Note: This English translation of Reports for the 171st 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 independent auditor or the audit committee.

Reports for the 171st Fiscal Period

Toshiba Corporation

Business Report

1. Business Environment and Results of the Group

(1) Operation and Results of the Group

The overall condition of the global economy remained severe in FY2009 as the recession continued to make its impact felt, but the second half of the fiscal year showed some positive signs of a gradual recovery. In the United States and Europe unemployment levels have remained high and overall economic conditions are expected to remain severe, but the Chinese economy has grown, driven by domestic demand, and other Asian economies also are on the upturn. In Japan, a continuing awareness of overcapacity of plant and facilities remained in some sectors, and persistent high unemployment leaves the overall outlook unclear, but positive results from emergency stimulus packages appear to point to a gradual upturn in the economy.

In these circumstances, under the Action Programs to Improve Profitability announced in January 2009, a series of strategic policies that aim to generate profit regardless of market conditions and fluctuations, Toshiba resolutely promoted group-wide cost reduction measures and strategic allocations of resources, accelerated the further globalization of its business and promoted business restructuring.

Toshiba's consolidated net sales for FY2009 were 6,381.6 billion yen, a decrease of 272.9 billion yen from the previous year. This result reflected yen appreciation and the impact of the recession in the first half of FY 2009, though the latter half saw an improvement against the year-earlier period. Consolidated operating income (loss) saw a significant improvement in all business segments apart from Others, and returned to the black to the tune of 117.2 billion yen, a year-on-year advance of 367.4 billion yen. Most notably, operating income in the Semiconductor business returned to the black, driven in particular by a recovery in performance in Memories.

Income (Loss) from continuing operations before income taxes and non-controlling interests improved by 304.3 billion yen to 25.0 billion yen, despite the restructuring costs, and the net loss attributable to shareholders of the Company improved by 323.9 billion yen to -19.7 billion yen.

Free cash flow was 198.5 billion yen, a 549.8 billion yen improvement. The debt-to-equity ratio at the end of March 2010 was 153%, a significant 252-point improvement from the 405% recorded at the end of March 2009. (Note)

As a result of focusing on the expansion of overseas businesses centering on emerging markets, the Company's overseas net sales increased by 79.4 billion yen on year to 3,503.1 billion yen and the overseas sales ratio increased to 55%, up 4% from the previous year.

As mentioned above, Toshiba Group's operating income has substantially improved over the previous term. However, net income (loss) attributable to shareholders of the Company on a consolidated basis remained in the red. In terms of its financial position, the Group is tackling improvements in cash flow and reduction of debt, in order to reinforce its financial structure and to support future growth. In light of these circumstances, we regret that Toshiba is forced to forgo paying a dividend from earnings on both an interim and year-end basis. We deeply regret and sincerely apologize to our shareholders for having made such a decision.

The Group will further advance its business restructuring and secure a return to the path of sustained growth with steadily higher profit while simultaneously reinforcing its financial structure..

(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 Companies Act Enforcement Regulations.
2. Toshiba's Consolidated Financial Statements are based on U.S. generally accepted accounting principles ("GAAP") pursuant to the provision of Article 3, Paragraph 1 of the Supplementary Provision to the Corporate Calculation Rules (Ministry of Justice Ordinance No. 46 of 2009).Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses from net sales, and reported as a measurement of segment profit or loss. This result is regularly reviewed to support decision-making in allocations of resources and to assess restructuring charges covering reorganization expenses and gains (losses) on the sales or disposal of fixed assets, may be presented as non-operating income (loss)..
3. The Group indicated a "net income (loss) attributable to shareholders of the Company" which had been newly recorded with the changes in the U.S. GAAP, as the net income (loss).
4. The Mobile Broadcasting business ceased operation at the end of FY 2008, and its results are not incorporated into net sales, operating income (loss) or income (loss) from continuing operations, before income taxes and noncontrolling interests in the consolidated accounts, in accordance with ASC No. 205-20, "Discontinued Operations", equivalent to the former SFAS No. 144. However, consolidated net income (loss) (consolidated net income (loss) attributable to shareholders of the Company) includes the operating results of the Broadcasting business.

Results of the Action Programs to Improve Profitability

Aiming to reduce fixed costs and enhance profitability, the Group thoroughly promoted and continued the Action Programs to Improve Profitability. And, as from the second-half of the fiscal year as a new phase of the said Program, the Group has set a goal of pushing ahead with further business restructuring, improving the marginal income ratio by reviewing variable costs and making fixed costs more efficient for total optimization and carried them out in a steady manner.

As a result, the reduction in fixed costs amounted to approximately 430 billion yen, exceeding the initial plan by approximately 130 billion yen, which largely contributed to the sizable improvement in the Group's operating income and free cash flows.

The Group also pressed on with reducing costs including procurement costs and achieved major results.

Performance by Segment

Net sales and operating income (loss) by segment are as follows:

(billions of yen)

Segment	Consolidated Net Sales	Change	Consolidated Operating Income	Change
Digital Products	2,363.6	(-103.9)	13.3	+27.5
Electronic Devices	1,309.1	(-15.8)	(-24.2)	+299.0
Social Infrastructure	2,302.9	(-93.3)	136.3	+23.1
Home Appliances	579.8	(-94.5)	(-5.4)	+21.7
Others	315.8	(-18.5)	(-4.3)	(-4.8)
Eliminations	(-489.6)	+53.1	1.5	+0.9
Total	**6,381.6**	**(-272.9)**	**117.2**	**+367.4**

Business performance and topics by segment are as follows:

Digital Products

Main Businesses As of March 31, 2010
Mobile phones, Hard disk drives, Optical disk drives, Televisions, DVD players, DVD recorders, Personal computers, POS systems, Multi-function peripherals and others

Digital Products saw overall sales decrease by 103.9 billion yen to 2,363.6 billion yen. The Visual Products business saw sales increase, mainly on a healthy performance by TVs in Japan. This reflected a high evaluation of product quality and performance, an improved brand image through successful promotions and advertising, and positive results from the eco-point system, the Japanese government's program to stimulate domestic demand. The acquisition of Fujitsu's hard disk drive business also contributed to higher sales in the Storage Products business. The PC business saw lower sales, mainly due to the trend to low priced machines and changes in exchange rates. Retail Information Systems and Office Equipment and Mobile Phones also saw lower sales.

Overall segment operating income (loss) improved by 27.5 billion yen to 13.3 billion yen and moved into the black. While the PC business's profitability suffered, due to the penetration of low priced machines and increases in the cost of parts, the Visual Products business and Storage Products business recorded higher operating income on higher sales and success in cutting costs.

In terms of organizational structure, to make the decision-making of management in the Visual Products business and Storage Products business agile and to bolster each business, the Group split its in-house company, Digital Media Network Company. The Group divided it into the Visual Products Company, which is in charge of the Visual Products business, and the Storage Products Company, which is in charge of the Storage Products business, in April 2010. Further, to clarify its new business policy, such as developments of new category products to meet market needs and strengthen sales, the Group renamed the PC & Network Company to the Digital Products & Network Company.

(1) Announcement of new release of high definition LCD TV CELL REGZA 55X1

The Group has launched CELL REGZA 55X1 with the high performance processor Cell Broadband Engine™, which has approximately 143 times the processing capability of the processor used in previous line of REGZA. On the screen, CELL REGZA can re-create higher-definition images and display 8 screens simultaneously. In addition, this CELL REGZA can record digital terrestrial broadcasting programs up to a maximum of 8 channels simultaneously for as long as about 26 hours.

Having put new products, such as CELL REGZA, onto the market, the Group’s global sales of LCD TVs achieved the level of 10 million sets. In addition, the Group achieved second place in terms of the number of domestic retail sales in the field of LCD TVs in 2009 (according to a major market survey (GfK Market Watch).

Also going forward, the Group will promote product development suitable for the market needs by wielding its TV technology as well as semiconductor technology and storage technology.

(2) Acquiring top position in the number of domestic retail sales of notebook PCs in 2009

Because the Group focused on improving the function and designs of notebook PCs, such as delivering netnotes to the market, the Group acquired the top position in the number of domestic retail sales in the field of notebook PCs in 2009 (according to the major market survey (GfK Market Watch)). Global sales of notebook PCs for the current period exceeded 15 million units. Also in the future, the Group will plow ahead with product development suitable for market needs to further boost its market share.

(3) Business restructuring on mobile phone business

The Group terminated its domestic production of mobile phones at the Hino Operations in September 2009 and reviewed its production system to shift to overseas contract-manufacturing. In the future, the Group will focus on smartphones and go ahead with competitive product development by making full use of technologies at which the Group has advantege, such as thin-model technology and wireless technology.

(4) Acquisition of hard disk drive business from Fujitsu

In October 2009, the Company completed acquisition of the hard disk drive business from Fujitsu Limited. By doing so, the Group has made forays into the hard disk drive market for enterprises, consisting of products such as servers, and commercialized a high capacity 2.5-inch hard disk drive for enterprises in February 2010. This product has the 600 GB storage capacity as the existing 3.5-inch hard disk drive, but can process data at high speed, is smaller, is lighter and consumes less power. Also, by making use of the integrated technology and know-how acquired through acquisition of the business, the Group is promoting development of high-performance SSD (storage device using flash memory) for servers The Group will further enhance performance of server by combining high-performance SSDs and high-capacity hard disk drives to acquire the leading position in the industry.

Electronic Devices

Main businesses	As of March 31, 2010
General-purpose logic ICs, small-signal devices, Optoelectronic devices, Power devices, Image information system LSIs, Communication & network system LSIs, CMOS image sensors, Microcomputers, Bipolar ICs, NAND flash memories, Multi chip packages, Liquid crystal displays, X-ray tubes, Fine ceramics, Thermal print head, and others	

Electronic Devices saw sales decrease by 15.8 billion yen to 1,309.1 billion yen. The Semiconductor business recorded higher sales: sales in Memories rose, reflecting an improved supply and demand balance and price stability for NAND Flash memories, and sales in Discretes were at the same level as a year earlier, compensating for lower sales in System LSIs. The LCD business also saw a significant sales decline.

Overall segment operating income (loss) improved substantially by 299.0 billion yen to -24.2 billion yen. The Semiconductor business saw a significant improvement and returned to profit, mainly reflecting the performance in Memories and System LSIs, which saw higher sales, effective cost reductions, and an improved supply and demand balance and price stability that compensated for shifts in exchange rates. The LCD business recorded a weak performance.

(1) Strengthening NAND flash memories

While carefully selecting targets for capital investment in the entire Semiconductor business, the Group focused on investment for for bolstering its competitiveness by having finer lithography of NAND flash memories, which is a growing business, in order to reinforce its competitiveness and enhanced its productivity and profitability.

Specifically, the Group promoted development of new products that have a larger capacity and are smaller by using its cutting-edge 32-nanometer (32-billionths of a meter) finer lithography technology. As an example, in December 2009 the Group launched an embedded NAND flash memory with the industry's highest capacity (Note) of 64 GB for mobile devices. The Group also focused on developing SSDs for personal computers with growth potential going forward, and made efforts to expand lineups such as commercialization of SSDs with a high capacity of 512 GB which was installed in the mobile notebook PC Dynabook SS.

Note: As products of embedded NAND flash memories, according to the Company's survey as of December 2009.

(2) Construction of new Semiconductor manufacturing facility

To ramp up production capacity of NAND flash memories to respond to greater demand for high-capacity products and the mid- to long-term market expansion, the Group decided to construct the 5th manufacturing facility in the Yokkaichi Operations with an eye on completing the construction in spring 2011. The Group will bolster its competitiveness in the memory business by making proper investments to meet the market trends also in the future.

(3) Restructuring of System LSI business and LCD business

In the system LSI business and LCD business, the Group is going ahead with further business structural reform through the selection and concentration of its business operations.

First, in the system LSI business, the Group transferred the related products at the Kitakyushu Operations to Oita Operations to consolidate production concerning the front-end process. And Iwate Toshiba Electronics Co., Ltd. increased the production efficiency in processing larger diameter wafers and transferred some production to the Company's Oita Operations. For the back-end process, the Group transferred the said business of Toshiba LSI Package Solution Corporation to Nakaya Micro Device Corporation and is outsourcing the back-end process in October 2009.

Second, in the LCD display business, the Group purchased all the shares of Toshiba Matsushita Display Technology Co., Ltd. held by Panasonic Corporation in April 2009 and changed its trade name to Toshiba Mobile Display Co., Ltd. ("TMD) in May 2009. Further, while the Group consolidated the function of TMD's Himeji Operations to Ishikawa Operations, it reorganized its domestic manufacturing base, such as terminating production at a manufacturing subsidiary in the Himeji area. The Group also decided to sell all the shares of AFPD Pte., Ltd., its manufacturing unit in

Singapore of LCD displays for personal computers, to a Taiwanese firm.

Social Infrastructure

Main businesses	As of March 31, 2010
Nuclear power generation system, Thermal power generation system, Hydroelectric power generation system, Electric distribution systems, Instruments control systems, Transportation equipments, Electrical machineries, Automatic railroad station equipments, Water supply and sewerage systems, Road equipment systems, Government systems, Broadcasting systems, Environmental systems, Electric wave products, Elevators, Escalators, IT solutions, X-ray systems, CT systems, MRI systems, Diagnostic ultrasound systems, Clinical analysis systems and others	

Social Infrastructure saw overall sales decline by 93.3 billion yen to 2,302.9 billion yen. Nuclear Energy Systems posted healthy sales in respect of new plants overseas and maintenance and service, and the overall decline in segment sales primarily reflected a fall in orders in areas other than Nuclear Energy Systems.

Segment operating income increased by 23.1 billion yen to 136.3 billion yen. The Nuclear Energy Systems recorded higher operating income on increased sales, and the Medical Systems business maintained high profitability. Other businesses in the segment also secured operating income at the same level as a year earlier, mainly reflecting successful efforts to cut costs.

(1) Expansion of nuclear power business

From the viewpoint of stably supplying electric power and preventing global warming, demand for nuclear energy has surged.

i) Completion of a new building in the Isogo Engineering Center

In November 2009, in light of the importance of the nuclear power business, for business continuity a new building in the Isogo Engineering Center, which adopted the latest earthquake-absorbing structure and introduced state-of-the-art IT technology and bolstered the engineering infrastructure, was completed. This building will promote global business operations as a core base of the nuclear power business.

ii) Expansion to the fuel business

The Group is focusing on building a consistent system of fuel, construction and services in the nuclear power business. In May 2009, the Group started a specific study on commercializing the enriched uranium product business with a subsidiary of Atomenergoprom, a state-owned company of Russia.

On the other hand, in May 2009, Westinghouse Electric UK Holdings LTD. purchased majority shares of Nuclear Fuel Industries, Ltd., which supplies nuclear fuel for both BWR and PWR nuclear power plants, and established a joint venture in China to manufacture and sell zirconium sponge as a material for cladding tubes and other items in a nuclear reactor in June of the same year. In April 2010, the Group acquired the fuel business at the Springfields site in the U.K. from the Nuclear Decommissioning Authority of the U.K.

iii) Global business operation

In August 2009, the Group became the first Japanese company to be certified as a vendor of advanced boiling water reactors by the U.S. Nuclear Regulatory Commission. On the other hand, Westinghouse Electric Company LLC set about constructing nuclear power plants in Shandong and Zhejiang Provinces, China. In February 2010, also in the U.S. state of Georgia, Southern Company announced that the U.S. Department of Energy had offered a conditional commitment for government loan guarantee for the construction of two nuclear power reactors (AP1000) of Westinghouse Electric Company LLC. In this way, we expect demand in the U.S. to further increase in the future.

The Group will aim further increase of the number of orders received and develop global business operations also in the future and expand the nuclear power business.

iv) Development of future reactors

To respond to demand for new alternative reactors, that are anticipated to arise around FY 2030, the Group is participating in the development of next-generation light-water reactors which the Ministry of Economy, Trade and Industry promotes. Also, the Group is developing a small fast reactor 4S (Note) which is expected to be a dispersed power source.

(Note) 4S stands for super-safe, small and simple: a small, safe and secure atomic reactor that does not require fuel to be changed for a long time.

(2) Globalization of thermal power generation business

In the Chennai suburbs in India, where demand for electric power is rapidly increasing, the Group established a joint venture aiming to manufacture and sell thermal power generation facilities with Jindal South West Group. Simultaneously, it embarked on constructing a new production facility and is going ahead with setting up production bases in India.

(3) Promotion of practical use of CCS technology

To help prevent global warming and meet ever-expanding energy demands, the Group is working on putting CCS technology, which separates carbon dioxide emitted from thermal power stations and others, captures it and stores it underground, to practical use. The Group constructed a pilot plant using this technology in Omuta, Fukuoka Prefecture and commenced demonstration experiments in September 2009.

(4) Promotion of smart grid system business

The Group is focusing on making practical use of smart grids, which are critical for stably supplying electric power, and efficiently using natural energy sources. In January 2010, the Group won a contract for the verification of a microgrid system on a remote island for Miyako Island from Okinawa Electric Power Co., Inc. It is also participating in the US-Japan smart grid verification effected by Japan's New Energy and Industrial Technology Development Organization (NEDO) in collaboration with the State of New Mexico, among others, and was consigned a study on the commercialization of the "Smart Community Concept" for India's Delhi-Mumbai Industrial Corridor by Japan's Ministry of Economy, Trade and Industry. It continues to promote the development and practical use of stable control technology for the necessary electric power networks, next-generation supervision and control technology that has a function of demand control, solar photovoltaic systems, smart meter technology and new rechargeable batteriy SCiB™ storage technology through smart grids.

(5) Promotion of solar photovoltaic system business

Against the background of greater awareness about the need to prevent global warming, the Group is focusing on the solar photovoltaic system business whose market is expected to grow. It received package orders for the construction of mega-solar power generation plants for business from Tokyo Electric Power Co., Inc, Chubu Electric Power Co., Inc. and Okinawa Electric Power Co., Inc. It also started sales of residential solar photovoltaic systems for use in domestic market while it is conducting aggressive sales activities for mega-solar power generation plants for overseas centering on Europe and the U.S. The Group will conduct business operations also in the future by capitalizing on highly-efficient power conditioners (a device which converts DC power from solar batteries to AC power that can be used at home) and its track record in systems engineering for large-scale plants to expand global markets.

(6) Promotion of new rechargeable battery SCiB™ business

The market of the new rechargeable battery SCiB™ business is predicted to further grow going forward, including the expansion to new markets, such as use for electric vehicles and electric power storage that is used in smart grids. To respond to this expansion in demand, the Group began constructing new mass production facilities for SCiB™ in Kashiwazaki, Niigata Prefecture in March 2010. In addition, SCiB™ was highly evaluated in terms of its long life and fast discharge and was adopted by EV-neo, Honda Motor Co., Ltd.'s electric motorcycle for enterprises.

Also in the future, the Group will prepare to appropriately respond to the market expansion and simultaneously aim to further increase orders received in the field, which are expected to grow going forward, such as orders for electric vehicles.

(7) Rollout of smart facilities business

In April 2010, the Company newly established the Smart Facilities Division which directly reports to the President. It is an organization exclusively for providing clients with total solutions by conducting from consulting services for facilities such as office buildings and commercial facilities to proposing systems and engineering in an integrated manner. By bringing together the Group's technical capabilities and human resources, this organization will provide solutions for buildings to meet clients' needs, such as needs to reduce environmental burden and ensure safety and comfort. It will aim to increase orders received not only in the Japanese market but also in overseas markets including emerging countries.

Home Appliances

Main businesses As of March 31, 2010
Refrigerators, Washing drying machines, Washing machines, Kitchen appliances, Vacuum cleaners, Light bulbs, Fluorescent lamps, Light fixtures, Industrial light parts, Air-conditioners, Compressors, and others

Home Appliances saw sales decrease by 94.5 billion yen to 579.8 billion yen. Sales in Air-conditioning and Lighting Systems were affected by the decrease in housing and building starts. Declining consumption also brought lower sales to White Goods.

The segment as a whole recorded an operating loss of -5.4 billion yen, an improvement of 21.7 billion yen compared with the previous year, and in the second fiscal half the segment returned to the black. Most notable were the major improvement in performance in White Goods, reflecting progress in cost reductions, and the improvement in the Lighting Systems Business.

(1) Promotion of new lighting system business

To help reduce carbon dioxide emissions, the Group is focusing on a new lighting system business. The Group ceased manufacturing general incandescent lamps in March 2010. On the other hand, in October 2009, the Group commercialized highly efficient LED bulbs that can produce just below a lamp an illuminance identical to that of a 100–150 W incandescent lamp by consuming power of only 8.7 W. As a result of adopting our unique LED module design, where LEDs are intensively placed in a substrate, this LED bulb realized luminosity that was 1.4 to 1.6 times as high as a previous LED bulb. The Group has made efforts to expand the said business in a global manner, such as starting sales of LED bulbs for general consumers in France in January 2010.

(2) Acquisition of the top position in number of domestic over-the-counter-sales of washing machines and refrigerators

Because the Group made efforts to enhance the lineups and functions of washing machines, it acquired the top position in the number of domestic retail sales for a sixth consecutive year from 2004 (according to a major market survey (GfK Market Watch)). For refrigerators, high-value added new products which hit stores in autumn 2009 sold well and our refrigerators acquired the top position in the number of the domestic retail sales in December 2009 and January 2010 (according to the Company's survey).

(3) Launch of drum-type washer-dryers equipped with variable magnet motors

In December 2009, the Group launched the drum-type washer-dryer Heat Pump Drum ZABOON, which enhanced energy-saving functions and detergency by using variable magnet motors. Power consumption has been reduced by varying the magnetic force at the time of washing and dewatering and by changing the characteristics of motors according to each washing process. In addition, this washing machine also improved the detergency by using a high-pressure shower and motor control that enables rapid rotation and stopping of the drum.

Others

Main businesses	As of March 31, 2010
Logistics Service and others	

Others saw sales fall by 18.5 billion yen to 315.8 billion yen, and operating income (loss) fell by 4.8 billion yen to -4.3 billion yen.

(2) Financing of the Group

To ensure funds for capital investment for the future growth and strengthen its financial position, the Company raised funds of 319.2 billion yen through a public offering (including a capital increase through third-party allotment in conjunction with secondary offering for over-allotment) in June 2009. (The offer price was 333 yen per share, and the issue price was 319.24 yen per share.) In addition, to repay borrowings and such like it also raised funds of 180 billion yen by issuing subordinated unsecured bonds in June 2009 as well as 20 billion yen in September 2009 and 120 billion yen in January 2010 by issuing unsecured straight bonds.

The funds for capital investment and others are appropriated from net proceeds through public offering and net proceeds by issuing bonds and own funds.

(3) Capital expenditure of the Group

(Billions of yen)

Segment	Capital Expenditures (Commitment Basis)
Digital Products	19.0
Electronic Devices	85.6
Social Infrastructure	82.0
Home Appliances	10.2
Others	13.4
Total	210.2

	Segment	Outline of P.P.E.
Major P.P.E. completed during the term	Electronic Devices	• Manufacturing facilities for NAND flash memory (Yokkaichi Operations)
	Social Infrastructure	• Building for development and design of nuclear power generation equipment (Isogo Nuclear Engineering Center)
Major P.P.E. ordered during the term	Electronic Devices	• Manufacturing facilities for NAND flash memory (Yokkaichi Operations)
	Social Infrastructure	• Building for manufacturing new rechargeable battery, the building equipment and power equipment, production facilities (Kashiwazaki)

Because the Group curbed capital investment and carefully selected projects by type of investment for the current period, its capital investment was reduced by 215.0 billion yen to 210.2 billion yen on the group-wide basis of orders placed, compared with the previous fiscal year’s 425.2 billion yen.

In the segment of electronic devices, while the Group focused on investment for bolstering its competitiveness by having finer lithography of NAND flash memories, it partially reined in new capital investment in consideration of the market trends. As a result, the capital investment was decreased by 162.9 billion yen year on year on an entire segment basis. In the segment of social infrastructure, because the Group intensively made capital investment in the nuclear energy business and new businesses such as new rechargeable battery, the capital investment for the current period leveled off from the previous fiscal year.

In the meantime, as the Group carefully selected areas to invest in, the above capital investment amount was further curtailed by 39.8 billion yen from the initial capital investment plan of 250 billion yen.

The above capital expenditure amount includes 38.9 billion yen, representing the Group’s portion in the investments made by Flash Alliance, Ltd. etc., which are companies accounted for by the equity method.

(4) Issues to be addressed

In energy and electronics, the Group's main business areas, the on-going paradigm shift in the global economy, characterized by the rapid growth and growing economic presence of the emerging economies, is causing the Group to face even fiercer global competition.

In this demanding business environment, Toshiba Group aims to evolve into one of the world's top-level diversified electric/electronics manufacturers through excellent operational performance and winning global competitiveness, and to secure a return to the path of sustained growth with steadily higher profit while simultaneously reinforcing its financial foundation. The Group as a whole will continue to promote the restructuring of poorly performing businesses, including acceleration of strategic allocations of resources, in order to develop a profit-making system that can withstand the rapidly changing economic conditions and market changes. Further to this, the Group will promote the strategies and operating agility necessary to secure a leading position for its major businesses in the global market place, to seek to achieve a growth rate surpassing the overall rate of market growth, and to realize the structural transformation of its businesses and establish high profitability.

More specifically, the Group will execute the following measures.

I. Continuous business restructuring

The Group will continue to execute the measures necessary to address the key issues identified in the Action Programs for Improved Profitability, and will further promote all required restructuring of its businesses. The Group will further aim to improve its profit-making structure by identifying and reviewing Group-wide issues and executing essential measures.

1) Promoting strategic allocation of resources

The Group has achieved reduction of fixed costs by rigorously selecting areas for investment and R&D and reviewing its global manufacturing systems, and has implemented selective identification and focus on strategic product areas in businesses that were adversely affected by the global economic downturn. The Group will further promote strategic allocation of resources to reinforce prioritized business areas, and will aim to secure improved profitability.

2) Improving operational capabilities

Through management initiatives, the Group will identify, tackle and solve issues common to the Group as a whole, and aims to improve operational capabilities. Measures include enhancing marketing/proposal capabilities; developing human resources able to support and promote business globalization; attaining higher levels of product competence; and executing advanced technology development.

II. Measures to achieve business structure transformation

The Group has put into effect business structure transformation by reinforcing the competitiveness of its major businesses and other measures. The Group will continue to reinvest retained earnings in measures aimed at winning further growth and will further accelerate business structure transformation.

1) Strategies to secure a leading global position in major businesses

In aiming to secure a leading position in major business areas in the world market, the Group continually strengthens the competitiveness of its major businesses. The Group will direct even more managerial resources into emerging countries where growth can be anticipated, and aims to attain high growth by expanding the share of its major businesses in each market. Toward this, the Group will conduct stringent benchmarking against competitors, and set high goals and targets that encourage exploitation of the Group's potential capabilities to the full.

2) Reinforcement of new growth businesses

The Group is taking advantage of the synergies achieved through its diverse strengths to accelerate expansion of new growth businesses, including vital needs support and healthcare businesses, smart grids, storage devices, solar photovoltaic systems, new lighting systems, such as LEDs, and SCiB™.

The Group is also seeking to expand its smart facilities business, which provides total building solutions for office and commercial facilities. The business delivers environmentally and user friendly systems that reduce power consumption by exploiting a synergy of technologies for new businesses in combination with existing technologies.

The Group is also actively engaged in research and development to cultivate new business domains and fields based on next-generation technologies, such as silicon carbide (SiC) semiconductors and new memory devices, both of which are expected to become growth areas.

3) Proactive Environmental management

With a view to becoming one of the world's foremost eco-companies, the Group aims to contribute to the global environment in all business activities and so increase profit. To be specific, the Group will seek to differentiate itself from competitors by developing energy-saving, resource-efficient products, and will build up new businesses based on superior environmental technologies. The Group will also address innovation in its own environmental activities, aiming to directly connect improvements in business processes to contributions to the environment.

The Group will build on the following four basic business policies, in order to secure further growth in a severe business environment that differs from past conditions. The Group will: (i) set up ambitious goals for innovation and speed its pace; (ii) continue to accelerate globalization; (iii) push forward with CSR management; and (iv) is now returning to the path of sustained growth with steadily higher profit. The Group will further accelerate strategic allocation of managerial resources.

We recognize that the current global business environment is uncertain and severe. However, based on the key managerial strategies described above, Toshiba Group will endeavor to improve corporate value by positioning the "Three I's: Innovation, Imagination and Integrity*1" as the foundation for management and as the Group's core driving forces. Therefore, we would like to ask shareholders to continue supporting the Group.

Note *1 Toshiba Group places utmost importance on constantly acting with complete integrity in all of our business activities. The Group will interact with society with the utmost sincerity, actively fulfill its responsibilities, and seek to build sound foundations for the Group's management and financial structures.

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

(1) The Group (Consolidated)

Item	168th Period	169th Period	170th Period	171st Period (current period)
	FY2006	FY2007	FY2008	FY2009
Net Sales (Billions of yen)	7,116.4	7,665.3	6,654.5	6,381.6
Net income (loss) (Billions of yen)	137.4	127.4	(343.6)	(197)
Net income (loss) per share (Yen)	42.76	39.46	(106.18)	(4.93)
Total Assets (Billions of yen)	5,932.0	5,935.6	5,453.2	5,451.2

(Note) Since Mobile Broadcasting Corporation ceased its operation at the end of March 2009, results of prior periods have been reclassified.

(2) The Company (Non-consolidated)

Item	168th Period	169th Period	170th Period	171st Period (current period)
	FY2006	FY2007	FY2008	FY2009
Sales (Billions of yen)	3,544.9	3,685.6	3,213.8	3,382.8
Net income (loss) (Billions of yen)	72.4	69.2	(123.2)	(130.8)
Net income (loss) per share (Yen)	22.52	21.43	(38.07)	(32.66)
Total Assets (Billions of Yen)	3,373.5	3,587.6	3,546.0	3,596.2

3. The Company's Policy on Decisions of Dividends, etc.

While giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, the Company 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.

While Toshiba Group's operating income has substantially improved over the previous term. However, consolidated net income (loss) attributable to shareholders remained in the red. In terms of its financial position, the Group is tackling improvements in cash flow and reduction of debt, in order to reinforce its financial structure and to support future growth. In light of these circumstances, we regret that Toshiba is forced to forgo paying a dividend from earnings on both an interim and year-end basis.

4. Outline of Main Group Companies

As of March 31, 2010

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
Digital Products	Toshiba TEC Corporation	39,971 (Millions of yen)	52.9	Development, design, manufacture, sales, and maintenance of retail information systems and office equipment	Shinagawa-ku, Tokyo
Electronic Devices	Toshiba Mobile Display Co., Ltd.	10,000 (Millions of yen)	100.0	Development, design, manufacture and sales of LCDs	Fukaya
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 social 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, repair and renewal of elevators and escalators, and total management of building-related facilities	Shinagawa-ku, Tokyo
	Toshiba Solutions Corporation	23,500 (Millions of yen)	100.0	Consultation, building, development, design, sales, maintenance, operation and management of IT solutions. Provision of related engineering work and outsourcing services	Minato-ku, Tokyo
	Toshiba Medical Systems Corporation	20,700 (Millions of yen)	100.0	Development, design, manufacture, sales and maintenance of medical equipment/information systems	Otawara
	Toshiba Nuclear Energy Holdings (US) Inc.	4,000,000 (Thousands of U.S. dollars)	67.0	Holding company of nuclear power business	U.S.
	Toshiba Nuclear Energy Holdings (UK) Ltd.	1,400,000 (Thousands of U.S. dollars)	67.0	Holding company of nuclear power business	U.K.
Home Appliances	Toshiba Consumer Electronics Holdings Corporation	14,500 (Millions of yen)	100.0	Holding company which controls, manages and supports Group companies belonging to the Home Appliances segment	Chiyoda-ku, Tokyo
Others	Toshiba America, Inc.	890,050 (Thousands of U.S. dollars)	100.0	Holding company of operating companies in the U.S.	U.S.
	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 542 consolidated subsidiaries (including the 12 companies above) in accordance with Generally Accepted Accounting Standards in the U.S., and 200 affiliated companies accounted for by the equity method. The main affiliated companies accounted for by the equity method are Ikegami Tsushinki Co., Ltd., 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.L.L.C.

5. Shares and Stock Acquisition Rights of the Company

As of March 31, 2010

(1) Total Number of Authorized Shares: 10,000,000,000

(2) Total Number of Issued Shares: 4,237,602,026

(3) Total Number of Shareholders: 473,230

(4) Principal Shareholders

Name of Shareholder	Number of shares (in thousands)	Shareholding ratio (Percentage)
The Master Trust Bank of Japan, Ltd. (Trust accounts)	274,864	6.5
Japan Trustee Service Bank, Ltd. (Trust accounts）	219,915	5.2
The Dai-ichi Mutual Life Insurance Company	115,159	2.7
Nippon Life Insurance Company	110,352	2.6
Japan Trustee Service Bank, Ltd. (Trust accounts No. 9)	69,235	1.6
Toshiba Employees Shareholding Association	68,548	1.6
NIPPONKOA Insurance Company, Ltd.	51,308	1.2
Sumitomo Mitsui Banking Corporation	51,003	1.2
Mizuho Corporate Bank, Ltd.	50,900	1.2
Japan Trustee Services Bank, Ltd. (Trust accounts No. 4)	49,695	1.2

(Note) The Dai-ichi Mutual Life Insurance Company was demutualized and renamed the Dai-ichi Life Insurance Company, Limited as of April 1, 2010

(5) Shareholding Ratio by Shareholder:

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	37.9	2.1	3.9	24.6	0.0	31.5

(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 Euro-yen Convertible Bonds Due 2011 (Issued July 21, 2004)	9,501	175,295,202 shares of common stock	Free of charge

(Note) The exercise period of the stock acquisition rights attached to Zero Coupon Euro-yen Convertible Bonds Due 2009 expired in July 2009.

6. Main Lenders of the Group

As of March 31, 2010

Lender	Loans Outstanding (Billions of yen)
Sumitomo Mitsui Banking Corporation	103.6
Mizuho Corporate Bank, Limited	99.6
The Bank of Tokyo-Mitsubishi UFJ, Limited	57.4

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

As of March 31, 2010

(1) Directors

		Responsibility	Status of important concurrent holding of positions
Chairman of the Board and Director	Atsutoshi Nishida	Member of the Nomination Committee, Member of the Compensation Committee	
Director	Norio Sasaki	Member of the Compensation Committee	
Director	Masashi Muromachi		
Director	Fumio Muraoka		
Director	Masao Namiki		
Director	Ichiro Tai		
Director	Yoshihiro Maeda		
Director	Kazuo Tanigawa		
Director	Shigeo Koguchi	Chairman of the Audit Committee	
Director	Hiroshi Horioka	Member of the Audit Committee	
Outside Director	Kiichiro Furusawa	Chairman of the Compensation Committee, Member of the Audit Committee	➢Chairman of the Board of Chuo Mitsui Trust Holdings, Inc. ➢Outside Director, Asagami Corporation ➢Outside Auditor Fujifilm Holdings Corporation
Outside Director	Hiroshi Hirabayashi	Member of the Audit Committee, Member of the Compensation Committee	➢Outside Director, NHK Promotions Inc. President, The Japan-India Association ➢Outside Director, Mitsui & Co., Ltd. ➢Visiting Professor, Graduate School of Asia-Pacific Studies, Waseda University

		Responsibility	Status of important concurrent holding of positions
Outside Director	Takeshi Sasaki	Chairman of the Nomination Committee, Member of the Compensation Committee	➢ Professor, the Department of Political Studies, the Faculty of Law, Gakushuin University ➢ President of the Association For Promoting Fair Elections ➢ Outside Director, ORIX Corporation ➢ President of National Land Afforestation Promotion Organization ➢ Outside Director, East Japan Railway Company ➢ Chairman of Labo International Exchange Foundation
Outside Director	Takeo Kosugi	Member of the Nomination Committee, Member of the Audit Committee	➢ Partner & Attorney-at-law, Matsuo & Kosugi ➢ Outside Auditor, Nihon Servier Co. Ltd ➢ Supervisory Director, Mori Hills REIT Investment Corporation

(Notes) 1. Four (4) Directors, Tadashi Okamura, Hisatsugu Nonaka, Toshiharu Kobayashi, and Atsushi Shimizu left their office due to expiration of their respective terms at the close of the Ordinary General Meeting of Shareholders for the 170th fiscal period held on June 24, 2009.

2. Four (4) Directors, Ichiro Tai, Yoshihiro Maeda, Hiroshi Horioka, and Takeo Kosugi were newly elected and assumed office at the Ordinary General Meeting of Shareholders for the 170th fiscal period.

3. Member of the Audit Committee, Mr. Kiichiro Furusawa, has long taken charge of finance work and has considerable knowledge about financial affairs and accounting.

4. Four (4) Outside Directors, Kiichiro Furusawa, Hiroshi Hirabayashi, Takeshi Sasaki and Takeo Kosugi are independent directors provided for in Article 436-2, etc. of the Security Listing Regulations of the Tokyo Stock Exchange.

(2) Outside Directors

1) Relationship between the Company and entities at which outside directors hold important concurrent posts

The Company has an ongoing business relationship with Chuo Mitsui Trust Holdings, Inc., Chuo Mitsui Trust Group which consists of subsidiaries thereof, Fujifilm Holdings Corporation and the Fujifilm Group which consists of subsidiaries thereof, Mitsui & Co., Ltd., East Japan Railway Company. In addition, the Chuo Mitsui Trust Group holds the Company's shares and Mitsui & Co., Ltd. is contributing the Company's shares to a retirement benefit trust. The Company holds shares of Mitsui & Co., Ltd.

In the cases above, there is no materiality that may affect the independence of outside directors.

There is no relationship to be disclosed between the Company and other entities at which outside directors hold important concurrent posts.

2) Main Activities

In the year under review, the Board of Directors met 17 times, and the Audit Committee 15 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
Kiichiro Furusawa	Attended the meeting of the Board of Directors 11 times and that of the Audit Committee 14 times. Commented as necessary based on his wealth of experience and knowledge as a specialist in finance and management.
Hiroshi Hirabayashi	Attended the meeting of the Board of Directors 16 times and that of the Audit Committee 13 times. Commented as necessary based on his wealth of experience and knowledge as an ex-diplomat including audits ambassador of diplomatic offices overseas.
Takeshi Sasaki	Attended the meeting of the Board of Directors 16 times. Commented as necessary based on his wealth of experience and knowledge as a specialist of political science and an administrator of a university.
Takeo Kosugi	Since June 2009, when assumed the office of director, attended the meeting of the Board of Directors 13 times out of 13 meetings held, and that of the Audit Committee 10 times out of 10 committees held. Commented as necessary based on his wealth of experience and knowledge as a specialist in law.

3) Limited Liability Contracts

The Company has signed a limited liability contract with each of the four Outside Directors, Messrs. Kiichiro Furusawa, Hiroshi Hirabayashi, Takeshi Sasaki, and Takeo Kosugi, to limit their liabilities as provided in Article 423, Paragraph 1 of the Company Law to 31.2 million yen or the minimum liability amount stated in Article 425, Paragraph 1 of the Company Law, whichever is larger.

(3) Executive Officers

		Responsibility	Status of important concurrent holding of positions.
Representative Executive Officer President and Chief Executive Officer (*)	Norio Sasaki		
Representative Executive Officer Corporate Senior Executive Vice President (*)	Masashi Muromachi	➢ Support of the President ➢ Responsible for the Electronic Devices & Components Group ➢ Responsible for New Lighting Systems ➢ Responsible for New Visual Device ➢ Group Executive, the Quality Division ➢ General Executive , Productivity Procurement & Environment Group	Chairman of Toshiba Hangzhou Co., Ltd. Chairman of Toshiba Dalian Co., Ltd.
Representative Executive Officer Corporate Senior Executive Vice President (*)	Fumio Muraoka	➢ Support of the President ➢ General Executive of the Finance & Accounting Group	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Masao Namiki	➢ Support of the President ➢ General Executive of the Strategic Planning & Communications Group ➢ General Executive of the CSR Division ➢ General Executive of the Information and Security Group ➢ General Executive of the Export Control Group	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Ichiro Tai	➢Support of the President ➢General Executive of the Innovation Division ➢General Executive of the Technology & Intellectual Property Group	

		Responsibility	Status of important concurrent holding of positions.
Representative Executive Officer Corporate Senior Executive Vice President (*)	Yoshihiro Maeda	➢ Support of the President ➢ Responsible for the Consumer Electronics Group ➢ General Executive of the Marketing Group	
Executive Officer Corporate Executive Vice President (*)	Kazuo Tanigawa	➢ Managing Director, the Network Services & Content ➢ Project Manager, Risk Management Project Team ➢ General Executive of the Legal Affairs Group ➢ General Executive of the Human Resources Group	
Executive Officer Corporate Executive Vice President	Yoshihide Fujii	➢ Corporate Representative-Americas	Chairman and CEO of Toshiba America, Inc.
Executive Officer Corporate Executive Vice President	Toshinori Moriyasu	➢ Managing Director, Automotive Systems	
Executive Officer Corporate Executive Vice President	Hidejiro Shimomitsu	➢ Responsible for the Digital Products Group	
Executive Officer Corporate Executive Vice President	Hisao Tanaka	➢ Project Manager of Spend Management Project Team, ➢ General Executive, the Procurement & Logistics Group	Chairman of Taiwan Toshiba International Procurement Corporation
Executive Officer Corporate Executive Vice President	Hideo Kitamura	➢ Responsible for the Social Infrastructure Systems Group	
Executive Officer Corporate Senior Vice President	Shozo Saito	➢ President and CEO of Semiconductor Company of Toshiba	Chairman of the Board Semiconductor Leading Edge Technologies, Inc.
Executive Officer Corporate Senior Vice President	Toshiharu Watanabe	➢ President and CEO of Social Infrastructure Systems Company of Toshiba	
Executive Officer Corporate Senior Vice President	Ryuichi Nakata	➢ President and CEO of Transmission Distribution & Industrial Systems Company of Toshiba	
Executive Officer Corporate Senior Vice President	Yasuharu Igarashi	➢ President and CEO of Power Systems Company of Toshiba	President of TSB Nuclear Energy Investment US Inc.
Executive Officer Corporate Senior Vice President	Masahiko Fukakushi	➢ President and CEO of Personal Computer & Network Company of Toshiba	Outside Director, Toshiba TEC Corporation

		Responsibility	Status of important concurrent holding of positions.
Executive Officer Corporate Vice President	Koji Iwama	➢ Executive Vice President of Semiconductor Company of Toshiba	
Executive Officer Corporate Vice President	Satoshi Niikura	➢ Corporate Representative-Europe	President and CEO of Toshiba Europe Ltd.
Executive Officer Corporate Vice President	Keizo Tani	➢ Executive Vice President of Semiconductor Company of Toshiba	
Executive Officer Corporate Vice President	Hidemi Miura	➢ Managing Director, Display Devices and Components Control Center	
Executive Officer Corporate Vice President	Shoji Yoshioka	➢ Corporate Representative - Asia	President and CEO of Toshiba Asia Pacific Pte Ltd.
Executive Officer Corporate Vice President	Kosei Okamoto	➢ President and CEO of Mobile Communications Company of Toshiba	
Executive Officer Corporate Vice President	Kazuyoshi Yamamori	➢ Executive Vice President of Digital Media Network Company of Toshiba	President and CEO of Toshiba Storage Device Corporation
Executive Officer Corporate Vice President	Shiro Kawashita	➢ General Manager of Kansai Branch Office	Director and Corporate Senior Executive Vice President of Denshi Kaikan Corporation
Executive Officer Corporate Vice President	Tsutomu Sanada	➢ Executive Vice President of Personal Computer & Network Company of Toshiba	
Executive Officer Corporate Vice President	Akira Sudo	➢ Director of Corporate Research & Development Center	Chairman of Toshiba Research Europe Ltd.
Executive Officer Corporate Vice President	Makoto Kubo	➢ General Manager of Corporate Audit Division	
Executive Officer Corporate Vice President	Hiroshi Saito	➢ General Manager of Export Control Division	
Executive Officer Corporate Vice President	Atsuhiko Izumi	➢ Executive Vice President of Power Systems Company of Toshiba	
Executive Officer Corporate Vice President	Kiyoshi Kobayashi	➢ General Manager of Memory Division, Semiconductor Company of Toshiba	

		Responsibility	Status of important concurrent holding of positions.
Executive Officer Corporate Vice President	Masakazu Kakumu	➢ General Manager of System LSI Division, Semiconductor Company of Toshiba	
Executive Officer Corporate Vice President	Takaaki Tanaka	➢ Corporate Representative - China	Chairman of Toshiba China Co., Ltd.
Executive Officer Corporate Vice President	Toshio Masaki	➢ Executive Vice President of Social Infrastructure Systems Company of Toshiba	
Executive Officer Corporate Vice President	Yasuhiro Shimura	➢ General Manager of Corporate Sales & Marketing Division	
Executive Officer Corporate Vice President	Munehiko Tsuchiya	➢ Executive Vice President of Transmission Distribution & Industrial Systems Company of Toshiba	
Executive Officer Corporate Vice President	Masaaki Osumi	➢ President and CEO of Digital Media Network Company of Toshiba	

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

2. Following five (5) Executive Officers were retired from their respective offices due to expiry of the term of office at the close of the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 170th fiscal period held on June 24, 2009: Representative Executive Officer, President and Chief Executive Officer, Mr. Atsutoshi Nishida, Representative Executive Officer, Corporate Senior Executive Vice President, Mr. Hisatsugu Nonaka, Executive Officer, Corporate Executive Vice president, Mr. Chikahiro Yokota, Executive Officer, Corporate Vice President, Messrs. Nobuhiro Yoshida, and Michiharu Watanabe.

3. Following five (5) Executive Officers were newly elected and assumed office at the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 170th fiscal period: Executive Officers, Corporate Vice Presidents, Messrs. Takaaki Tanaka, Toshio Masaki, Yasuhiro Shimura, Munehiko Tsuchiya, and Masaaki Osumi.

4. Executive Officer, Corporate Vice President, Mr. Satoshi Niikura resigned as of March 31, 2010.

5. The following changes were made effective as of April 2010.

		Responsibilities	Important concurrent holding of positions
Representative Executive Officer Corporate Senior Executive Vice President (*)	Masashi Muromachi	➢ Support of the President ➢ Responsible for the Electronic Devices & Components Group ➢ Responsible for New Lighting Systems ➢ Responsible for Materials & Devices ➢ Responsible for New Visual Device ➢ Group Executive, Quality Division ➢ General Executive, Productivity & Environment Group	Chairman of Toshiba Hangzhou Co., Ltd. Chairman of Toshiba Dalian Co., Ltd.

Executive Officer Corporate Executive Vice President (*)	Kazuo Tanigawa	➢ General Executive, the Legal Affairs Group ➢ General Executive, the Human Resources Group	
Executive Officer Corporate Executive Vice President	Hidejiro Shimomitsu	➢ Responsible for the Digital Products Group ➢ Responsible for the Network Services & Content	
Executive Officer Corporate Senior Vice President	Toshiharu Watanabe	➢ General Manager, Smart Facilities Division ➢ President and CEO of Social Infrastructure Systems Company of Toshiba	
Executive Officer Corporate Senior Vice President	Masahiko Fukakushi	➢ President and CEO, Digital Products & Network Company of Toshiba	
Executive Officer, Corporate Vice President	Koji Iwama	➢ Corporate Representative - Europe	President and CEO of Toshiba Europe Ltd.
Executive Officer, Corporate Vice President	Hidemi Miura	➢ Support of Representative Executive Officer & Corporate Senior Executive Vice President Masashi Muromachi	
Executive Officer, Corporate Vice President	Kazuyoshi Yamamori	➢ President and CEO, Storage Products Company	President and CEO of Toshiba Storage Device Corporation
Executive Officer, Corporate Vice President	Tsutomu Sanada	➢ Support of Executive Officer & Corporate Executive Vice President Hidejiro Shimomitsu	
Executive Officer, Corporate Vice President	Masaaki Osumi	➢ President and CEO, Visual Products Company	

8. Compensation Policy and the Amount of Compensation

(1) Compensation Policy

The Compensation Committee establishes 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 Group's business, compensation for Directors is determined at an adequate level to secure highly competent personnel and ensure effective work 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 the fixed compensation and the performance-based compensation, and determined at an adequate level to secure highly competent personnel and ensure effective function of their compensation package as an incentive to improve business performance.

i. Director's Compensation

The 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.

The 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 the basic compensation based on the Executive Officer's rank (eg. Representative Executive Officer, President and Chief Executive Officer, Representative Executive Officer, Corporate Senior Executive Vice President) and the service compensation calculated according to his/her duties as an Executive Officer.

40-45% of the service compensation will fluctuate from zero (no compensation) to 2 times according to the year-end performance of the Company or of the division for which the Executive Officer is responsible.

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

(2) Amount of Compensation Paid

Item	Number of Directors/Executive Officers	Amount
	Persons	Millions of yen
Directors	18	272
(Outside Directors)	(5)	(58)
Executive Officers	42	1,178

9. The Company's accounting auditor

(1) Name of the Company's accounting auditor

Ernst & Young ShinNihon LLC

(Note) Of the main Group companies, following companies were audited by accounting auditors other than Ernst & Young ShinNihon LLC: Toshiba Nuclear Energy Holdings (US), Inc., Toshiba Nuclear Energy Holdings (UK), Limited, Toshiba America, Inc., Toshiba Capital (Asia) Ltd., and Taiwan Toshiba International Procurement Corporation.

(2) Amount of economic benefits paid by the Group to accounting auditors

Category	Fees paid for audit & assurance services (million yen)	Fees paid for non-audit services (million yen)	Total (million yen)
Toshiba	691	1	692
Consolidated subsidiaries	529	36	565
Total	1,220	37	1,257

(Note) The audit engagement between the Company and its accounting auditors does not distinguish the fees for auditing required under the Company Law from the fees for auditing required under the Financial Instruments and Exchange Law. Because of this, the amount shown as "fees paid for audit & assurance services" is the total amount of these two types of fees.

(3) Non-audit services

The Company has paid compensation to Ernst & Young ShinNihon LLC in consideration of the procedures agreed, which is a business other than the businesses provided for in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(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 accounting auditor a notice to the effect that the auditor does not continue the audit engagement with the Company; or

d. If the Company intends to make the audit service more proper or more efficient.

10. System for Ensuring the Appropriate 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 management 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 management 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 of loss 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 Representative Executive Officer, President and 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 Representative Executive Officer, President and CEO provides members of the Audit Committee designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.

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

a. The Representative Executive Officer, President and 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 management audits at the beginning of each fiscal year with the Audit Committee in advance and timely reports the management 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 Representative Executive Officer, President and 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 on the Control of the Company and Takeover Defense Measure

The Company has adopted its basic policy regarding the persons who control decisions on the Company’s financial and business policies and the outlines of its content (the matter listed in Article 118, Paragraph 3 of the Enforcement Regulations for the Companies Act) are as follows:

(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, 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.

Also, 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 our corporate value and the common interests of our shareholders, we believe it is necessary to gain an adequate understanding of 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. It is necessary for the Company to ensure its corporate value and common interests of shareholders by taking necessary and appropriate countermeasures against the large-scale acquisition of the Company’s shares by such a person or party.

(2) Special Measures to Contribute to Realizing the Basic Policy

Based on the measures centering on the four basic business policies of (i) set up ambitious goals for innovation and speed its pace; (ii) continue to accelerate globalization; (iii) push forward with CSR management; and (iv) is now returning to the path of sustained growth with steadily higher profit, the Group will further enhance management resources and keep its advantages in the Group businesses.

(3) Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy (Takeover Defense Measure)

The Company adopted a plan for countermeasures to any large-scale acquisitions of the Company's shares (the "Plan"), based on the shareholders' approval at the Ordinary General Shareholders Meeting held in June 2009.

The Plan was introduced for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders by explicitly setting out 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 time in order to make appropriate decisions, and securing the opportunity for the Company to negotiate with the acquirer.

Specifically, if an acquirer commences or plans to commence an acquisition or a tender offer that would result in the acquirer holding 20% or more of shares issued by the Company, the Company will require the acquirer to provide the necessary information in advance to its Board of Directors. The Special Committee that solely consists of outside directors who are independent from the Company's management 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, evaluate, consider and disclose any alternative proposal presented by the Company's Representative Executive Officer, and negotiate with the acquirer. If the acquirer does not comply with the procedures under the Plan, or the acquisition would damage the corporate value of the Company or the common interests of its shareholders, and if the acquisition satisfies the triggering requirements set out in the Plan, the countermeasures (a gratis allotment of stock acquisition rights (*shinkabu yoyakuken no mushou wariate*), with a condition of which will be that they cannot be exercised by acquirers or the like and subject to call to the effect that the Company can acquire stock acquisition rights from those other than such acquirers in exchange for shares of the Company) are to be implemented in accordance with the recommendation by the Special Committee or the resolution passed at the general meeting for confirming shareholders' intention and the Company will ensure the corporate value of the Company and the common interests of shareholders.

(4) Rationale of the Plan

For the reasons set out below, the Company's board of directors believes that the Plan complies with the Basic Policy, is not detrimental to the corporate value of the Company and the common interests of its shareholders, and is not designed with the purpose of maintaining the positions of management of the Company.

As mentioned below, the Plan fully satisfies all of the three principles (1) principle of ensuring or enhancing corporate value and common interests of shareholders, 2) principle of prior disclosure and shareholders' intention and 3) principle of necessity and appropriateness) set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan also reflects practical experiences and discussions regarding takeover defense measures at the related parties including legal community.

a. Reflection of the intent of shareholders

The Plan was adopted upon the shareholders' approval at the Ordinary General Shareholders Meeting held in June 2009.

b. Decisions of Independent Outside Parties and Information Disclosure

As a company with committees, the Company establishes the Special Committee composed of no less than three outside directors alone who are independent and supervise the Company's executive officers to eliminate arbitrary decisions by the Company management and to secure objective and rational decisions. Also, the Company believes the Special Committee can properly weigh up the effect an Acquisition would have on the Company's corporate value and the common interests of its shareholders by giving consideration to the actual situation of the Company and any other factors that constitute the Company's corporate value.

In addition, in order to increase the transparency of the Special Committee's decision making, the Company will promptly disclose to shareholders, as a general rule, an outline of the Acquisition Document received from an Acquirer, the opinion of the Company's representative executive officers on the Acquisition terms proposed by the Acquirer, an outline of an alternative plan, and any other matters that the Special Committee deems appropriate.

c. Establishment of reasonably objective requirements for triggering the Plan

The Plan is established so that it will not be triggered unless reasonable and objective requirements determined beforehand have been satisfied, and ensures a structure to eliminate arbitrary triggering by the Company's officers.

(Note) The above is just the summary of our Takeover Defense Measure. For details, please refer to the Company's web site: (http://www.toshiba.co.jp/about/ir/jp/news/20090508_1.pdf).[1]

[1] Note for English translation: English version is available at http://www.toshiba.co.jp/about/ir/en/news/20090508_1.pdf

12. The Group's Employees

As of March 31, 2010

Segment	Number of Employees
	Persons
Digital Products	53,751
Electronic Devices	31,980
Social Infrastructure	78,175
Home Appliances	23,629
Others	12,320
Group-wide (shared)	4,034
Total	203,889

(Note) The Company has 34,539 employees.

13. Main Places of Business and Facilities of the Group

As of March 31, 2010

(1) The Company

Segment	Major Distribution	
Company-wide	Offices	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), Himeji Operations (Himeji)
Digital Products	Laboratories	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 (Yokohama)
	Production Facilities	Microelectronics Center (Kawasaki), Yokkaichi Operations (Yokkaichi), Kitakyushu Operations (Kitakyushu), Oita Operations (Oita)
Social Infrastructure	Laboratories	Power and Social Systems Research and Development Center (Yokohama), Isogo Nuclear Engineering Center (Yokohama)
	Production Facilities	Fuchu Complex (Fuchu, Tokyo), Komukai Operations (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

Consolidated Statement of Income

Consolidated Statement of Shareholders' Equity

Notes to Consolidated Financial Statements

For the year ended March 31, 2010

The 171st term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2010

Assets	(Millions of yen)
Current assets	2,761,606
Cash and cash equivalents	267,449
Notes and accounts receivable, trade	1,184,399
Notes	44,122
Accounts	1,160,389
Allowance for doubtful notes and accounts	(20,112)
Inventories	795,601
Deferred tax assets	134,950
Prepaid expenses and other current assets	379,207
Long-term receivables and investments	622,854
Long-term receivables	3,337
Investments in and advances to affiliates	366,250
Marketable securities and other investments	253,267
Property, plant and equipment	978,726
Land	105,663
Buildings	1,016,520
Machinery and equipment	2,508,934
Construction in progress	97,309
Less - Accumulated depreciation	(2,749,700)
Other assets	1,087,987
Deferred tax assets	355,687
Others	732,300
Total assets	5,451,173

Consolidated Balance Sheet (Continued)

As of March 31, 2010

Liabilities	(Millions of yen)
Current liabilities	2,488,445
Short-term borrowings	51,347
Current portion of long-term debts	206,017
Notes payable, trade	30,540
Accounts payable, trade	1,161,345
Accounts payable, other and accrued expenses	375,902
Accrued income and other taxes	42,384
Advance payments received	317,044
Other current liabilities	303,866
Long-term liabilities	1,835,106
Long-term debt	960,938
Accrued pension and severance costs	725,620
Other liabilities	148,548
Total liabilities	4,323,551
Equity	
Equity attributable to shareholders of the Company	797,455
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	447,733
Retained earnings	375,376
Accumulated other comprehensive loss	(464,250)
Treasury stock, at cost	(1,305)
2,160,986 shares	
Equity attributable to noncontrolling interests	330,167
Total equity	1,127,622
Commitments and contingent liabilities	
Total liabilities and equity	5,451,173

Consolidated Statement of Income

For the year ended March 31, 2010

	(Millions of yen)
Sales and other income	6,475,067
Net sales	6,381,599
Interest and dividends	7,980
Equity in earnings of affiliates	22,385
Other income	63,103
Costs and expenses	6,450,105
Cost of sales	4,922,237
Selling, general and administrative	1,342,171
Interest	35,735
Other expense	149,962
Income from continuing operations, before income taxes and noncontrolling interests	24,962
Income taxes:	29,688
Current	52,108
Deferred	(22,420)
Loss from continuing operations, before noncontrolling interests	(4,726)
Loss from discontinued operations, before noncontrolling interests	(567)
Net loss before noncontrolling interests	(5,293)
Less:Net income attributable to noncontrolling interests	14,450
Net loss attributable to shareholders of the Company	(19,743)

Consolidated Statement of Shareholders' Equity

For the year ended March 31, 2010

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total shareholders' equity	Non -controlling interests	Total equity
Balance at March 31, 2009	280,281	291,137	395,134	(517,996)	(1,210)	447,346	311,935	759,281
Capital transactions with shareholders of the Company	159,620	157,921				317,541		317,541
Capital transactions with noncontrolling interest and other		(1,325)				(1,325)	15,884	14,559
Dividends to non-controlling interest							(7,094)	(7,094)
Comprehensive income								
Net income (loss)			(19,743)			(19,743)	14,450	(5,293)
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				51,587		51,587	3,810	55,397
Foreign currency translation adjustments				(8,694)		(8,694)	(8,410)	(17,104)
Pension liability adjustment				11,230		11,230	(500)	10,730
Net unrealized gains and losses on derivative instruments				(377)		(377)	92	(285)
Comprehensive income						34,003	9,442	43,445
Purchase of treasury stock, net, at cost			(15)		(95)	(110)		(110)
Balance at March 31, 2010	439,901	447,733	375,376	(464,250)	(1,305)	797,455	330,167	1,127,622

Notes to Consolidated Financial Statements

1. Notes to Significant Matters Supporting the Basis of Preparation of Consolidated Financial Statements

(Significant Accounting Policies)

1） Standard of preparation of the consolidated balance sheet and the consolidated statement of income

The consolidated financial statements of the Company are prepared in conformity with terms, forms and preparation methods of generally accepted accounting principles in the U.S. (hereinafter, the “U.S. GAAP”) pursuant to Article 3, Paragraph 1 of the Supplementary Provision to the Corporate Calculation Rules (Ordinance of the Ministry of Justice No. 46 of 2009). However, according to this paragraph, the Company omits a part of presentation and notes required by accounting principles generally accepted in the U.S.

The U.S. GAAP was systematized as the “Accounting Standards Codification” (hereinafter, “ASC”) by the U.S. Financial Accounting Standards Board.

2） Inventories

Raw materials and finished products and work in process held for sale 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 ASC 320 “Investment – debt securities and equity securities” (former SFAS No. 115), the Company classified all the marketable securities into available-for-sale securities, reported them on the basis of fair values and included unrealized gains (losses) after tax effect into accumulated other comprehensive income (loss). 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, plant and equipment

Depreciation for property, plant and equipment associated with domestic operations is computed generally by the 250% declining-balance method with estimated residual value reduced to a nominal value. Depreciation for property, plant and equipment for foreign subsidiaries is generally computed using the straight-line 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 as held and used until disposed of.

6） Goodwill and Other Intangible Assets

In accordance with ASC 350 “Intangible assets – Goodwill and others” (former SFAS No. 142), 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 Doubtful Accounts

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 sponsors various retirement benefit and pension plans covering substantially all employees. Current service costs of the 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.

9) Net Loss per Share Attributable to Shareholders of the Company

Basic net loss per share attributable to shareholders of the Company (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.

10) New Accounting Standard

In June 2009, the U.S. Financial Accounting Standards Board issued SFAS No. 168 “Systematization of the U.S. FASB Accounting Standards (hereinafter, the “Systematization” and layering of generally accepted accounting standards – Replacement of SFAS No. 162 (hereinafter, the SFAS No. 168).” From the issue of SFAS No. 168 and onwards, all the new accounting standards will be issued as “Accounting Standards Updates” (hereinafter, the “ASU”). The Company has applied the SFAS No. 168 in accordance with the ASU 2009-01 “Revision based on the SFAS No. 168” in and after the consolidated fiscal year commenced April 1, 2009. As the Systematization does not change generally accepted business accounting principles in the U.S. before the application of the SFAS No. 168, the application of the SFAS No. 168 has no impact on the consolidated financial statements of the Company. Meanwhile, the Company put down with the systematized standards and the corresponding standards before application of SFAS No. 168.

The Company has adopted ASC 810 “Consolidation” (former SFAS No. 160) in and after the consolidated fiscal year commenced April 1, 2009. By doing so, the Company posted minority interests which were shown as an independent item between Liabilities and Shareholders’ equity on the Consolidated Balance Sheet, as non-controlling interest included in the shareholders’ equity. The Company also changed the account titles shown on the Consolidated Statement of Income. In addition, for the Consolidate Statement of Shareholders’ Equity, the Company included the movement in non-controlling interest into the movement in Shareholders’ Equity.

2. Notes to Consolidated Balance Sheet

1) Collateral assets and liabilities secured by collaterals

Collateral assets	Long-term receivables and investments	45	million yen
	Tangible fixed assets	2,454	million yen
	Total	2,499	million yen
Liabilities secured by collaterals	Short-term borrowing	708	million yen
	Total	708	million yen

2) Liabilities on guarantee and their kinds 105,480 million yen

3) Accumulated other comprehensive loss includes Net unrealized gains and losses on securities, Foreign currency translation adjustments, Pension liability adjustment and Net unrealized gains and losses on derivative instruments.

4) Important disputes

In January 2007, the European Commission adopted a decision that imposed fines on 19 companies, including the Company, for infringing EU Competition Law in the gas insulated switchgear market. The decision imposed a fine of €86.25 million on the Company, plus a fine of €4.65 million jointly and severally with Mitsubishi Electric Corporation. Following its own investigation, the Company contends that it has not found any infringement of EU Competition Law, and it has brought an action to the European Court of First Instance seeking annulment of the European Commission's decision.

3. Discontinued operation

Since its establishment, Mobile Broadcasting Corporation (MBCO), a consolidated subsidiary of the Company, has strived to gain and serve an increasing number of customers in an effort to expand its broadcasting business for mobile devices. However, the number of subscribers has not reached a sufficient level to sustain operation and, following a thorough review of operation, the Company has decided to cease broadcasting. MBCO ended all its broadcasting services by the end of March 2009.

The said company is in the course of going through the procedures for dissolution. In accordance with ASC 205-20 “Discontinued operation” (former SFAS No. 144), the Company distinctively indicated the results of operation concerning Mobile Broadcasting as discontinued operation on the Consolidated Statement of Income. Income (loss) regarding the discontinued operation is as follows:

Sales and other income	0	million yen
Costs and expenses	956	million yen
Loss from discontinued operations before income taxes and minority interest	(956)	million yen
Income taxes	(389)	million yen
Loss (after tax effect) from discontinued operations, before noncontrolling interests	(567)	million yen
Less:Net income (loss) from discontinued operations, attributable to noncontrolling interests	(141)	million yen
Net loss from discontinued operations, attributable to shareholders of the Company	(426)	million yen

4. Notes concerning financial instruments

1) Matters concerning financial instruments

The Company is managing funds mainly on short-term deposits. It also raises funds through issuance of corporate bonds and borrowings from financial institutions including banks.
Investment securities are mainly stocks and for marketable securities. The Company evaluates their fair values on the basis of market prices. The intended use of corporate bonds and long-term borrowings is working funds and the funds for capital investments. As a part of usual risk management, the Company utilizes various financial derivatives, mainly such as exchange contracts, interest-rate swap contracts, currency swap contracts and currency options, to mitigate risks. The Company has a policy and rules regarding risk management, approval, report and monitoring of financial derivatives. The Company’s policy prohibits holding or issue of financial derivatives for trading.

2) Matters concerning market value of financial instruments

The consolidated balance sheet amounts as of March 31, 2010, fair values and their differences are as follows:

(Millions of yen)

	Consolidated Balance Sheet Amount	Fair value	Difference
Assets concerning financial instruments			
Investment securities and other investments	214,487	214,487	-
Liabilities concerning financial instruments			
Corporate bonds and long-term loans payable	1,111,583	1,121,241	9,658
Financial derivatives	5,315	5,315	-

The above table excludes financial instruments and lease-related financial instruments whose fair values are almost equal to the balance sheet amounts.

When estimating fair values of these financial instruments, the Company uses various methods and makes assumptions based on the market conditions and risk estimation as of the fiscal year-end. The Company estimated that for a certain financial instruments including cash and cash equivalents, notes and accounts receivable, short-term loans payable, notes payable, accounts payable, other payables and accrued expenses, the balance sheet amounts are almost equal to the fair values because a term to maturity in most of them is short. For some of investment securities and other investments, the Company used market prices released. Fair values of corporate bonds and long-term loans payable are estimated based on the market prices released, and if there are no market prices released, they are estimated by using estimated present values of future cash flows. For deciding fair values of other financial instruments, methods such as estimated discounted present value of future cash flow or replacement value are used.

These fair values do not necessarily represent realizable amounts as of the fiscal year-end. For nonmarketable securities evaluated by the cost method, as it is practically difficult to evaluate their fair values, they were not included in "investment securities and other investments."

(Additional information)

As the Company was required to make notes concerning financial instruments in and after the current consolidated fiscal year in connection with amendments to the Corporate Calculation Rules, the Company stated the similar notes to those based on ASC 825 “Financial instruments” (former SFAS No. 107).

5. Notes to net loss per share

Net loss per share from continuing operations		
Basic net loss per share attributable to shareholders of the Company	(4.82)	yen
Diluted net loss per share attributable to shareholders of the Company	(4.82)	yen
Net loss per share from discontinued operations		
Basic net loss per share attributable to shareholders of the Company	(0.11)	yen
Diluted net loss per share attributable to shareholders of the Company	(0.11)	yen
Net loss per share		
Basic net loss per share attributable to shareholders of the Company	(4.93)	yen
Diluted net loss per share attributable to shareholders of the Company	(4.93)	yen

(For reference) Consolidated Statement of Cash Flows

(From April 1, 2009 to March 31, 2010)

	(Millions of yen)
Cash flows from operating activities	451,445
Cash flows from investing activities	(252,922)
(Free cash flow)	198,523
Cash flows from financing activities	(277,861)
Effect of exchange rate changes on cash and cash equivalents	2,994
Net increase in cash and cash equivalents	(76,344)
Cash and cash equivalents at beginning of year	343,793
Cash and cash equivalents at end of year	267,449

Non-Consolidated Balance Sheet

Non-Consolidated Statement of Income

Non-Consolidated Statement of Changes in Net Assets

Notes to Non-Consolidated Financial Statements

For the year ended March 31, 2010

The 171st term

Toshiba Corporation

Balance Sheet
As of March 31, 2010

Assets	(Millions of yen)
Current assets	1,608,527
Cash and cash equivalents	66,940
Notes receivables	5,986
Accounts receivables	696,092
Finished products	175,045
Raw materials	41,695
Work in process	141,712
Advance payments	13,979
Prepaid expenses	13,327
Deferred tax assets	77,101
Other current assets	573,533
Allowance for doubtful accounts	(196,887)
Fixed assets	1,987,650
Tangible fixed assets	486,909
Buildings	188,376
Structures	16,360
Machinery and equipment	133,371
Delivery equipment	224
Tools, fixtures and furniture	39,762
Land	48,556
Lease assets	6,703
Construction in progress	53,553
Intangible fixed assets	42,482
Software	34,395
Lease assets	1
Other intangible fixed assets	8,086
Investments and others	1,458,257
Investment securities	160,006
Security investments in affiliates	904,803
Other investments	4,621
Other investments in affiliates	108,055
Long-term loans	100,443
Long-term prepaid expenses	4,625
Deferred tax assets	123,809
Other assets	52,134
Allowance for doubtful accounts	(242)
Total assets	3,596,178

Balance Sheet (Continued)
As of March 31, 2010

Liabilities	(Millions of yen)
Current liabilities	1,618,452
Notes payable	791
Accounts payable	865,895
Short-term loans	347,073
Commercial paper	15,000
Current portion of debentures	50,000
Lease obligations	1,630
Accrued liabilities	70,005
Accrued expenses	154,992
Corporate and other taxes payable	1,492
Advance payments received	95,973
Deposits received	2,729
Allowance for warranty and others	4,859
Allowance for losses on construction contracts	1,931
Allowance for losses on business of affiliates	1,037
Other current liabilities	5,040
Long-term liabilities	1,122,167
Debentures	465,010
Long-term loans	446,200
Lease obligations	5,119
Allowance for retirement benefits	197,457
Allowance for recycle of personal computers	4,933
Other long-term liabilities	3,447
Total liabilities	2,740,620
Net Assets	
Shareholders' equity	819,450
Common stock	439,901
Capital surplus	427,625
Capital Reserve (Additional paid-in capital)	427,625
Retained earnings	(46,772)
Other retained earnings	(46,772)
Reserves for deferral of gains on sales of property	15,010
Reserves for special depreciation	849
Reserves for programs and others	-
Retained earnings brought forward	(62,632)
Treasury stock	(1,305)
Difference of appreciation and conversion	36,107
Net unrealized gains (losses) on investment securities	35,987
Deferred profit (loss) on hedges	120
Total net assets	855,557
Total liabilities and net assets	3,596,178

Statement of Income
For the year ended March 31, 2010

	(Millions of yen)
Net sales	3,382,846
Cost of sales	2,949,838
Gross margin	433,007
Selling, general and administrative expenses	478,356
Net operating loss	45,348
Non-operating income	67,243
Interest income	3,606
Dividend income	34,401
Miscellaneous income	29,235
Non-operating expenses	99,839
Interest expenses	27,281
Miscellaneous expenses	72,557
Recurring loss	77,945
Extraordinary gains	7,092
Gains from sales of fixed assets	7,092
Extraordinary losses	95,066
Provision of Allowance for Doubtful Accounts	86,044
Loss on valuation of shares of subsidiaries and affiliates	7,184
Loss on valuation of investment securities	1,837
Loss before taxes	165,919
Corporate tax, inhabitant tax and business tax	(9,618)
Taxes deferred	(25,517)
Net loss	130,783

Statement of Changes in Net Assets
For the year ended March 31, 2010

	(Millions of yen)
Shareholders' equity	
Common stock	
Balance at end of the previous term	280,281
Changes in the term	
Issuance of new shares	159,620
Total changes in the term	159,620
Balance at end of the term	439,901
Capital surplus	
Capital Reserves (Additional paid-in capital)	
Balance at end of the previous term	268,005
Changes in the term	
Issuance of new shares	159,620
Total changes in the term	159,620
Balance at end of the term	427,625
Retained earnings	
Other retained earnings	
Reserves for deferral of gains on sales of property	
Balance at end of the previous term	15,255
Changes in the term	
Reversal of reserves for deferral of gains on sales of property	(245)
Total changes in the term	(245)
Balance at end of the term	15,010
Reserves for special depreciation	
Balance at end of the previous term	3,161
Changes in the term	
Reversal of reserves for special depreciation	(2,311)
Total changes in the term	(2,311)
Balance at end of the term	849
Reserves for program and others	
Balance at end of the previous term	1
Changes in the term	
Reversal of reserves for program and others	(1)
Total changes in the term	(1)
Balance at end of the term	-

Statement of Changes in Net Assets (Continued)
For the year ended March 31, 2010

	(Millions of yen)
Retained earnings brought forward	
Balance at end of the previous term	65,608
Changes in the term	
Reversal of reserves for deferral of gains on sales of property	245
Reversal of reserves for special depreciation	2,311
Reversal of reserves for program and others	1
Net loss	130,783
Disposal of treasury stock	(15)
Total changes in the term	(128,241)
Balance at end of the term	(62,632)
Treasury stock	
Balance at end of the previous term	(1,210)
Changes in the term	
Purchase of treasury stock	(132)
Disposal of treasury stock	38
Total changes in the term	(94)
Balance at end of the term	(1,305)
Total shareholders' equity	
Balance at end of the previous term	631,103
Changes in the term	
Issuance of new shares	319,240
Net loss	130,783
Purchase of treasury stock	(132)
Disposal of treasury stock	22
Total changes in the term	188,346
Balance at end of the term	819,450

Statement of Changes in Net Assets (Continued)
For the year ended March 31, 2010

	(Millions of yen)
Difference of appreciation and conversion	
Net unrealized gains (losses) on investment securities	
Balance at end of the previous term	6,100
Changes in the term	
Changes of items other than shareholders' equity (net)	29,887
Total changes in the term	29,887
Balance at end of the term	35,987
Deferred profit (loss) on hedges	
Balance at end of the previous term	(246)
Changes in the term	
Change of items other than shareholders' equity (net)	367
Total changes in the term	367
Balance at end of the term	120
Total net assets	
Balance at end of the previous term	636,956
Changes in the term	
Issuance of new shares	319,240
Net loss	130,783
Purchase of treasury stock	(132)
Disposal of treasury stock	22
Changes of items other than shareholders' equity (net)	30,254
Total changes in the term	218,601
Balance at end of the term	855,557

Notes to Non-Consolidated Financial Statements (1)

1. Notes to significant accounting policies

(1) Method of valuation of securities

Investment securities in affiliates	valued at acquisition cost based on the moving average method
Other securities	
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) Method of valuation of derivative and others

Derivatives	valued at market value

(3) Method of valuation of inventories

Finished products	valued at acquisition cost either based on the specific identification method or on the moving average method
Work-in-process	valued at acquisition cost either based on the specific identification method or on the weighted average method
Raw materials	valued at acquisition cost based on the moving average method

Amounts carried on the balance sheet are stated after their devaluation based on the lowered profitability.

(4) Depreciation methods for fixed assets

Tangible fixed assets (excluding leased 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 structures is from 3 years to 50 years. Service life of Machinery and equipment is from 3 years to 18 years.
Intangible fixed assets (excluding leased 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).

Notes to Non-Consolidated Financial Statements (2)

Lease Assets

Lease assets under non-ownership transfer finance lease transactions

For accounting for such lease assets, the Company applies a straight-line method with the lease period as useful life and the residual value as 0.

(5) Recognition of allowance

Allowance for doubtful accounts	To prepare the bad debt expense, allowance for doubtful accounts are recorded. Allowance is recorded based on the write-off history in general and recorded for any specific known troubled accounts 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 service 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 as of the end of the fiscal year, the estimated loss is recognized.
Allowance for losses on business of subsidiaries and affiliates	To prepare for possible losses associated with business of subsidiaries and affiliates, the expected amount of loss to be incurred by the Company beyond the amount normally estimated based on its investment in such affiliates is recorded.
Allowance for retirement benefits	To cover retirement benefit, 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. Actuarial differences are amortized on a straight-line basis over 10 years from the fiscal year following the fiscal year in which they arise. (Change of Accounting Treatment) The Company has adopted ASBJ statement No.19 " a partial amendment (No. 3) to the "Accounting Standards for Retirement Benefits"" (issued on July 31, 2008) from the current period. The change has no material impacts on the Company's profits and loss .There will be a minor impact on unappropriated balance as expenses of the difference of retirement benefit obligations to arise in connection with the application of these accounting standards.
Allowance for recycle of personal computers	To cover costs of recycle of personal computers, the estimated recycle costs are recognized based on sales performance.

Notes to Non-Consolidated Financial Statements (3)

(6) Revenue recognition

The percentage-of-completion method is applied for construction contracts with a high level of certainty of expected cash flow for the part completed by the end of the period (cost comparison method is used for estimating the progress rate of construction work).

(Change of Accounting Treatment)
Revenue by sales of mass-produced standard products had been recognized upon shipment. However, the Company decided, from the current period, to change the time of revenue recognition to the point when there is persuasive evidence of an arrangement, the product has been delivered, the sales price is fixed or determinable, and collectibility is reasonably assured. That is when mass-produced standard products are considered delivered to customers once they have been shipped, and the title and risk of loss have transferred. This change was made so as to work out periodic accounting of income and loss on the sales of standard mass products in a more proper manner. Because the Company reviewed the internal system regarding revenue recognition in view of the international convergence of accounting in recent years, and concluded that conditions are met for grasping the point when products were shipped and their ownership and risk of loss were transferred. The change has no significant impacts on the Company's profits and loss.

(7) Hedge accounting

Method

In principal, the Company applies 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.

(8) Accounting of consumption tax

It is recorded without tax.

(9) Consolidated taxation system

The Company adopted the consolidated taxation system.

Non-Consolidated Financial Statements (4)

(10) Presentation of amount

Amounts under million are rounded down.

2. Notes to Balance Sheet

(1) Collateral assets and liabilities secured by collaterals:

Collateral assets:

Long-term loans	27 million yen
Security investments in affiliates	18 million yen

The above assets are collaterals pledged on loans of 985 million yen for affiliates.

(2) Accumulated depreciation for tangible fixed assets: 1,558,324 million yen

(3) Liabilities on guarantees and their kinds

The Company guarantees bonds and borrowings from financial institution, etc. as follows:

(Millions of yen)

Warrantee	Balance of liabilities on guarantees and their kinds
Westinghouse Electric Company, LLC	403,745
Toshiba Capital Corporation	82,029
Flash Alliance Ltd.	44,422
Flash Partners, Ltd.	43,620
Others	90,273
Total	664,091

(4) Important disputes

In January 2007, the European Commission adopted a decision that imposed fines on 19 companies, including the Company, for infringing EU Competition Law in the gas insulated switchgear market. The decision imposed a fine of €86.25 million on the Company, plus a fine of €4.65 million jointly and severally with Mitsubishi Electric Corporation. Following its own investigation, the Company contends that it has not found any infringement of EU Competition Law, and it has brought an action to the European Court of First Instance seeking annulment of the European Commission’s decision.

Non-Consolidated Financial Statements (5)

(5) Monetary receivable and liabilities to subsidiaries and affiliates

Current monetary receivables	(Millions of yen)	898,456
Non-current monetary receivables	(Millions of yen)	108,548
Current monetary liabilities	(Millions of yen)	884,331

3. Notes to statement of income

Sales to subsidiaries and affiliates	(Millions of yen)	2,343,008
Purchases from subsidiaries and affiliates	(Millions of yen)	2,303,556
Non-operating transactions amounts with subsidiaries and affiliates	(Millions of yen)	71,736

4. Notes to statement of changes in net assets

(1) The class and number of issued shares as of the end of March 31, 2010

Common stock 4,237,602,026 shares

(2) The class and number of treasury stock as of the end of March31, 2010

Common stock 2,160,986 shares

(3) The class and number of the shares subject to the stock acquisition rights (excluding those of which the first day of the right exercise period has not been reached) as of the end of March 31, 2010

Common stock 175,295,212 shares

5. Notes to deferred income tax accounting

The main cause of accrual of the deferred tax assets is net-loss carried forward, non-recognition of the allowance for retirement benefits, etc. while main cause of deferred tax liabilities is other comprehensive income on securities and reserves pursuant to the Special Taxation Measures Law, etc.

Non-Consolidated Financial Statements (6)

6. Notes to transaction with related parties

Subsidiaries and affiliated companies

(Millions of yen)

Distinction of subsidiary/affiliate	Company	Holding ratio of voting rights*1	Relationship	Transaction	Amount	Accounts	Ending Balance
Subsidiary	Toshiba Capital (Asia) Ltd.	100%	Sales of products	Sales of products*3	486,030	Accounts receivables	50,873
Subsidiary	Toshiba America Information Systems, Inc.	100%	Sales of products	Sales of products*3	286,009	Accounts receivables	36,747
Subsidiary	Toshiba America Electronic Components, Inc.	100%	Sales of products	Sales of products*3	233,686	Accounts receivables	36,240
Subsidiary	Toshiba Mobile Display Co., Ltd.	100%	Lending of cash	Lending of cash*4	–	Other current assets	141,300
				Receipt of interests*4	914	Other current assets	0
Subsidiary	Mobile Broadcasting Corporation	90.3%	Lending of cash	Lending of cash*4	–	Other current assets	61,900
				Receipt of interests*4	492	Other current assets	0
Subsidiary	Taiwan Toshiba International Procurement Corporation	100%	Procurement	Procurement*5	1,161,945	Accounts payable	314,589
Subsidiary	Toshiba Plant Systems & Services Corporation	61.6%	Procurement	Procurement*5	89,995	Accounts payable	45,045
Subsidiary	Toshiba Capital Corporation	100%	Borrowing of cash	borrowing of cash*4	–	Short-term loans	111,000
				Payment of interests*4	254	Accrued expense	0
				Guarantees	82,029	–	–
Subsidiary	Toshiba International Finance (UK) Plc.	100%	Borrowing of cash	Borrowing of cash*4	–	Short-term loans	64,900
				Payment of interests*4	179	Accrued expense	0
Subsidiary	Westinghouse Electric Company LLC	100%*2	Guarantees	Guarantees	403,745	–	–
Subsidiary	WesDyne International LLC	100%*2	Guarantees	Guarantees	36,034	–	–
Affiliate	Flash Partners Ltd.	50.1%	Lending of cash	Lending of cash*4	–	Long-term loans	52,050
				Receipt of interests*4	526	Other current assets	0
				Guarantees	43,620	–	–
Affiliate	Flash Alliance Ltd.	50.1%	Lending of cash	Lending of cash*4	–	Long-term loans	48,100
				Receipt of interests*4	439	Other current assets	0
				Guarantees	44,422	–	–
Affiliate	Toshiba Finance Corporation	35.0%	Paying agent of debt	Paying agent of debt	316,595	Accounts payable	89,861

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

*2. Toshiba Nuclear Energy Holdings (US) Inc., 67% of whose voting rights are held by subsidiaries of the Company, holds all of the voting rights of Westinghouse Electric Company LLC and WesDyne International 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.

7. Notes to information per share

(1) Net assets per share 202.00 yen

(2) Net loss per share 32.66 yen

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Report of Independent Auditors (Consolidated Financial Statements)

To: Mr. Norio Sasaki
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

May 5, 2010

Ernst & Young ShinNihon LLC

Michio Ishizuka
Certified Public Accountant
Designated and Engagement Partner

Jun Uemura
Certified Public Accountant
Designated and Engagement Partner

Hitoshi Uehara
Certified Public Accountant
Designated and Engagement Partner

Tatsuhiro Ishikawa
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of equity, and the notes to the Consolidated Financial Statements of Toshiba Corporation (the “Company”) applicable to the fiscal year from April 1, 2009 through March 31, 2010. These consolidated financial statements 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 Toshiba Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2010 in conformity with U.S. generally accepted accounting principles (Please refer to Note 1. 1) pursuant to Article 3, Paragraph 1 of the Supplementary Provision to the Corporate Calculation Rules (Ministry of Justice Ordinance No. 46 of 2009.)

Supplemental information

As stated in Note 10 of “1. Notes to Significant Matters Supporting the Basis of Preparation of Consolidated Financial Statements,” effective April 1, 2009, the Company adopted the Accounting Standards Codification 810 “Consolidation” (former SFAS No. 160) and prepared its consolidated financial statements based on these Accounting Standards.

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

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AUDIT REPORT (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 171st fiscal period, from April 1, 2009 to March 31, 2010.
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 item of Article 131 of the Regulations for Corporate Accounting) in accordance with “Quality Control Standards for Audits”(October 28, 2005, Business Accounting Council), and requested it explanation.

Based on the method above, we have examined consolidated financial statements for the 171st fiscal period.

2. Results of audit

The method and results of the audit by Ernst & Young ShinNihon LLC, audit firm, the accounting auditor, are appropriate.

May 6, 2010

Audit Committee
Toshiba Corporation

Shigeo Koguchi
(full time)

Hiroshi Horioka
(full time)

Kiichiro Furusawa

Hiroshi Hirabayashi

Takeo Kosugi

Note: Messrs. Kiichiro Furusawa, Hiroshi Hirabayashi and Takeo Kosugi are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of Companies Act.

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Report of Independent Auditors

To: Mr. Norio Sasaki
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

May 5, 2010

Ernst & Young ShinNihon LLC

Michio Ishizuka
Certified Public Accountant
Designated and Engagement Partner

Jun Kamimura
Certified Public Accountant
Designated and Engagement Partner

Hitoshi Uehara
Certified Public Accountant
Designated and Engagement Partner

Tatsuhiro Ishikawa
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph1 of the Companies Act, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Toshiba Corporation (the "Company") applicable to the 171st fiscal year from April 1, 2009 through March 31, 2010. 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 the 171st fiscal year ended March 31, 2010 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 Act.

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AUDIT REPORT

We, the audit committee of Toshiba Corporation, have audited directors' and executive officers' execution of their duties during the 171st fiscal period, from April 1, 2009, to March 31, 2010. 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 Companies Act). Also, Pursuant to the audit policy, assigned duties and other rules that the audit committee decided, and in cooperation with the internal audit division and other divisions responsible for internal control, 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.

We have received reports on "Internal control over financial reporting", such as current status of consulting and evaluation about internal control, from Corporate Executive and Ernst & Young ShinNihon LLC, and requested it explanation.

Also, We have examined "Basic Policy on Control of the Company and Takeover Defense Measure" described in Business Report (basic policy prescribed in Article 118 Item 3 a) of the Companies Act Enforcement Regulations and undertakings prescribed in Article 118 Item 3 b) of the Companies Act 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 item of Article 131 of the Regulations for Corporate Accounting) in accordance with "Quality Control Standards for Audits"(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 171st 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, including internal control over financial reporting, 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 on 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 118 item 3 b) of the Companies Act 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.

May 6, 2010

Audit Committee
Toshiba Corporation

Shigeo Koguchi
(full time)

Hiroshi Horioka
(full time)

Kiichiro Furusawa

Hiroshi Hirabayashi

Takeo Kosugi

Note: Messrs. Kiichiro Furusawa, Hiroshi Hirabayashi and Takeo Kosugi are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of Companies Act.