Note: This English translation of Reports for the 174th 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 174th Fiscal Period

Toshiba Corporation

Business Report

1. Business Environment and Results of the Group

(1) Operation and Results of the Group

The global economy remained uncertain. Although the United States continued to see gradual recovery, Europe has entered a recession accompanied by deepening anxieties for sovereign debt. The slowdown in growth in emerging economies, such as China and Southeast Asia, also had a negative effect. There are few prospects for immediate improvement in sight. The downturn in Europe is expected to be prolonged, and it is possible that growth will slow in the U.S. and China.

The Japanese economy has returned to a path of moderate recovery as yen depreciation has gathered pace since the end of 2012, bringing with it a rise in stock prices. Although there are concerns for higher import costs due to the fall in the yen, and declines in exports due to the sluggish global economy, the economy is expected to continue to recover.

In these circumstances, Toshiba Group ("the Group"), aiming to become a world-leading diversified electric and electronics provider and looking ahead to changes in the business environment, promoted transformation of its business structure toward securing autonomous growth by creating future markets. The Group is promoting Total Energy Innovation and Total Storage Innovation to support realization of its Smart Community concept, strengthening its six focus businesses, and making steady progress in continuing to develop world first and world No.1 products and services. The Group also steadily advanced structural reforms, seeking to maximize synergies and rationalize operations by consolidating and optimizing domestic and overseas facilities, and improving cost structures by optimizing global production and procurement, in order to establish a business structure able to secure profit even at times of low growth.
The Group's consolidated net sales for FY2012 were 5,800.3 billion yen (US$61,705.1 million), a decrease of 300.0 billion yen against the previous year. Although the Social Infrastructure segment including the Power Systems and Social Infrastructure businesses, the Elevator and Building Systems business and the Medical Systems business saw higher sales, as did the Home Appliances segment, overall sales were lower, due to divestiture of the LCD business and lower sales in the Digital Products and Electronic Devices segments due to market downturns.

Consolidated operating income (loss) was 194.3 billion yen (US$2,067.2 million), a

decrease of 8.4 billion yen, mainly due to the divestiture of the LCD business, although the Electronic Devices segments recorded a significant increase in operating income and the Social Infrastructure segment and the Home Appliances segment also saw increases.
Income (Loss) from continuing operations, before income taxes and noncontrolling interests increased by 10.0 billion yen to 155.6 billion yen (US$1,654.8 million), a result that reflects improved currency exchange rates and the positive effect of asset reductions, despite the impact of channeling 59.7 billion yen into promoting business restructuring for the future. Net income (loss) attributable to shareholders of the Toshiba Corporation ("the Company") increased by 7.4 billion yen to 77.5 billion yen (US$824.8 million).
Although the Group focused on the expansion of business centering on emerging economies, the overseas net sales decreased by 151.6 billion yen year on year to 3,173.2 billion yen, affected by slowdown of the global economy, yen appreciation until the end of 2012 and other factors. The overseas sales ratio was 55%.

The annual dividend from earnings is determined to be 8 yen per share, consisting of an interim 4 yen and a year-end 4 yen per share, in comprehensive consideration of strategic investment for medium- and long-term growth, trends of performance, financial structure, and expectation of dividends from shareholders, etc.

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	1,432.7	(228.3)	(24.4)	+2.8
Electronic Devices	1,335.3	(101.6)	91.4	+16.0
Social Infrastructure	2,564.2	+151.4	135.9	+6.8
Home Appliances	591.5	+16.2	2.4	+0.3
Others	310.7	(194.2)	(11.8)	(33.0)
Eliminations	(434.1)	+56.5	0.8	(1.3)
Total	**5,800.3**	**(300.0)**	**194.3**	**(8.4)**

Business performance and topics by segment are as follows:

Digital Products

Main Businesses	As of March 31, 2013
Television, BD players, BD recorders, DVD players, Personal computers, Tablet Computers, POS systems, Multi-function peripherals	

Business Overview

The Digital Products segment saw overall sales decrease by 228.3 billion yen to 1,432.7 billion yen (US$15,241.3 million). The Retail Information Systems and the Office Equipment businesses reported higher sales due to the positive effects of the acquisition of IBM's Retail Store Solutions business. However, the Visual Products business, which includes LCD TVs, saw sales slide on a deepening decline in demand in Japan and sluggish sales in the United States and China. The PC business also recorded a decrease on lower unit sales, due to eroding demand in the United States, while Japan and Europe saw flat sales.

Overall segment operating income (loss) improved by 2.8 billion yen to -24.4 billion yen (US$-259.4 million). The Visual Products business was limited to a small improvement, due to a continuing decline in demand in Japan. The PC business also saw lower operating income on lower sales, even though it secured positive operating income through wide ranging measures to promote cost reductions. The Retail Information Systems and the Office Equipment businesses both recorded higher operating income on higher sales.

Topics

(1) Promotion of transformation of business structure in consideration of environmental changes

While the Digital Products segment has been under extremely harsh business conditions, the Group is pushing ahead with transformation of the business structure by shifting its core from equipment sales to cooperation with the Cloud Solution business.

In October 2012, the Group started REGZA Cloud Service "TimeOn", which realizes interpersonal communication through the Internet by enabling people to enjoy topics on TV programs, and easily retrieve and watch highlight scenes. The Company also released "REGZA 55Z7", a digital hi-vision LCD television supporting this service.

In relation to hard disk drives built in notebook computer, the Group developed technology to detect failures in advance by collecting and analyzing operational information and accumulated data on failures, in December 2012. This technology, which can prevent important data from being lost, is planned to be commercialized in FY2013, as a new function of the management tools for business notebook PCs.

(2) Strengthening product appeal in an effort to ensure profit from visual products and personal computers

The Group has enhanced product ability using sophisticated technologies of visual products and personal computers, and created new high value-added product lines in a timely manner, aiming to ensure profits in those businesses.

In June 2012, "REGZA 55XS5" was released, which allows people to enjoy high-definition images, by a new 4K2K liquid crystal panel with four times more pixels than full hi-vision TVs ahead of competitors, and by a large screen with proprietary "4K2K super resolution technology."

In May 2012, "REGZA Tablet AT570" was released, which is the first tablet computer in Japan equipped with an organic EL display, enabling people to enjoy beautiful images in deep and clear colors.

In October 2012, with an eye to responding to diversified needs, the Group released Ultrabook™ "dynabook R822", which can be used in the optimum style depending on situations, from among the following three styles: the tablet style suitable for touch control; the flat style with which you can watch the screen opened horizontally with another person face to face; and the notebook PC style to operate with a keyboard and touchpad.

(3) Structural reforms in the Digital Products segment

The Group implemented structural reforms in an attempt to improve profit and enhance the business structure of the Digital Products segment which has been under harsh business conditions.

To be more specific, functions to design and develop televisions were consolidated into Ome Complex which is a site to design and develop personal and tablet computers in order to accelerate development toward creation of their fusion products and ones incorporating local needs, etc. The Group also made operations more efficient by consolidating part of TV repair works to a subsidiary, and transferred quality and production control operations to each overseas base. In relation to production systems, the Group has reinforced cost competitiveness by enhancing production facilities in emerging economies and expanding consignment production. The Group will proactively promote the structural reforms in order to establish the business system which can surely ensure profits even under a harsh business environment.

(4) Promotion of world-leading POS system business

Toshiba TEC Corporation, which promotes business of POS (point of sale) systems for distribution and retailing, became a world-leading company accounting for about 26% in the POS system market, by acquiring the distribution and retail store POS solutions

business from International Business Machines Corporation ("IBM") of the U.S.
New companies established in over 40 countries and regions, including the United States, Canada, and Mexico, serially started operation in and after August 2012, and have contributed to expansion of the POS System business. The Group will offer customers new values through excellent products and solutions in the distribution and retail store POS solutions business which are rapidly growing worldwide, in cooperation with IBM.

Electronic Devices

Main businesses	As of March 31, 2013
Small-signal devices, Optoelectronic devices, Power devices, Logic LSIs, Image sensors, Analog ICs, NAND flash memories, Storage devices, Optical disk drives	

Business Overview

The Electronic Devices segment saw overall sales decrease by 101.6 billion yen to 1,335.3 billion yen (US$14,205.0 million). Although the Storage Products business secured comparable year-on-year sales, the Semiconductor business saw lower sales. In Memories, sales volume increased considerably in the second half, but lower overall sales for the full year period reflected price declines in the first half and the impact of production cutbacks due to an adjustment in production. Discretes and System LSIs also recorded lower sales on decline in demand.

Overall segment operating income increased by 16.0 billion yen to 91.4 billion yen (US$972.6 million). Even though prices declined in the first half, Memories secured positive operating income, as a result of a significant increase in operating income in the second half from a better balance in supply and demand, achieved by a production adjustment and expanded sales of high value-added products. System LSIs also saw a considerable improvement in operating income on a higher ratio of high value-added products and business restructuring. The Storage Products business secured operating income.

Topics

(1) Expansion of the Integrated Storage Products business

The Group is expanding the Integrated Storage Products business in response to a society handling large volume of information through networks, as the world's only company supplying NAND flash memory, HDD (hard disk drive), and SSD (storage products using NAND flash memories).

In August 2012, the Group started mass production of SSD for PCs, which achieved the read and write speed twice as fast as existing products and the world's lowest power consumption by using NAND flash memory with 19 nanometer (nm) process technology for the first time in the world.

In September 2012, "Hybrid Drive" was commercialized, which achieved a read and write speed three times faster than the Company's existing HDD by equipping 2.5-inch type HDD with NAND flash memory. This product was awarded the Visionary Products Award of Storage Visions™ 2013, in recognition of its visionary development approach and high technological ability.

In December 2012, the Group started to ship samples of business-use 3.5-inch type

HDD suitable most for servers, etc., which has the industry's largest 4-terabyte storage capacity (Company survey as of November 2012), and realized reinforcement of security with encryption function.

In the field of Storage Array (high-performance external storage used for servers, etc.), the Group released a large-capacity product which can read and write 1 million times per second while saving space and power consumption by using proprietary NAND flash memory, in August 2012.

(2) Development of the Memory business centering on NAND flash memory

Continuously regarding NAND flash memory as the core of the Memory business, the Group has worked on establishment of a robust revenue base with improvement in product compositions and finer lithography. Since July 2012, the Group has strived to boost profitability of the Memory business by improving the supply-demand balance through production adjustment centering on products for USB and card markets at the Yokkaichi Operations, and increasing production ratio of high value-added products with 19-nanometer (nm) process technology.

In February 2013, the Group started to ship samples of NAND flash memory which can reduce burden of development for smartphones and tablets, responding to the standards of built-in storage memory for the first time in the industry. The Group proactively launched new products, for example, starting to ship samples of microSDHC Memory Cards based on SeeQVault™ technology, next-generation contents protection technology, which enables to store high-definition images and movies, etc. in March 2013.

The Group will continue to display leadership in the Memory business, as accelerating use of finer lithography for NAND flash memory, and steadily promoting R & D of next-generation memories, such as a 3D memory.

(3) Development of new products and expansion of new domains concerning discrete devices and system LSIs

As for system LSIs and discrete devices, the Group has promoted development of new products and expansion of new domains with an eye to more efficient operations, lighter weight, and returning to growth track.

As for system LSIs, regarding CMOS image sensor as one of focus products, the Group has promoted expansion of the system LSI business. In November 2012, the Group entered into the automotive and monitoring camera market with growth potential, by launching a product which can shoot high-definition images even in places with considerable contrast. In December, a product for digital cameras was developed, which achieved 20 megapixels, the industry's highest resolution (in terms of image sensor type of 1/2.3).

As for discrete devices, the Company regards white LEDs which are expected to grow thanks to increasing use for lighting and automotive equipment, etc. as a next-generation pillar of the business. The Group and Bridgelux, a U.S. company, jointly developed white LED elements using technologies to grow crystals of gallium nitride on silicon substrate. In December 2012, the Group started mass production of white LEDs for lighting, adopting the new elements. In April 2013, the agreement was made to acquire the white LED element-related technologies and development facilities from Bridgelux in an effort to further enhance the business.

In the field of power semiconductors of which demand is expected to increase for industrial and automotive equipment, the Group started, in March 2013, mass production of a product, which achieved a significant reduction in power loss, ensuring stable operations and downsizing by adopting SiC (silicon carbide).

(4) Making NuFlare Technology, Inc. a consolidated subsidiary

In December 2012, the Group acquired additional shares of NuFlare Technology Inc., and made it a consolidated subsidiary. NuFlare Technology Inc. is a maker of semiconductor manufacturing equipment with advanced technology, and has had a strong relationship with Toshiba in terms of technological development. In March 2013, Toshiba and NuFlare Technology were jointly awarded the Okochi Memorial Grand Production Prize, in recognition of technological contribution to the development and practical application of electron beam mask writers..

Social Infrastructure

Main businesses As of March 31, 2013
Nuclear power generation systems, Thermal power generation systems, Hydroelectric power generation systems, Photovoltaic power generation systems, Fuel cell, Power generation, Power transmission and distribution systems, Instrumentation and control systems, Transportation equipment, Electrical machineries, Automatic railroad station equipment, Water supply and sewerage systems, Road equipment systems, Government systems, Broadcasting systems, Environmental systems, Electric wave products, Elevators, Escalators, IT solutions, Diagnostic X-ray systems, CT systems, MRI systems, Diagnostic ultrasound systems, Clinical analysis systems

Business overview

The Social Infrastructure segment saw overall sales increase by 151.4 billion yen to 2,564.2 billion yen (US$27,278.3 million). The Power Systems and Social Infrastructure businesses, most notably in energy-related areas, saw growth that reflected healthy performances in the Thermal & Hydro Power Systems business in Japan and overseas, along with good results in Solar Photovoltaic Systems, the overseas Nuclear Power Systems business and increased sales at Landis+Gyr AG. The Elevator and Building Systems business increased overseas sales and made acquisitions, while the Medical Systems business expanded sales in Japan and in emerging economies; both reported higher sales.

Overall segment operating income increased by 6.8 billion yen to 135.9 billion yen (US$1,445.3 million). The Thermal & Hydro Power Systems business saw a healthy performance and the Transmission & Distribution Systems business, the Solar Photovoltaic Systems business and Landis+Gyr AG all saw positive results. The Elevator and Building Systems and the Medical Systems businesses also recorded higher operating income on higher sales. The domestic Nuclear Power Systems business recorded lower operating income.

Topics

(1) Development of the Smart Community business

The Group has proactively participated in a total of 33 demonstration and commercialization projects overseas and in Japan, developing the Smart Community business in response to local priority issues.

In a Japan-U.S. joint demonstration project on a Smart Grid (next-generation power network) system in New Mexico, the U.S., a demonstration started toward further stable power systems combining demand response (adjustment of power consumption by users) and power generation and storage in a region in which introduction of recyclable energy has advanced. In the Yokohama Smart City Project, Toshiba started a demonstration of an energy management system for the entire community using demand response by users, such as offices, commercial buildings, and residential houses.

In March 2013, Smart Community Center was completed in Kawasaki City, as a core base toward global development of the Smart Community business, as well as a base to familiarize the Toshiba brand. This is the most-advanced eco-friendly office which accomplished energy conservation and amenity at the same time, and in which related departments of the Group are to be gathered and enhance cooperation with Toshiba’s nearby research facilities and factories.

Furthermore, the Group has strived to strengthen the structure toward global development, for example, with the acquisition of a company related to demand response in the U.S., and the establishment of a mutually complementary partnership in the Smart Grid business with Alstom Grid in France.

(2) Expansion of the Thermal Power Generation Systems business

The Group has proactively developed activities to receive orders for Thermal Power Generation Systems of which demand is increasing in Japan and overseas, and achieved several good results. In May 2012, Toshiba received orders for supercritical steam turbines and generators for the Meja Thermal Power Project, ultra supercritical pressure coal fired boilers for a power plant in Taiwan, and steam turbines and generators for a coal thermal power plant project in Vietnam.

In September 2012, Toshiba received an order for a combined cycle system which achieved plant thermal efficiency at 62%, the world's highest (on a lower heating value basis), by combining gas turbines and steam turbines, for Chubu Electric Power Co., Inc.’s Nishi-Nagoya Thermal Power Station. In January 2013, Toshiba signed a memorandum of understanding to form a strategic alliance in the field of combined-cycle power generation systems with General Electric Company of the U.S. which has had a cooperative relationship with Toshiba, and agreed to cooperate in sales in the global markets.

In order to respond to increasing demand in the Thermal Power Generation Systems business, and enhance global competitiveness, the Group is constructing a Keihin global engineering and manufacturing center to carry out such functions as design, procurement, process management, and engineering, etc. at its Keihin Product Operations.

(3) Promotion of the Recyclable Energy business

The Group has promoted an expansion of the Recyclable Energy business with an eye to stable supply of energy with diverse power sources and a reduction in greenhouse gas emissions. The solar photovoltaic business is expanding with its market share in sales volume of systems for residential use increasing from 7% to 11% year on year

(Company survey as of April 2013). In December 2012, a solar photovoltaic system was launched, which achieved the world's top-level total conversion efficiency at 19.1% as a system for residential use (in combination of module and power conditioning). In order to spread recyclable energy by using Toshiba's technology, and take advantage of know-how about operations of power generation firms in the future technological development, the Group decided to enter into the solar photovoltaic business. The Group is planning to set up mega-solar power generation equipment at the Group's plants and offices, and supply electric power of 6.5 MW in total within FY2013.
In June 2012, taking a stake in Korea's Unison Co., Ltd. with which a business alliance has been formed for marketing of wind power generators, the Group is developing the wind-power generation systems business. In September 2012, Toshiba started to develop technology of binary power generation to enable stable power supply even with changes in natural conditions, combining wind power, solar thermal, and biomass (biological resources) as thermal energy, in cooperation with other companies.

(4) Nuclear power business

Toshiba has strived to globally develop the business of nuclear power generation, one of key power sources, promoting diffusion of the latest and highly safe plant and further improvement of safety, and making efforts for ensuring highly efficient and stable power sources. In foreign countries, total eight units of the AP1000, a new pressurized-water reactor, are under construction. For example, at No. 1 unit of Sanmen Nuclear Power Station in China, the installation of the upper cover of nuclear reactor containment was completed after setting up primary equipment. At the Vogtle Nuclear Power Plant and the V. C. Summer Nuclear Station in U.S., the full-scale plant construction started, including injection of concrete. Also in Finland and the Czech Republic, as Toshiba's proposals were highly appreciated, contract talks are ongoing to receive formal orders.
In Japan, the Group has continued to do its best to stabilize Fukushima Nuclear Power Plant and take decommissioning. Toshiba has proactively contributed to investigation and recovery works at inaccessible places by delivering Advanced Liquid Processing System which can largely reduce concentration of radioactive materials in contaminated water, as well as developing a quadrupedal walking robot which is highly capable to walk and work. In other existing power plants, the Company has steadily implemented countermeasure works to increase margin of safety.

(5) Global development of the Power Transmission & Distribution System business

Toshiba has accelerated the global operation in relation to the Power Transmission & Distribution System business in the Middle East, Southeast Asia, Brazil, India, and

Russia as focus areas of which demand for electricity is expected to increase.

In September 2012, the Company won an Engineering, Procurement and Construction (EPC) contract covering the supply and installation of transformers for a substation with the Ministry of Electricity and Water, Kuwait, in recognition of high performance and reliability of the Company's equipment and its extensive experience in the supply of equipment in the Middle East. In December, in cooperation with Toshiba T&D Europe S.p.A. (the former Ansaldo Transmissione & Distribuzione S.p.A which the Company acquired in 2011), the Company won an EPC contract for the supply and installation of high voltage and direct current (HVDC) power conversion systems with Terna Rete Italia S.p.A., the operator of Italy’s electric transimission systems, for the first time as a Japanese company in the European market.

(6) Business deployment of Power Electronics and Rechargeable Battery, etc.

In the power electronics field, where efficient use of electric power is aimed by controlling power conversion, the Company has achieved good results in the railway market which requires further energy conservation. In September 2012, the Group demonstrated a reduction of power consumption by about 50% compared with existing rail vehicles, by equipping a rail vehicle of Hankyu Corporation with a system adopting highly efficient Totally-enclosed Type Permanent Magnet Synchronous Motor (PMSM) and a newly developed inverter on a trial basis.

In November, the prototype of an AC electric locomotive, EH800 type, was announced, which was jointly developed with Japan Freight Railway Company, and which realized response to multiple voltages and lower environmental load.

Toshiba's rechargeable battery SCiB™ has been adopted for "New Wagon R" of Suzuki Motor Corporation, and for a battery system of a headquarter building of Daikyo Inc., in recognition of its long service life and rapid charge-discharge ability (high regenerative performance), etc. The Group is aiming to expand the business, by establishing the system to enable more efficient development and prompt response to an increase in demand with a consistent system from development of SCiB™ to mass production at Kashiwazaki Operations.

(7) Expansion of the Healthcare business

The Group has accelerated further technological development and enhancement of a global business structure in relation to the Healthcare business which is expected to highly grow worldwide.

In July 2012, the Group started domestic sales of a multislice CT system Aquilion ONE™/ Vision Edition which can enlarge adaptive inspections with high-speed scan and indicate high-definition images quickly. In August, in order to thoroughly pursue a reduction in patients' burdens, the Group incorporated technologies which can reduce exposure dose by as much as 75% in all CT systems throughout its product lineup.

Promoting business deployment in the IT service field, the Group started the full-scale operation of a cloud-based medical image archiving service that can safely manage image data shot by various testing equipment and save space and energy, using Toshiba's healthcare cloud services called "Healthcare@Cloud™" in March 2013.

Furthermore, the Group started sales activities of a local company in Turkey aiming to expand sales of medical equipment in the Middle East, and established a new plant at a local company in Brazil as a supply base to South American markets, in an effort to enhance the overseas business structure in the Medical Systems business.

Home Appliances

Main businesses	As of March 31, 2013
Refrigerators, Washing machines, Kitchen appliances, Vacuum cleaners, Light bulbs, LED lights, Light fixtures, Industrial light parts, Air-conditioners, Compressors	

Business Overview

The Home Appliances segment saw overall sales increase by 16.2 billion yen to 591.5 billion yen (US$6,292.6 million). The Lighting business reported higher sales, primarily in LEDs, and the overseas Air-conditioning business and the White Goods business also recorded higher sales.

Overall segment operating income increased by 0.3 billion yen to 2.4 billion yen (US$25.5 million). The Lighting business saw a higher operating income on higher sales although the White Goods business saw sales decline due to factors that included currency exchange shifts.

Topics

(1) Global development of the LEDs business

The Group has created new "lighting culture" in harmony with the human and the environment, working on the new LEDs business worldwide. In the lighting renovation project of the Louvre Museum in France, Toshiba reached, in May 2012, a basic agreement to replace part of the interior lighting of the Louvre with its own LED lighting, including exhibit lighting for the Mona Lisa, and for the Red Rooms which display famous masterpieces.

In October 2012, Toshiba Lighting & Technology Corporation which handles lighting equipment for facilities and residential use acquired Harison Toshiba Lighting Corporation which handles industrial light sources, in order to enhance the business structure toward further expansion of the LEDs business and early commercialization of next-generation lighting systems. The Group is also reinforcing the overseas business structure by expanding the road lighting system business in cooperation with Green Star Products Inc. of the U.S., which the Group acquired in December.

(2) Reinforcement of overseas manufacturing bases

With the expansion of markets in emerging economies, the Home Appliances segment is reinforcing overseas manufacturing bases in order to improve ability to supply products and cost competitiveness.

In November 2012, Toshiba Carrier Corporation and Fujitsu General Limited established a joint venture in Thailand to manufacture compressors for air conditioning equipment, in an effort to enhance the promising compressor business. In December, the

Group started production of washing machines at a new plant in Indonesia, one of its important global manufacturing bases. The manufacturing base in Thailand, which was damaged from the floods in FY2011, has had higher production capability than before the occurrence of the floods with a series of capital investment toward early recovery and the cutting-edge equipment introduced.

(3) Cooperation with the Smart Community business

The Group has committed itself to developing and commercializing smart home-related technologies including efficient control of home-use energy equipment and home appliances for the expansion of the Smart Community business.

In June 2012, launching IT Access Point and Energy Measuring Unit which were certified as equipment in conformity with "ECHONET Lite", the communications standards to build home-use energy management systems, for the first time in the industry, the Group has visualized remote control of home appliances, energy consumption and power generation amounts, etc. The Group has also been developing the business combining the Group's technologies. For example, in November, the Group launched a large-capacity stationary home storage battery system "eneGoon" with the industry's highest output (3.0KVA; Group survey as of September 2012). The product has concurrently realized a long service life and rapid charge-discharge ability using rechargeable battery SCiB™.

As a product to meet demand for energy conservation and energy cost cuttings in the industrial and business field, the Group released an air-source circular water heating heat pump "CAONS 700 type" which has a large capacity and high energy-saving performance, and can efficiently supply heat at an appropriate temperatures for diverse usage, in August 2012.

Others

	Main businesses	As of March 31, 2013
Logistics service		

Business Overview

The Others segment saw sales decrease by 194.2 billion yen to 310.7 billion yen (US$3,306.6 million) while its operating income deteriorated by 33.0 billion yen to -11.8 billion yen (US$-125.2 million), reflecting the March 2012 transfer of all shares of Toshiba Mobile Display Co., Ltd. to Japan Display Inc. The logistics service saw its operating income increase.

Topics

In line with its corporate policy to enhance core activities and selectively channel resources to growth areas, in April 2013, Toshiba concluded the contract to transfer all the shares of Toshiba Finance Corporation which runs the consumer credit business to Aeon Financial Services Co., Ltd. The Company will be able to improve its financial structure as interest-bearing debt is expected to decrease about 4% as a result of the transfer.

The support activities for reconstruction from the Great East Japan Earthquake

The Group has been committed to various business continuity activities, donations, and support activities for reconstruction from the disaster for the people and areas affected by the Great East Japan Earthquake. With the "Toshiba East Japan ASHITA Plan" formulated in April 2012 with the aim of independence support, etc. in the disaster-affected areas, the Group implemented the support activities equivalent to about 500 million yen for Iwate, Miyagi, and Fukushima Prefectures in FY2012. The Group will continue to conduct community-based support activities for Tohoku, from three viewpoints; fostering, gathering, and utilizing.

＜ Five pillars of support of the "Toshiba East Japan ASHITA Plan"＞

1. Reconstruction of local core industries and job creation
2. Intercommunication with the outside, and attracting people to the disaster areas
3. Reconstruction of local residents' communities
4. Fostering future generations
5. Local healthcare

1. Supporting the rehabilitation of fisheries and human resource development

In order to support the rehabilitation of fisheries, a key industry in coastal areas which suffered serious damage from Tsunami, as with FY2011, the Group offered 100 million yen to the Miyagi Prefecture Fisheries Cooperative as funds to reconstruct its office. As part of a training program for new employees of the Group, they helped shipment of wakame seaweed in Minamisanriku-cho, Miyagi Prefecture, and Kitakami-cho, Ishinomaki City, Miyagi Prefecture, in order to support the rehabilitation of fisheries in the disaster-stricken areas.

Since FY2011, the Group has provided scholarship for university students who have difficulty in continuing their education due to financial reasons as a result of the Earthquake. In March 2012, fifty recipients celebrated their graduation. In FY2012, the scholarship was provided to 180 students.

2. Supporting the regional exchange and tourism of the disaster-affected areas

In order to support the reconstruction of Fukushima Prefecture, the Group invested 100 million yen in Minamisoma Solar Agripark Project which runs the photovoltaic power generation business and the regional exchange business. This project started in Minamisoma City in April 2013, which generates electricity from sunlight and supplies the power to a nearby plant factory, as well as supports children's growth and intercommunication through learning about photovoltaic power generation and agricultural experiences in Minamisoma City.

The Group also donated LED lighting facilities and photovoltaic power generation systems to Chuson-ji temple, which is the core component of Hiraizumi in Iwate Prefecture registered as World Cultural Heritage. The LED lighting facilities, which reduce power consumption by about 41%, realized the space which can more effectively present the artistry and spirituality of Chuson-ji. The photovoltaic systems generate more power than consumed for lighting of the Konjikido (Golden Hall), in accordance with Hiraizumi's philosophy of coexisting with nature without impairing scenery. The Group hopes this contributes to further development of tourism business of not only Chuson-ji temple, but also Tohoku area including Iwate Prefecture.

(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 Ordinance for Enforcement of the Companies Act.
2. Toshiba's Consolidated Financial Statements are based on U.S. generally accepted accounting principles ("GAAP") pursuant to the provision of Article 120, Paragraph 2 of the Ordinance on Accounting of Companies. 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 performance. Some items that are classified as operating income (loss) under U.S. GAAP, such as restructuring charges and gains (losses) from 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" under the U.S. GAAP as the net income (loss).
4. Mobile Broadcasting Corporation and the Mobile Phone business have been classified as discontinued operations in the consolidated accounts in accordance with Accounting Standards Codification (“ASC”) No. 205-20, “Presentation of Financial Statements – Discontinued Operations”. The performances of these businesses are excluded from consolidated net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Toshiba Group’s net income (loss) is calculated by reflecting these business results to income (loss) from continuing operations, before income taxes and noncontrolling interests.
5. Following the acquisition of Landis+Gyr AG in July 2011, the Company completed the allocatation of the cost of the acquisition to assets and liabilities, according to ASC 805 “Business Combinations”, in the current fiscal year. Results for FY2011 have been revised to reflect this change.
6. Prior-period data on consolidated segment information has been reclassified to conform with the current classification, mainly due to changes of the structure of Toshiba Group's organization in FY2012.
7. Descriptions such as "World's first", "Japan's first", and" World's highest", etc. are based on data surveyed by Toshiba Group as of the time of announcement and release, unless otherwise noted.

(2) Management Policy of Toshiba Group (Issues to be addressed)

The environment in which the Company operates has rapidly changed through, for example, governments define new policies for achieving energy security and dramatic advances in information and communications technologies. In responding, Toshiba Group has focused its efforts on selected businesses and proactive investments in promising fields, enhancing the profitability of existing businesses, and disposing of businesses seen as unlikely to show profitable growth. The Group will enhance its competitiveness through strategic technological development and mergers and acquisitions, aiming at continuous growth by promoting business structure transformation and business restructuring.

(1) Business structure transformation

In order to secure profit and future growth, the Group will enhance focus businesses while promoting Total Energy Innovation and Total Storage Innovation to support realization of the Company's Smart Community concept.

While steadily creating world first and world No. 1 products and services, the Group will continue to develop "local-fit" products that meet local needs, primarily in emerging economies, and by promoting "local-fit reversing" bring those products to advanced economies.

1) Total Energy Innovation

In responding to trends for diversified energy supply and more efficient use of energy, the Group will provide comprehensive solutions in power generation equipment, transmission and distribution equipment, and safe, highly efficient electricity storage.

2) Total Storage Innovation

As progress is made in the shift to big data and ubiquitous networks, the Group will establish cloud service platforms by developing information and communications technology in collaboration with partners and also seek to develop infrastructure to support its business deployment and competitiveness.

3) Acceleration and enhancement of focus businesses for future growth

The Group will further accelerate expansion in the following focus businesses, in an attempt to secure future growth and establish new profit centers.

- Integrated Storage
- Smart Community

- Power Electronics and EV
- Renewable Energy
- Healthcare
- Digital Fusion Products and Services

4) Creation of world's first and world No. 1 products and services
   The Group will aim to create new business fields ahead of its competitors with attractive world's first products and services, while achieving high profitability with products and services that continue to secure world No. 1 shares.

5) Business expansion in emerging economies
   In emerging economies with high growth rates, Toshiba will seek to expand sales with profit by reinforcing its business bases, including sales and marketing channels, and also by increasing the number of overseas sales staff. The Company will also facilitate localization of product development along with manufacturing, so as to allow its products to reflect the needs of growing economies on a timely manner. Furthermore, the Company will sell excellent products and services developed in emerging economies in advanced economies, aiming to expand its portfolio of globally competitive products and services.

(2) Business restructuring

The Group will promote business restructuring aimed at securing positive income and high profitability in all businesses, further assure efficient operations and effective use of properties and continue to channel major resources to growth fields.

In an attempt to minimize impacts from fluctuations in foreign exchange rates, the Group will continue to expand globally optimized production and procurement and to secure multiple suppliers. While consolidating and optimizing facilities for sales, service and production in Japan and abroad, the Group will also achieve a structure that maximizes Group synergies, in addition to streamlining through consolidation. Furthermore, the Group will strengthen its business structure and business continuity management by promoting thorough inventory management and securing financial resources.

(3) Strategies by segment

On the basis of these group-wide policies, the Group will execute growth strategies by segment.

1) Digital Products

With an eye to securing positive operating income in the Visual Products business, the Company transferred design and development functions at Fukaya Complex to Ome Complex in FY2012. The Group aims to overcome a situation that places too much importance on trade with mass retailers and establish a reliably profitable business structure.

In the retailing and distribution sector, the Group has acquired the Retail Store Solutions business of International Business Machines Corporation (IBM) of the United States. Taking advantage of global share after the acquisition of IBM’s business, the Company aims to become a global one-stop solutions company that offers distributors a comprehensive package of point-of-sales systems, software and applications.

2) Electronic Devices

The Company will achieve a larger share by expanding its line-up of corporate products, the base for the integrated storage business.

In product development, while steadily developing next generation NAND flash memories and white LEDs ahead of its competitors, the Group will focus on development of products that use gallium nitride and other new materials, which will support next generation technologies.

3) Social Infrastructure

The Group aims to secure optimal business expansion by allocating resources to overseas facilities and accelerating the expansion of local production for local consumption, and thereby enhancing business bases deeply rooted in local markets.

In addition to the Thermal & Hydro Power business, where the Group is focusing on expansion in Asia, India and Latin America, the Group aims to secure expansion in the Transmission & Distribution business by providing a solutions package covering equipment, systems, operation and maintenance. In the Elevator and Building Systems business and the Medical Systems business, the Group will emphasize overseas production.

In the Nuclear Power Systems business, the Group will continue to support the stabilization of Fukushima Daiichi nuclear power plant and to promote marketing of leading-edge nuclear power plants, as well as the development of future generations of nuclear power plants.

4) Home Appliances

In the Lighting business, the Group will strive to expand overseas business and increase sales of systems for building solutions. The Group will proactively expand the White Goods business overseas mainly by marketing world No. 1 products in energy-saving performance.

(4) CSR and environmental management

Toshiba Group will continue to push forward with environmental management as one of the world's foremost eco-companies. The Group will steadily implement environmental action plans by creating highly environmentally-friendly products, expanding business globally with advanced low carbon technology and achieving a world-leading eco-friendly business structure.

In addition, the Company will promote an environmental assessment system, covering both upstream and downstream operations, on adoption of Scope 3 (the new standard for calculation and reporting of greenhouse gas emissions including corporate supply chains).

The Group will continue to support private-sector activities, employment and medical treatment, industrial development and personnel training in the region hit by the Great East Japan Earthquake on a mid- and long-term basis.

Even though severe business conditions continue, the Group will continue to implement the transformations necessary to establish a business structure that can secure high profitability. Further to this, the Group will promote business structure transformation in order to build foundations for new profit bases by encouraging imagination and the multiplier effect of innovation, and will take on the challenge of becoming an even stronger global contender.

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

(1) The Group (Consolidated)

Item	171st Period	172nd Period	173rd Period	174th Period (current period)
	FY2009	FY2010	FY2011	FY2012
Net Sales (Billions of yen)	6,291.2	6,398.5	6,100.3	5,800.3
Net income (loss) (Billions of yen)	(19.7)	137.8	70.1	77.5
Net income (loss) per share (Yen)	(4.93)	32.55	16.54	18.31
Total Assets (Billions of yen)	5,451.2	5,379.3	5,752.7	6,106.7

Note: Net income (loss) attributable to shareholders of the Company in accordance with Generally Accepted Accounting Standards in the U.S., is presented as Net income (loss) in this section.

(2) The Company (Non-consolidated)

Item	171st Period	172nd Period	173rd Period	174th Period (current period)
	FY2009	FY2010	FY2011	FY2012
Net Sales (Billions of yen)	3,382.8	3,591.0	3,209.0	2,897.3
Net income (loss) (Billions of yen)	(130.8)	105.4	39.2	29.1
Net income (loss) per share (Yen)	(32.66)	24.88	9.26	6.87
Total Assets (Billions of Yen)	3,596.2	3,678.2	3,897.7	3,988.2

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.

Toshiba has decided to pay both an interim dividend and a year-end dividend. Toshiba paid 4.0 yen per share as the interim dividend and the year-end dividend has been set at 4.0 yen per share. As a result, the annual dividend for FY 2012 to be 8.0 yen per share, same as the previous year.

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4. Outline of Main Group Companies As of March 31, 2013

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
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 and social infrastructure & industrial systems	Yokohama
	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	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)	87.0	Holding company of nuclear power business	U.S.
	Toshiba Nuclear Energy Holdings (UK) Ltd.	1,400,000 (Thousands of U.S. dollars)	87.0	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.	1,002,550 (Thousands of U.S. dollars)	100.0	Holding company of operating companies in the U.S.	U.S.
	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 590 consolidated subsidiaries (including the 10 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. The Company has acquired the 20% equity interest in Toshiba Nuclear Energy Holdings (US) Inc. and Toshiba Nuclear Energy Holdings (UK) Ltd. held by a

subsidiary wholly owned by The Shaw Group Inc, in January, 2013, to increase its share in those companies to 87%.
3. Toshiba Nuclear Energy Holdings (US) Inc. substantially owns all of the equity of Westinghouse Electric Company L.L.C.

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5. Shares and Stock Acquisition Rights of the Company

As of March 31, 2013

(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: 446,001

(4) Principal Shareholders

Name of Shareholder	Number of shares (in thousands)	Shareholding ratio (Percentage)
The Master Trust Bank of Japan, Ltd. (Trust accounts)	255,819	6.0
Japan Trustee Services Bank, Ltd. (Trust accounts)	220,972	5.2
The Dai-ichi Life Insurance Company, Limited	115,159	2.7
Nippon Life Insurance Company	110,352	2.6
Toshiba Employees Shareholding Association	109,551	2.6
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	90,858	2.1
Japan Trustee Services Bank, Ltd. (Trust accounts No. 9)	65,347	1.5
Japan Trustee Services Bank, Ltd. (Trust accounts No. 4)	57,732	1.4
NIPPONKOA Insurance Company, Ltd.	51,308	1.2
Sumitomo Mitsui Banking Corporation	51,003	1.2

For the purpose of calculation of shareholding ratio, treasury shares are excluded from total number of issued shares (denominator).

(5) Shareholding Ratio by Category :

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	37.3	1.8	3.7	24.7	0.0	32.4

For the purpose of calculation of shareholding ratio, treasury shares are excluded from total number of issued shares (denominator).

(6) Stock Acquisition Rights:

There is no relavant items.

6. Main Lenders of the Group

As of March 31, 2013

Lender	Loans Outstanding (Billions of yen)
Sumitomo Mitsui Banking Corporation	97.1
Mizuho Corporate Bank, Limited	94.5
The Bank of Tokyo-Mitsubishi UFJ, Limited	77.6
Sumitomo Mitsui Trust Bank, Limited	77.2

7. Financing of the Group

In January 2013, the Company raised funds of 30 billion yen with issuance of unsecured straight bonds for the redemption of maturing bonds in January 2013.

The funds for capital investment and others are appropriated mainly from own funds and borrowings, etc.

In December 2012 and January 2013, the Company also raised funds of 162 billion yen with syndicated loans.

8. Capital expenditure of the Group

(1) Overview

In FY2012, as a result of the enhancement of global competitiveness, and proactive investment in new businesses toward future growth, the total amount of investment and loan amounted to 420.1 billion yen. In relation to capital investment, the Group carefully selected projects in fields in which growth is expected, placing importance on efficiency of investment. Consequently, capital expenditure on ordering basis amounted to 239.6 billion yen.

The above capital expenditure includes the Group's portion in the investments made by Flash Forward, Ltd. and other affiliates accounted for by the equity method.

(Billions of yen)

Segment	Capital Expenditures	Investment and loan	Total amount
Digital Products	14.7	32.7	47.4
Electronic Devices	94.1	8.3	102.4
Social Infrastructure	71.8	134.2	206.0
Home Appliances	18.8	2.3	21.1
Others	40.2	3.0	43.2
Total	239.6	180.5	420.1

(Note) Including intangible fixed assets, on ordering basis

(2) Primary Capital Investment

	Segment	Outline
Acquired during the term	Electronic Devices	• Manufacturing facilities for hard disk drives (Acquired from Western Digital Corporation of the U.S.)
Completed during the term	Electronic Devices	• Manufacturing facilities for hard disk drives (Philippines) • Manufacturing facilities for NAND flash memory (the Company's Yokkaichi Operations) • Manufacturing facilities for elements of white LED (Note 1) (Kaga Toshiba Electronics Corporation)
	Social Infrastructure	• Manufacturing facilities for steam turbines and generators (the Company's Keihin Product Operations, etc.)
	Home Appliances	• Manufacturing building and facilities for washing machines (Indonesia)
Ordered during the term	Electronic Devices	• Manufacturing facilities for NAND flash memory (the Company's Yokkaichi Operations)
	Social Infrastructure	• Building for of Keihin Global Engineering and Manufacturing Center (the Company's Keihin Product Operations)
	Home Appliances	• Manufacturing facilities for compressor for air conditioning (Thailand)
	Others	• Interior decorating and power equipment for building of the Smart Community business (Note 2)

(Notes) 1. Ordered during term

2. The Company has planned to collectively lease the cutting-edge eco-friendly office building constructed by NREG Toshiba Building Co., Ltd. in order to use it as a core base toward the global deployment of the Smart Community business.

(3) Primary Investment and Loan

Segment	Outline
Digital Products	• Acquisition of the Retail Store Solutionsbusiness from IBM Corporation of the U.S.
Electronic Devices	• Acquisition of shares of NuFlare Technology, Inc.
Social Infrastructure	• Acquisition of equity interest in investment of Westinghouse Group from the Shaw Group Inc., a leading engineering company of the U.S.
Home Appliances	• Acquisition of Green Star Products Inc. of the U.S.

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

As of March 31, 2013

		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	➢ Chairman, Japan Travel and Tourism Association ➢ Chairman, Japan Institute of Logistics Systems ➢ Chairman, Optoelectronics Industry and Technology Development Association
Director	Norio Sasaki	Member of the Compensation Committee	
Director	Hidejiro Shimomitsu		
Director	Hisao Tanaka		
Director	Hideo Kitamura		
Director	Shozo Saito		
Director	Makoto Kubo		
Director	Toshiharu Watanabe		
Director	Fumio Muraoka	Chairman of the Audit Committee	
Director	Hiroshi Horioka	Member of the Audit Committee	
Outside Director	Takeo Kosugi	Chairman of the Nomination Committee Member of the Audit Committee	➢Partner & Attorney-at-law, Law Office of Matsuo & Kosugi ➢Outside Auditor, Nihon Servier Co. Ltd ➢Outside Auditor, FUJIFILM Holdings Corporation ➢Supervisory Director, Mori Hills REIT Investment Corporation
Outside Director	Hiroyuki Itami	Member of the Nomination Committee Member of the Compensation Committee	➢Dean, Graduate School of Innovation Studies, Tokyo University of Science ➢Outside Auditor, JFE Holdings, Inc. ➢Outside Auditor, Mitsui O.S.K. Lines, Ltd.
Outside Director	Ken Shimanouchi	Chairman of the Compensation Committee Member of the Audit Committee	

		Responsibility	Status of important concurrent holding of positions
Outside Director	Kiyomi Saito (Name on the Family Register: Kiyomi Takei)	Member of the Audit Committee Member of the Compensation Committee	➢President, JBond Totan Securities Co., Ltd ➢President, The Totan Information Technology Co., Ltd ➢Outside Auditor, Showa Denko K.K.

(Notes) 1. Three (3) Directors, Messrs. Masashi Muromachi, Hiroshi Hirabayashi (Outside Director) and Takeshi Sasaki (Outside Director) left their office due to expiration of their respective terms at the close of the Ordinary General Meeting of Shareholders for the 173rd fiscal period held on June 22, 2012.

2. Four (4) Directors, Messrs. Shozo Saito, Hiroyuki Itami (Outside Director), and Ken Shimanouchi (Outside Director), and Ms. Kiyomi Saito (Outside Director) were newly elected and assumed office at the Ordinary General Meeting of Shareholders for the 173rd fiscal period.

3. Chairman of the Audit Committee, Mr. Fumio Muraoka, has long taken charge of accounting and finance and has considerable knowledge about financial affairs and accounting.

4. Four (4) Outside Directors, Messrs. Takeo Kosugi, Hiroyuki Itami, and Ken Shimanouchi, and Ms. Kiyomi Saito are independent directors provided for in Article 436-2 of the Security Listing Regulations of the Tokyo Stock Exchange, etc.

5. The Japan Travel and Tourism Association, where Chairman of the Board and Director, Mr. Atsutoshi Nishida serves as a chairman, was reorganized to public interest incorporated association as of April 2013.

6. Status of significant concurrent holding of position of directors who concurrently serve as executive officers are written in a table of “(3) Executive Officers”, if any.

(2) Outside Directors

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

The Company has an ongoing business relationship with the FUJIFILM Group which consists of FUJIFILM Holdings Corporation and its subsidiaries, JFE Group which consists of JFE Holdings, Inc. and its subsidiaries, and Showa Denko K.K.. In addition, Showa Denko K.K. is contributing the Company’s shares and the Company is contributing the shares of Showa Denko K.K.. The Company is contributing the shares of JFE Holdings, Inc..

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 significant concurrent positions.

2) Main Activities

During the FY2012, the Board of Directors met 13 times, and the Audit Committee 13 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	Responsibility	Activities
Takeo Kosugi	Chairman of the Nomination Committee Member of the Audit Committee	Attended the meeting of the Board of Directors 12 times (92%) and that of the Audit Committee 12 times (92%). Commented as necessary based on his wealth of experience and knowledge as a specialist in law.
Hiroyuki Itami	Member of the Nomination Committee Member of the Compensation Committee	Since June 2012, when assumed the office of director, attended the meeting of the Board of Directors 9 times (90%). Commented as necessary based on his wealth of experience and knowledge as a specialist of business administration and an administrator of a university.
Ken Shimanouchi	Chairman of the Compensation Committee Member of the Audit Committee	Since June 2012, when assumed the office of director, attended the meeting of the Board of Directors 9 times (90%) and that of the Audit Committee 9 times (100%). Commented as necessary based on his wealth of experience and knowledge as an ex-diplomat.
Kiyomi Saito	Member of the Audit Committee Member of the Compensation Committee	Since June 2012, when assumed the office of director, attended the meeting of the Board of Directors 10 times (100%) and that of the Audit Committee 9 times (100%). Commented as necessary based on her wealth of experience and knowledge as a business manager.

3) Limited Liability Contracts

The Company has signed a limited liability contract with each of the four Outside Directors, Messrs. Takeo Kosugi, Hiroyuki Itami, and Ken Shimanouchi, and Ms. Kiyomi Saito, to limit their liabilities as provided in Article 423, Paragraph 1 of the Companies Act to 31.2 million yen or the minimum liability amount stated in Article 425, Paragraph 1 of the Companies Act, whichever is larger.

(3) Executive Officers

		Responsibility	Status of significant concurrent holding of positions.
Representative Executive Officer President and Chief Executive Officer (*)	Norio Sasaki		Member, Council on Economic and Fiscal Policy
Representative Executive Officer Corporate Senior Executive Vice President (*)	Hidejiro Shimomitsu	➢ Support of the President ➢ Responsible for the Digital Products Group ➢ General Executive, Corporate Social Responsibility Div.	Outside Director, Toshiba TEC Corporation

		Responsibility	Status of significant concurrent holding of positions.
Representative Executive Officer Corporate Senior Executive Vice President (*)	Hisao Tanaka	➢ Support of the President ➢ Group Executive, Strategic Planning & Communications Group ➢ Project Manager, Global Shared Service Promotion Project Team ➢ General Executive, Procurement & Logistics GroupGeneral Executive, Productivity & Environment Group	Chairman, Taiwan Toshiba International Procurement Corporation Chairman, Toshiba Hangzhou Co., Ltd.
Representative Executive Officer Corporate Senior Executive Vice President (*)	Hideo Kitamura	➢ Support of the President ➢ Responsible for the Social Infrastructure Group ➢ Project Manager, the Workplace Innovation Project Team ➢ General Executive, Legal Affairs Group ➢ General Executive, the Export Control Group	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Shozo Saito	➢ Support of the President ➢ Responsible for the Electronic Devices & Components Group ➢ Managing Director, Materials & Devices ➢ Group Executive, Quality Division	Chairman, Reliability Center for Electronic Components of Japan Chairman, Semiconductor Industry Research Institute Japan
Representative Executive Officer Corporate Executive Vice President (*)	Makoto Kubo	➢ General Executive, Finance & Accounting Group	
Executive Officer Corporate Executive Vice President (*)	Toshiharu Watanabe	➢ Managing Director, the Smart Community Division ➢ General Executive, the Marketing Group	
Executive Officer Corporate Executive Vice President	Yasuharu Igarashi	➢ President and CEO of the Power Systems Company (in-house company)	President, TSB Nuclear Energy Investment US Inc.
Executive Officer Corporate Executive Vice President	Akira Sudo	➢ General Executive, Cloud & Solutions Business ➢ Group Executive, Innovation Division ➢ General Executive, Information & Security Group ➢ General Executive, Technology & Intellectual Property Group	Chairman, Low-Power Electronics Association & Project
Executive Officer Corporate Executive Vice President	Masahiko Fukakushi	➢ President and CEO of the Digital Products & Services Company (in-house company)	

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Executive Vice President	Kiyoshi Kobayashi	➢ President and CEO of the Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Senior Vice President	Toshio Masaki	➢ President and CEO of the Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Senior Vice President	Masaaki Osumi	➢ Corporate Representative-Americas	Chairman and CEO, Toshiba America, Inc.
Executive Officer Corporate Senior Vice President	Hiroshi Saito	➢ General Manager of the Export Control Division	
Executive Officer Corporate Senior Vice President	Shigenori Shiga	➢ Executive Vice President of the Power Systems Company (in-house company)	

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Senior Vice President	Masayasu Toyohara	➢ Responsible for the Consumer Electronics Group ➢ Managing Director, the New Lighting Systems	President and CEO, Toshiba Consumer Electronics Holdings, Inc.
Executive Officer Corporate Senior Vice President	Hironobu Nishikori	➢ Executive Vice President of the Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Senior Vice President	Osamu Maekawa	➢ Chief Technology Executive and Chief Quality Executive of Power Systems Company (in-house company) ➢ General Manager, Power and Industrial Systems Research and Development Center	Outside Auditor, Toshiba Plant Systems Inc.
Executive Officer Corporate Senior Vice President	Shigenori Tokumitsu	➢ Executive Vice President of Digital Products and Services Company (in-house company)	Chairman, TOSHIBA EL ARABY VISUAL PRODUCTS COMPANY
Executive Officer Corporate Vice President	Masakazu Kakumu	➢ Executive Vice President of the Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Vice President	Yasuhiro Shimura	➢ General Manager, the Marketing Planning Division	President and CEO, Toshiba Marketing Consultant
Executive Officer Corporate Vice President	Munehiko Tsuchiya	➢ Executive Vice President of the Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Vice President	Masazumi Yoshioka	➢ General Manager, the Chubu Branch Office	
Executive Officer Corporate Vice President	Hiroshi Igashira	➢ General Manager, the Corporate Audit Division	
Executive Officer Corporate Vice President	Makoto Hidejima	➢ Executive Vice President of the Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Vice President	Teruo Kiriyama	➢ Corporate Representative - China	Chairman, Toshiba China Co., Ltd.
Executive Officer Corporate Vice President	Yasuo Naruke	➢ Vice President, Memory Div., Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Vice President	Naoki Takenaka	➢ General Manager, the Kansai Branch Office	Representative Director and Corporate Senior Vice President of Denshi Kaikan Corporation
Executive Officer Corporate Vice President	Kiyoshi Okamura	➢ Vice President, Nuclear Energy Systems and Services Div. Power Systems Company (in-house company)	

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Vice President	Takeshi Yokota	➢ Vice President, Transmission & Distribution Systems Div. Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Vice President	Fumiaki Ushio	➢ General Executive, Human Resources Group	
Executive Officer Corporate Vice President	Naoto Nishida	➢ General Manager, Technology Planning Div.	
Executive Officer Corporate Vice President	Takemi Adachi	➢ Executive Vice President of the Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Vice President	Yoshihiro Aburatani	➢ Vice President, Thermal & Hydro Power Systems and Services Div. Power Systems Company (in-house company)	
Executive Officer Corporate Vice President	Shigeyoshi Shimotsuji	➢ Vice President, Cloud & Solutions Business	

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

2. Following four (4) 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 173rd fiscal period held on June 22, 2012:
Representative Executive Officer, Corporate Senior Executive Vice President Mr. Masashi Muraoka
Executive Officer, Corporate Executive Vice President, Mr.Yoshihide Fujii
Executive Officer, Corporate Senior Vice President, Mr. Shoji Yoshioka
Executive Officer, Corporate Vice President, Mr. Koji Iwama

3. Following four (4) Executive Officers were elected and assumed office at the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 173rd fiscal period:
Executive Officer, Corporate Vice President Messrs. Naoto Nishida, Takemi Adachi, Yoshihiro Aburatani, Shigeyoshi Shimotsuji

10. 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

Item	Number of Directors/Executive Officers	Amount
	Persons	Millions of yen
Directors	17	295
(Outside Directors)	(6)	(59)
Executive Officers	49	1,199

Note: The amount of compensation includes compensation to Directors and Executive Officers who retired on June 22, 2012.

11. 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., 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	497	5	502
Consolidated subsidiaries	546	58	604

Total	1,043	63	1,106

(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 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 Companies Act, 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.

12. 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.

13. 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

The Group continues and deepens the restructuring of businesses for the establishment of the financial business structure, tolerable for the environmental changes and profitable. The Group strongly promotes the transformation of business structure toward the establishment of the revenue base as well.

(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 each June 2006, 2009 and 2012.

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 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 each June 2006, 2009 and 2012.

The Board of Directors may convene the Shareholder's Intent Confirmation Meeting and confirm the intent of the Company's shareholders regarding the implementation of propriety of the plan in the cases of certain situation.

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.

d. The acquisition of expert opinion as a third party

Special Committee can receive advices by independent third parties, including Financial Advisers, Certified Public Accountants, Attorneys at Law, Licensed Tax Accountants, Consultants and the other experts, at the expense of the Company. This would securely enhance the fairness and objectivities of the decision made by the Special Committee.

(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/news20120508_1.pdf)[2].

14. The Group's Employees As of March 31, 2012March 31, 2013

Segment	Number of Employees
	Persons
Digital Products	34,926
Electronic Devices	36,050
Social Infrastructure	92,886
Home Appliances	25,471
Others	13,338
Group-wide (shared)	3,416
Total	206,087

(Note) The Company has 35,786 employees.

15. Main Places of Business and Facilities of the Group As of March 31, 2013

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

(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)
Digital Products	Laboratories	Design & Development Center (Ome), Platform & Solution Development Center (Ome)
	Production Facilities	Fukaya Complex (Fukaya), Ome Complex (Ome)
Electronic Devices	Laboratories	Center For Semiconductor Research & Development (Kawasaki)
	Production Facilities	Yokkaichi Operations (Yokkaichi), Himeji Operations – Semiconductor (Taishi, Hyogo), Oita Operations (Oita)
Social Infrastructure	Laboratories	Power and Social Systems Research and Development Center (Yokohama), Isogo Nuclear Engineering Center (Yokohama)
	Production Facilities	Kashiwazaki Operations (Kashiwazaki), Saku Operations (Saku), Fuchu Complex (Fuchu, Tokyo), Komukai Complex (Kawasaki), Hamakawasaki Operations (Kawasaki), Keihin Product Operations (Yokohama), Mie Operations (Asahi Cho, Mie)

Note: As of May 2013, Saku Operations was integrated into Kashiwazaki Operations.

(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, 2013

The 174th term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2013

Assets	(Millions of yen)
Current assets	3,163,707
Cash and cash equivalents	209,169
Notes and accounts receivable, trade	1,372,307
Notes	33,620
Accounts	1,355,551
Allowance for doubtful notes and accounts	(16,864)
Inventories	1,003,108
Deferred tax assets	146,388
Prepaid expenses and other current assets	432,735
Long-term receivables and investments	706,188
Long-term receivables	30,379
Investments in and advances to affiliates	411,418
Marketable securities and other investments	264,391
Property, plant and equipment	884,680
Land	99,102
Buildings	948,918
Machinery and equipment	2,081,402
Construction in progress	90,858
Less - Accumulated depreciation	(2,335,600)
Other assets	1,352,157
Deferred tax assets	336,330
Others	1,015,827
Total assets	6,106,732

Consolidated Balance Sheet (Continued)

As of March 31, 2013

Liabilities	(Millions of yen)
Current liabilities	2,743,724
Short-term borrowings	191,453
Current portion of long-term debts	241,675
Notes and accounts payable, trade	1,190,201
Accounts payable, other and accrued expenses	434,790
Accrued income and other taxes	57,465
Advance payments received	297,902
Other current liabilities	330,238
Long-term liabilities	1,946,486
Long-term debt	1,038,448
Accrued pension and severance costs	715,450
Other liabilities	192,588
Total liabilities	4,690,210
Equity	
Equity attributable to shareholders of the Company	1,034,456
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	404,430
Retained earnings	635,586
Accumulated other comprehensive loss	(443,919)
Treasury stock, at cost	(1,542)
2,789,946 shares	
Equity attributable to noncontrolling interests	382,066
Total equity	1,416,522
Commitments and contingent liabilities	
Total liabilities and equity	6,106,732

Consolidated Statement of Income

For the year ended March 31, 2013

	(Millions of yen)
Sales and other income	5,935,259
Net sales	5,800,281
Interest and dividends	12,430
Equity in earnings of affiliates	21,560
Other income	100,988
Costs and expenses	5,779,706
Cost of sales	4,384,414
Selling, general and administrative	1,221,551
Interest	32,692
Other expense	141,049
Income before income taxes and noncontrolling interests	155,553
Income taxes:	59,827
Current	50,447
Deferred	9,380
Net income before noncontrolling interests	95,726
Less - Net income attributable to noncontrolling interests	18,193
Net income attributable to shareholders of the Company	77,533

Consolidated Statement of Shareholders' Equity

For the year ended March 31, 2013

(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, 2012	439,901	401,125	591,932	(567,979)	(1,498)	863,481	366,730	1,230,211
Capital transactions with noncontrolling interest and other		3,311		(44,814)		(41,503)	(39,857)	(81,360)
Dividends to shareholders of the Company			(33,879)			(33,879)		(33,879)
Dividends to non-controlling interest							(4,935)	(4,935)
Comprehensive income								
Net income			77,533			77,533	18,193	95,726
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				21,072		21,072	4,499	25,571
Foreign currency translation adjustments				109,525		109,525	38,048	147,573
Pension liability adjustments				38,992		38,992	(486)	38,506
Net unrealized gains and losses on derivative instruments				(715)		(715)	(126)	(841)
Comprehensive income						246,407	60,128	306,535
Purchase of treasury stock, net, at cost		(6)			(44)	(50)		(50)
Balance at March 31, 2013	439,901	404,430	635,586	(443,919)	(1,542)	1,034,456	382,066	1,416,522

*Notes to Consolidated Financial Statements are posted on the Company's website（http://www.toshiba.co.jp/about/ir/en/stock/meeting.htm）.

(For reference) Consolidated Statement of Cash Flows

(For the year ended March 31, 2013)

	(Millions of yen)
Cash flows from operating activities	132,316
Cash flows from investing activities	(196,347)
(Free cash flow)	(64,031)
Cash flows from financing activities	41,772
Effect of exchange rate changes on cash and cash equivalents	17,123
Net decrease in cash and cash equivalents	(5,136)
Cash and cash equivalents at beginning of the year	214,305
Cash and cash equivalents at end of the year	209,169

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 Financial Statements

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 120-2, Paragraph 1 of the Provision to the Corporate Calculation Rules. However, according to the provision in the latter part of this paragraph, the Company omits a part of presentation and notes required by accounting principles generally accepted in the U.S.

2） Inventories

Raw materials, 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 "Accounting Standards Codification" ("ASC") 320 “Investment – debt securities and equity securities”, 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”, 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 and some of its subsidiaries sponsor 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 Income (Loss) per Share Attributable to Shareholders of the Company

Basic net income (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 Standards

The Company adopted the "Accounting Standards Updates" ("ASU") No. 2011-08 effective April 1, 2012. ASU No. 2011-08, an amendment of ASC 350, approves of an entity's having the option to assess qualitative factors to determine whether it is necessary to perform the two-step goodwill impairment test. The adoption of ASU No. 2011-08 has no material impact on the Company's consolidated financial statements.

2. Notes to Consolidated Balance Sheet

1） Assets pledged as a collateral and secured Liabilities

Pledged assets:	Accounts receivable	15,732	million yen
	Long-term receivables	11,246	million yen
	Total	26,978	million yen
Liabilities secured by collateral:	Current portion of long-term debts	13,311	million yen
	Long-term debt	5,895	million yen
	Total	19,206	million yen

2） Liabilities on guarantee and their kinds 333,755 million yen

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

4） Important disputes

In January 2007, the European Commission adopted a decision imposing fines on 19 companies, including the Company, for violating EU Competition Law in the gas insulated switchgear market. Following its own investigation, the Company contends that it has not found any infringement of EU Competition Law, and it brought an action to the General Court of the European Union seeking annulment of the European Commission's decision in April 2007. In July 2011, the General Court of the European Union handed down a judgment and annulled the entire fine imposed on the Company, but upheld the European Commission's determination about alleged anti-competitive behavior. The Company appealed to the European Court of Justice in September 2011, since there was certain inconsistency between the contents of the judgment and the facts as recognized by the Company. The Company will assert its position in the appeal. In June 2012, the European Commission decided to recalculate the fine which had been annulled with the above-mentioned judgment, and imposed it on the Company again. With this decision, the Company was individually fined 56.8 million euro and was also fined 4.65 million euro jointly and severally with Mitsubishi Electric Corporation. In September 2012, the Company brought an action to the General Court of the European Union, contending that procedures related to the decision and its contents are unreasonable.

In August 2007, General Electric Capital Leasing Corporation (currently General Electric Japan Inc.(“GE Japan Inc.”)) filed a lawsuit against six companies including the Company and its two subsidiaries for compensation of damages caused by false transactions. Although such transactions were conducted by a former employee of the Group without any relation to the business operation of the Group, GE Japan Inc. sought the damages in accordance with the employer liability clause of Civil Code. In October 2010, GE Japan Inc. settled the case with Transcosmos Inc. and Parametric Technology Corporation Japan, both of which were defendants, and assigned the claims to them. In July 2011, Tokyo District Court ordered the Company to pay approximately 4,550 million yen but the Company immediately appealed against this court ruling because the Company believes it is not responsible for the illegal transactions conducted by the former employee.

In February 2011, the Ministry of Defense of Japan (“MOD”）cancelled a contract for development and manufacture of the “reconnaissance system for F-15” between MOD and the Company. In July 2011, the Company filed a lawsuit against MOD with Tokyo District Court seeking payment of approximately 9,319 million yen including payment for parts which had already been completed. In October 2012, MOD filed a countersuit to claim for penalty charge based on the dissolution of the contract. The Company believes that it had properly executed its duties pursuant to conditions of the

In the U.S., since December 2006, actions against Toshiba Group, etc. to claim for damages have been filed by purchasers, etc. of LCD-related products on the ground of suspicion of infringements of U.S. Anti-trust Law. Among them, while the Company agreed on settlement of class actions with plaintiffs, lawsuits with individual companies have been pending. Believing that Toshiba Group has not committed any violations in the LCD business, the Company intends to take any legal actions to have its claims accepted.

In December 2012, the European Commission determined that there was an infringement of EU Competition Law in the color television picture tube market, and adopted a decision to impose a fine of approximately 28 million euro on Toshiba, plus a fine of approximately 87 million euro jointly and severally with Panasonic Corporation and MT Picture Display Co., Ltd. According to the Company's investigation, Toshiba has not infringed EU Competition Law. Therefore, the Company brought an action to the General Court of the European Union.

3. 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. For marketable securities, the Group 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.

In the normal course of its risk management efforts, the Group employs a variety of derivative financial instruments, which are consisted principally of forward exchange contracts, interest rate swap agreements, currency swap agreements and currency options to reduce its exposures. The Group has policies and procedures for risk management and the approval, reporting and monitoring of derivative financial instruments. The Group's policies prohibit holding or issuing derivative financial instruments for trading purposes.

2) Matters concerning market value of financial instruments

The consolidated balance sheet amounts as of March 31, 2013, 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	203,623	203,623	-
Liabilities concerning financial instruments			
Corporate bonds and long-term loans payable	1,245,214	1,252,204	6,990
Financial derivatives	3,174	3,174	-

The above table excludes the financial instruments for which fair values approximate their carrying amounts and those related to leasing activities.

In estimating the fair value of these financial instruments, the Group employs a variety of techniques and assumptions, which are based on estimates of market conditions and risks existing at the measurement dates. For certain instruments, including cash and cash equivalents, notes and accounts receivable-trade, short-term borrowings, notes and accounts payable-trade, and accounts payable-other and accrued expenses, the carrying amount approximates fair value for the majority of the respective instruments because of their short maturities. For some of investment securities and other investments, the Group 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 value 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."

4. Notes to net earnings (loss) per share

Net earnings per share

Basic net earnings per share attributable to shareholders of the Company	18.31	yen
Diluted net earnings per share attributable to shareholders of the Company	18.31	yen

5.Concerning Acquisition of IBM's Retail Store Solution Business by a Consolidated Subsidiary

Toshiba TEC Corporation (hereinafter referred to as "TEC"), a consolidated subsidiary of Toshiba, entered into an agreement with International Business Machines Corporation ("IBM") to acquire IBM's retail store solutions business for US$850 million on April 17, 2012 (Japan time), and acquired the business on July 31, 2012 (eastern U.S. time).
In accordance with said agreement, the business was acquired through Toshiba Global Commerce Solutions Holdings Corporation, a holding company established in Japan ("Holding Company"), and new companies established in 42 countries and regions including U.S. under the umbrella of the Holding Company. It is scheduled to acquire the business with a new company established in a country other than the above-mentioned countries and regions through various procedures such as administrative license or authorization, etc.
TEC acquired an 80.1% stake and IBM Taiwan Holdings B.V. ("IBM Taiwan") acquired a 19.9% stake in the Holding Company.
According to the price adjustment clause on compensations for acquisition of the business, approximately US $411 million equivalent to 51.0% of total compensations estimated currently was paid on the acquisition date. One year after the payment, the amount equivalent to 29.1% of the total compensations for acquisition is scheduled to be paid. Three years after that, the payment will be made through purchase of shares held by IBM Taiwan which are equivalent to 19.9%. Upon the final payment, the Holding Company will become a wholly owned subsidiary of Toshiba TEC.
After acquisition of the retail store solutions business, TEC will become the foremost retail point of sale systems company that provides new value to customers, globally offering high-level products and solutions in the retail solution market which has been rapidly growing in the Americas, Europe, Japan, Asia, and worldwide.
The allocation of the fair value of the acquisition under ASC No. 805 will be finalized when the valuation is completed.

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, 2013

The 174th term

Toshiba Corporation

Balance Sheet
As of March 31, 2013

Assets	(Millions of yen)
Current assets	1,875,899
Cash and cash equivalents	48,452
Notes receivables	6,111
Accounts receivables	748,453
Finished products	253,293
Raw materials	43,653
Work in process	205,069
Advance payments	21,208
Prepaid expenses	11,595
Deferred tax assets	74,578
Other current assets	574,096
Allowance for doubtful accounts	(110,614)
Fixed assets	2,112,279
Tangible fixed assets	376,445
Buildings	172,978
Structures	16,233
Machinery and equipment	66,702
Delivery equipment	242
Tools, fixtures and furniture	24,957
Land	55,160
Lease assets	6,523
Construction in progress	33,646
Intangible fixed assets	39,542
Software	29,614
Other intangible fixed assets	9,928
Investments and others	1,696,291
Investment securities	127,424
Security investments in affiliates	1,131,579
Other investments	4,187
Other investments in affiliates	118,258
Long-term loans	120,867
Long-term prepaid expenses	4,541
Deferred tax assets	148,859
Other assets	40,710
Allowance for doubtful accounts	(138)
Total assets	3,988,178

Balance Sheet (Continued)
As of March 31, 2013

Liabilities	(Millions of yen)
Current liabilities	1,864,254
Notes payable	964
Accounts payable	805,257
Short-term loans	257,997
Commercial paper	61,000
Current portion of debentures	120,000
Lease obligations	1,286
Accrued liabilities	69,710
Accrued expenses	197,662
Corporate and other taxes payable	3,339
Advance payments received	117,105
Deposits received	208,171
Allowance for warranty and others	5,379
Allowance for losses on construction contracts	1,560
Allowance for losses on business of affiliates	1,196
Other current liabilities	13,624
Long-term liabilities	1,188,874
Debentures	350,000
Long-term loans	636,671
Lease obligations	5,262
Allowance for retirement benefits	183,916
Allowance for recycle of personal computers	3,753
Asset retirement obligations	691
Other long-term liabilities	8,580
Total liabilities	3,053,129
Net Assets	
Shareholders' equity	920,893
Common stock	439,901
Capital surplus	380,839
Other capital surplus	380,839
Retained earnings	101,695
Legal retained earnings	7,199
Other retained earnings	94,496
Reserves for deferral of gains on sales of property	3,747
Retained earnings brought forward	90,748
Treasury stock	(1,542)
Difference of appreciation and conversion	14,155
Net unrealized gains (losses) on investment securities	14,040
Deferred profit (loss) on hedges	114
Total net assets	935,049
Total liabilities and net assets	3,988,178

Statement of Income
For the year ended March 31, 2013

	(Millions of yen)
Net sales	2,897,256
Cost of sales	2,433,441
Gross margin	463,814
Selling, general and administrative expenses	434,547
Net operating income	29,266
Non-operating income	72,113
Interest income	3,658
Dividend income	48,584
Miscellaneous income	19,870
Non-operating expenses	82,662
Interest expenses	25,257
Miscellaneous expenses	57,404
Recurring income	18,717
Extraordinary gains	25,340
Gains from sales of fixed assets	15,510
Gains from contribution of securities to retirement benefit	9,830
Extraordinary losses	13,989
Losses on valuation of shares of subsidiaries and affiliates	7,724
Losses on valuation of investment securities	424
Business structure improvement expenses	5,841
Income before taxes	30,068
Corporate tax, inhabitant tax and business tax	(7,392)
Taxes deferred	8,350
Net income	29,110

Statement of Changes in Net Assets
For the year ended March 31, 2013

	(Millions of yen)
Shareholders' equity	
Common stock	
Balance at beginning of the term	439,901
Changes in the term	
Total changes in the term	0
Balance at end of the term	439,901
Capital surplus	
Other capital surplus	
Balance at beginning of the term	380,845
Changes in the term	
Disposal of treasury stock	(5)
Total changes in the term	(5)
Balance at end of the term	380,839
Retained earnings	
Legal retained earnings	
Balance at beginning of the term	3,811
Changes in the term	
Dividends from surplus	3,387
Total changes in the term	3,387
Balances at end of the term	7,199
Other retained earnings	
Reserves for deferral of gains on sales of property	
Balances at beginning of the term	5,985
Changes in the term	
Reversal of reserves for deferral of gains on sales of property	(2,237)
Total changes in the term	(2,237)
Balances at end of the term	3,747
Retained earnings brought forward	
Balance at beginning of the term	96,667
Changes in the term	
Reversal of reserves for deferral of gains on sales of property	2,237
Dividends from surplus	(37,267)
Net income	29,110
Total changes in the term	(5,918)
Balance at end of the term	90,748

Statement of Changes in Net Assets (Continued)

For the year ended March 31, 2013

	(Millions of yen)
Treasury stock	
Balance at beginning of the term	(1,498)
Changes in the term	
Purchase of treasury stock	(56)
Disposal of treasury stock	12
Total changes in the term	(44)
Balance at end of the term	(1,542)
Total shareholders' equity	
Balance at beginning of the term	925,712
Changes in the term	
Dividends from surplus	(33,879)
Net income	29,110
Purchase of treasury stock	(56)
Disposal of treasury stock	6
Total changes in the term	(4,818)
Balance at end of the term	920,893
Difference of appreciation and conversion	
Net unrealized gains (losses) on investment securities	
Balances at beginning of the term	13,560
Changes in the term	
Net changes of items other than shareholders' equity	480
Total changes in the term	480
Balance at end of the term	14,040
Deferred profit (loss) on hedges	
Balance at beginning of the term	(609)
Changes in the term	
Net changes of items other than shareholders' equity	724
Total changes in the term	724
Balance at end of the term	114
Total net assets	
Balance at beginning of the term	938,663
Changes in the term	
Dividends from surplus	(33,879)
Net income	29,110
Purchase of treasury stock	(56)
Disposal of treasury stock	6
Net changes of items other than shareholders' equity	1,204
Total changes in the term	(3,614)
Balance at end of the term	935,049

*Notes to Non-Consolidated Financial Statements are posted on the Company's website（http://www.toshiba.co.jp/about/ir/en/stock/meeting.htm).

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).
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.

Notes to Non-Consolidated Financial Statements (2)

(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.
Allowance for recycle of personal computers	To cover costs of recycle of personal computers, the estimated recycle costs are recognized based on sales performance.

(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).

Notes to Non-Consolidated Financial Statements (3)

(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.

(10) Presentation of amount

Amounts under million are rounded down.

Notes to Non-Consolidated Financial Statements (4)

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 824 million yen for affiliates.

(2) Accumulated depreciation for tangible fixed assets: 1,350,686 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	449,979
WesDyne International LLC	46,517
Flash Alliance Ltd.	32,276
Others	103,898
Total	632,673

Notes to Non-Consolidated Financial Statements (5)

(4) Important disputes

In January 2007, the European Commission adopted a decision imposing fines on 19 companies, including the Company, for violating EU Competition Law in the gas insulated switchgear market. Following its own investigation, the Company contends that it has not found any infringement of EU Competition Law, and it brought an action to the General Court of the European Union seeking annulment of the European Commission's decision in April 2007. In July 2011, the General Court of the European Union handed down a judgment and annulled the entire fine imposed on the Company, but upheld the European Commission's determination about alleged anti-competitive behavior. The Company appealed to the European Court of Justice in September 2011, since there was certain inconsistency between the contents of the judgment and the facts as recognized by the Company. The Company will assert its position in the appeal. In June 2012, the European Commission decided to recalculate the fine which had been annulled with the above-mentioned judgment, and imposed it on the Company again. With this decision, the Company was individually fined 56.8 million euro and was also fined 4.65 million euro jointly and severally with Mitsubishi Electric Corporation. In September 2012, the Company brought an action to the General Court of the European Union, contending that procedures related to the decision and its contents are unreasonable.

In August 2007, General Electric Capital Leasing Corporation (currently General Electric Japan Inc. ("GE Japan Inc.")) filed a lawsuit against six companies including the Company and its two subsidiaries for compensation of damages caused by false transactions. Although such transactions were conducted by a former employee of the Group without any relation to the business operation of the Group, GE Japan Inc. sought the damages in accordance with the employer liability clause of Civil Code. In October 2010, GE Japan Inc. settled the case with Transcosmos Inc. and Parametric Technology Corporation Japan, both of which were defendants, and assigned the claims to them. In July 2011, Tokyo District Court ordered the Company to pay approximately 4,550 million yen but the Company immediately appealed against this court ruling because the Company believes it is not responsible for the illegal transactions conducted by the former employee.

In February 2011, the Ministry of Defense of Japan ("MOD") cancelled a contract for development and manufacture of the "reconnaissance system for F-15" between MOD and the Company. In July 2011, the Company filed a lawsuit against MOD with Tokyo District Court seeking payment of approximately 9,319 million yen including payment for parts which had already been completed. In October 2012, MOD filed a countersuit to claim for penalty charge based on the dissolution of the contract. The Company believes that it had properly executed its duties pursuant to conditions of the contract and that MOD's cancellation of the contract is unreasonable. Therefore the Company will assert its position in the Court.

In U.S., since December 2006, actions against Toshiba Group, etc. to claim for damages have been filed by purchasers, etc. of LCD-related products on the ground of suspicion of infringements of U.S. Competition Law. Among them, while the Company agreed on settlement of class actions with plaintiffs, lawsuits with individual companies have been pending. Believing that Toshiba Group has not committed any violations in the LCD business, the Company intends to take any legal actions to have its claims accepted.

In December 2012, the European Commission determined that there was an infringement of EU Competition Law in the Color Picture Tube market, and adopted the decision to impose a fine of approximately 28 million euro on Toshiba, plus a fine of approximately 87 million euro jointly and severally with Panasonic Corporation and MT Picture Display Co., Ltd. According to the Company's investigation, Toshiba has not infringed EU Competition Law. Therefore, the Company brought an action to the General Court of the European Union.

Notes to Non-Consolidated Financial Statements (6)

(5) Monetary receivable and liabilities to subsidiaries and affiliates

Current monetary receivables	883,506 million yen
Non-current monetary receivables	125,180 million yen
Current monetary liabilities	889,137 million yen

3. Notes to Statement of Income

(1)	Sales to subsidiaries and affiliates	1,970,655 million yen
(2)	Purchases from subsidiaries and affiliates	2,268,902 million yen
(3)	Non-operating transactions amounts with subsidiaries and affiliates	75,346 million yen

4. Notes to Statement of Changes in Net Assets

(1) The class and number of issued shares as of March 31, 2013

Common stock 4,237,602,026 shares

(2) The class and number of treasury stock as of March 31, 2013

Common stock 2,789,946 shares

(3) Resolution of dividends

Resolution	Total amount of dividend	Dividend per share	Record date	Effective date
Board of Directors Meeting held on May 8, 2012	16,939 million yen	4.00 yen	Mar. 31, 2012	Jun. 1, 2012
Board of Directors Meeting held on Oct. 31, 2012	16,939 million yen	4.00 yen	Sep. 30, 2012	Dec. 3, 2012
Board of Directors Meeting held on May 8, 2013 (scheduled)	16,939 million yen	4.00 yen	Mar. 31, 2013	Jun. 3, 2013

5. Notes to Deferred Income Tax Accounting

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

Notes to Non-Consolidated Financial Statements (7)

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	Mobile Broadcasting Corporation	90.3%	Lending of cash	Lending of cash*3	–	Other current assets	63,450
				Receipt of interests*3	28	Other current assets	0
Subsidiary	Taiwan Toshiba International Procurement Corporation	100%	Procurement	Procurement*4	1,191,951	Accounts payable	285,152
Subsidiary	Toshiba Plant Systems & Services Corporation	61.6%	Procurement	Procurement*4	100,700	Accounts payable	55,620
			Deposit of cash	Deposit of cash*5	–	Deposits received	51,990
				Payment of interests*5	134	Accrued expenses	21
Subsidiary	Toshiba International Finance (UK) Plc.	100%	Borrowing of cash	Borrowing of cash*3	–	Short-term loans	85,293
				Payment of interests*3	219	Accrued expenses	2
Subsidiary	Westinghouse Electric Company LLC	100%*2	Guarantees	Guarantees	449,979	–	–
Subsidiary	WesDyne International LLC	100%*2	Guarantees	Guarantees	46,517	–	–
Subsidiary	Landis+Gyr Holdings A.G.	60.0%	Lending of cash	Lending of cash*3	–	Long-term loans	46,554
				Receipt of interests*3	1,454	Other current assets	230

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

*2. Toshiba Nuclear Energy Holdings (US) Inc., 87% of whose voting rights are held by the Company and subsidiaries of the Company, holds all of the voting rights of Westinghouse Electric Company LLC and WesDyne International LLC.

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

*4. Conditions of procurement are determined under the same condition of arms-length transaction, considering market price.

*5. Funds are lent and borrowed through cash pooling among domestic group companies.
Interest of lending and/or borrowing is determined under the same condition of arms-length transaction, considering market interest rate.

7. Notes to information per share

(1) Net assets per share	220.80	yen
(2) Earnings per share	6.87	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 6, 2013

Ernst & Young ShinNihon LLC

Hiroshi Hamao
Certified Public Accountant
Designated and Engagement Partner

Tatsuhiro Ishikawa
Certified Public Accountant
Designated and Engagement Partner

Yasushi Yoshida
Certified Public Accountant
Designated and Engagement Partner

Masato Tanibuchi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity and the notes) of Toshiba Corporation (the “Company”) applicable to the fiscal year from April 1, 2012 through March 31, 2013.

Management’s responsibility for the statutory report.

Management is responsible for the preparation and fair presentation of these Consolidated financial statements in accordance with the provision of the second sentence of Article 120-2, Paragraph 1 of the Corporate Accounting Regulations of Japan, which permits the omission of some disclosure items required under the accounting principles generally accepted in the United States of America (hereinafter “U.S. GAAP”); this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of Consolidated financial statements that is free from material misstatement, whether due to fraud or error.

Independent auditors’ responsibility

Our responsibility is to express an opinion on the Consolidated financial statements based on our audits as independent auditors. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The audit procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity’s internal control. However, in making those risk assessment, we consider internal control relevant to the entity’s preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit opinion

In our opinion, the consolidated financial statements referred to above, which omit some disclosure items required under U.S. GAAP in accordance with the provision of second sentence of Article 120-2, Paragraph 1 of the Corporate Accounting Regulations of Japan, 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, 2013.

Interests in the Company

Our firm and engagement partners 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 174th fiscal period, from April 1, 2012 to March 31, 2013.
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 174th 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 7, 2013

Audit Committee
Toshiba Corporation

Fumio Muraoka

Hiroshi Horioka

Takeo Kosugi

Ken Shimanouchi

Kiyomi Saito

Note: Messrs. Takeo Kosugi and Ken Shimanouchi and Ms. Kiyomi Saito 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 6, 2013

Ernst & Young ShinNihon LLC

Hiroshi Hamao
Certified Public Accountant
Designated and Engagement Partner

Tatsuhiro Ishikawa
Certified Public Accountant
Designated and Engagement Partner

Yasushi Yoshida
Certified Public Accountant
Designated and Engagement Partner

Masato Tanibuchi
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 174th fiscal year from April 1, 2012 through March 31, 2013. 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.

Management’s responsibility for the statutory report.

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with business accounting standards generally accepted in Japan; this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Independent auditors’ responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audits as independent auditors. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those auditing 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The audit procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity’s internal control. However, in making those risk assessment, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit 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 the results of operations of Toshiba Corporation as of the date and for the period for which the financial statements and the related supplementary schedules were prepared in accordance with business accounting standards generally accepted in Japan.

Interests in the Company

Our firm and engagement partners have no interest in the Company that should be disclosed pursuant to the provisions of 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 174th fiscal period, from April 1, 2012 to March 31, 2013 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 174th 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 7, 2013

Audit Committee
Toshiba Corporation

Fumio Muraoka

Hiroshi Horioka

Takeo Kosugi

Ken Shimanouchi

Kiyomi Saito

Note: Messrs. Takeo Kosugi and Ken Shimanouchi and Ms. Kiyomi Saito are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of Companies Act.