, auditors and other personnel of subsidiaries, and received reports of business from subsidiaries.

In addition, we have received notice from the accounting auditor that it maintains systems to ensure appropriateness of execution of duties (items described in each paragraph of Article 159 of the Regulations for Corporate Accounting) in accordance with "quality control standard regarding audit"(October 28, 2005, Business Accounting Council), and requested it explanation.

Based on the method above, we have examined Business Report, Financial Statements (the balance sheet, the statement of income, statement of changes in net assets and notes) the related supplementary schedules for the 168th fiscal period.

2. Results of audit

(1) Audit results of Business Report and others

a. The Business Report presents fairly the status of the Company in accordance with the related regulations and the Articles of Incorporation.

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

c. The contents of the resolution of the board of directors with respect to internal control system are appropriate. We are not aware of any issues to be pointed out with respect to the directors' and executive officers' execution of their duties regarding this internal control system.

d. The contents of basic policy described in "Basic Policy in Control of the Company and Takeover Defense Measure" in Business Report are appropriate. "Undertakings to Contribute to Achieving the Company's Basic Policies" and "Measures to Prevent Persons Considered Inappropriate, in Light of the Company's Basic Policies, from Controlling the Company's Decisions on Financial and Business Policies (Takeover Defense Measure)"(undertakings prescribed in Article 127 paragraph 2 of the Company Law Enforcement Regulations) described in Business Report are based on the Company's basic policies and does not prejudice the corporate value or the common interests of shareholders of the Company, and it also believes that the introduction of the Plan is not for the purpose of maintaining the status held by the management of the Company.

(2) Audit results of financial statements and the related supplementary schedules

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

April 25, 2007

Audit Committee
Toshiba Corporation

Sadazumi Ryu
(full time)

Masaki Matsuhashi
(full time)

Sakutaro Tanino

Atsushi Shimizu

Kiichiro Furusawa

Note: Messrs. Sakutaro Tanino, Atsushi Shimizu and Kiichiro Furusawa are outside directors prescribed by Article 2, Section 15 and Article 400, Paragraph 3 of Company Law.