

**TOSHIBA**

Leading Innovation >>>



**ANNUAL  
REPORT  
2012**

For the Year Ended March 31, 2012

**TOSHIBA TEC CORPORATION**

# Financial Highlights

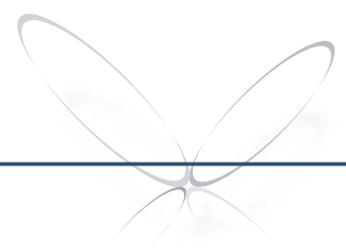
Years ended March 31

Consolidated	Millions of yen					Thousands of U.S.dollars
	2008	2009	2010	2011	2012	2012
Net sales	¥492,970	¥422,601	¥364,578	¥362,302	¥350,604	\$4,265,774
Operating income	26,075	10,123	9,725	13,997	10,830	131,768
Net income	13,382	2,634	4,144	6,510	2,566	31,220
Total assets	313,900	281,732	289,518	288,592	276,436	3,363,378
Net assets	161,169	142,034	142,692	140,519	139,732	1,700,110
	Yen					U.S.dollars
Per share data:						
Net income -						
Basic	¥48.20	¥9.53	¥15.06	¥23.71	¥9.35	\$0.114
Total shareholders' equity	504.00	465.63	474.85	473.44	472.36	5.747
	Millions of yen					Thousands of U.S.dollars
Non-Consolidated	2008	2009	2010	2011	2012	2012
Net sales	¥266,537	¥237,364	¥211,345	¥221,674	¥224,933	\$2,736,744
Operating income	5,008	(1,477)	2,544	2,906	3,226	39,251
Net income	7,777	4,722	5,476	4,476	2,421	29,456
Common stock	39,971	39,971	39,971	39,971	39,971	486,324
Total assets	204,069	200,658	210,729	221,925	226,188	2,752,014
Net assets	117,124	116,766	122,704	124,888	125,273	1,524,188
	Yen					U.S.dollars
Per share data:						
Net income -						
Basic	¥28.01	¥17.09	¥19.89	¥16.30	¥8.82	\$0.107
Cash dividends	12.00	5.00	5.00	7.00	7.00	0.085
Total shareholders' equity	421.99	424.09	445.75	455.03	456.27	5.551

The dollar amounts in this report represent translations of yen, for convenience only, at the rate of ¥82.19=US\$1.00, the exchange rate prevailing on March 31, 2012.

## CONTENTS

Financial Highlights .....	1
Business Review .....	2
Consolidated Balance Sheets .....	6
Consolidated Statements of Operations .....	8
Consolidated Statements of Comprehensive Income .....	9
Consolidated Statements of Changes in Net Assets .....	10
Consolidated Statements of Cash Flows .....	11
Notes to Consolidated Financial Statements .....	12



## Business Overview in the Consolidated Fiscal Year 2011

As for the global economy in the consolidated fiscal year 2011, a full-scale economic recovery continued to elude the US, the economy slumped in Europe, and overall economic expansion in Asia slowed down due to the influence of the financial crisis caused by Europe's debt problems. The Japan's economy continued to face a severe situation due to the Great East Japan Earthquake and flooding in Thailand as well as the downturn in the global economy and appreciation of the yen.

Under such circumstances, by making full use of its power, the Toshiba Tec Group was committed to providing total solutions, developing and releasing differentiated products such as Environmentally Conscious Products (ECPs) and integrated products, and expanding its business scale by focusing on emerging countries and areas expected to grow, along with increasing earning power by streamlining resources and assets together.

On April 1, 2011, we established new global solutions business by merging the document solutions business and international POS, AI & printer business, with the aim of further streamlining and expanding international operations. We devoted ourselves to further developing business operations in markets centering on the system solutions business in Japan and the global solutions business outside Japan.

The consolidated business operations were influenced by fluctuations in exchange rates and the downturn in the global economy. As a result, net sales amounted to 350,604 millions of yen, a 3% decrease, operating income amounted to 10,830 millions of yen, a 23% decrease, ordinary income amounted to 8,931 millions of yen, a 16% decrease, and net income amounted to 2,566 millions of yen, a 61% decrease from the previous consolidated fiscal year respectively.

## Business Highlights for each Report Segment

The business highlights for each report segment in the consolidated fiscal year 2011 are described below.

### System Solutions Business

The system solutions business that deals with POS systems for the Japanese market, MFPs, automatic identification systems and related products, was committed to developing new products appropriate to market needs, expanding sales of core products, and promoting area marketing, along with streamlining sales and service systems at home to improve profit structure, in a severe business environment where intense competition with rivals still continued while the retail industry as a major market tends to pick up.

The retail solutions business that developed business for the store automation and factory automation markets reduced sales of automatic identification systems for manufacturing due to postponement of equipment investment, however, steady growth in sales of POS systems for mass-sales shops and acquisition of Kokusai Chart Corporation increased sales.

The office solutions business that developed business for the office automation market gained sales as sales volume of color MFPs increased despite a drop in sales prices and decrease in print volume.

As a result, net sales of the system solutions business increased 1% over the previous consolidated fiscal year to 169,684 millions of yen, while operating income increased 2% over the previous consolidated fiscal year to 5,865 millions of yen.

## Global Solutions Business

The global solutions business that deals with MFPs, POS systems, automatic identification systems, printers and related products and inkjet heads for markets outside Japan, focused efforts on releasing and expanding sales of strategic products, while expanding sales by pioneering new business fields, new sales channels and new customers and promoting an alliance strategy, in a severe business environment where intense competition with rivals still continued, in response to deteriorating market conditions due to the appreciation of the yen and slumping global economy.

Despite steady growth of MFPs, sales in the US market decreased due to fluctuations in exchange rates.

A drop in sales of all MFPs, POS systems and automatic identification systems due to the slumping economy and fluctuations in exchange rates caused sales in the European markets to decrease.

A decline in sales of MFPs due to the downturn in each country's economy and fluctuations in exchange rates caused sales in the emerging markets to decrease.

Sales in the Chinese and East Asia markets remained the same as the previous consolidated fiscal year since A3 MFPs witnessed an increase in sales.

Sales of the ODM business decreased due to a decline in sales of MFPs and printers.

Expansion of the sales to major customers and acquisition of new customers increased sales of the inkjet head business.

As a result, net sales of the global solutions business decreased 7% over the previous consolidated fiscal year to 192,763 millions of yen, and operating income decreased 40% yen over the previous consolidated fiscal year to 4,964 millions of yen.

Notes: (1) Automatic Identification (AI) Systems refer to systems, which contain hardware and software to automatically retrieve, identify and manage data, from bar codes and IC tags.

(2) ODM refers to designing and manufacturing products with customer brand.

## Key Achievements for 2011

■ No. 1 share in POS terminal market (‘10) in Japan for nine consecutive years.  
[Unit share of Japan market: 47%]

■ No. 1 share in A3 MFP market in China for twelve consecutive years.  
[Unit share of Chinese market: 19%]

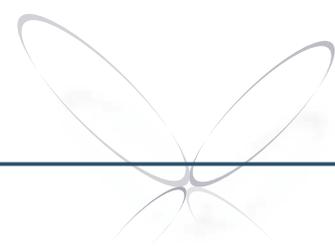
Source: “China Copier & MFP Market Report 2012 July” published by Key Research Inc. / A3 Copier & MFP market

■ Supply business enhanced by acquisition of Kokusai Chart Corporation

■ Increased sales of MFPs to POS customers  
[Sales of MFPs for the Japanese market: 115% over the previous year]

■ The multifunction peripheral that reuses paper receives the Minister of the Environment's FY2011 Commendation for Global Warming Prevention Activity (Nov. 2011)





## Forecast for Fiscal Year 2012

As for the future global economy, the European economy is expected to slump due to budget austerity, and the US economy is expected to continue a gradual recovery. The Asian economy is expected to remain on a downturn trend due to weak exports to Europe. An increase in domestic demand in accordance with reconstruction of the Great East Japan Earthquake may contribute to moderate economic expansion in Japan.

Under such circumstances, the Toshiba Tec Group is committed to expanding its business scale and further increasing earning power by streamlining resources and assets together in and outside Japan, with the aim of achieving growth through solutions services.

Major measures on a segment basis for fiscal year 2012 ending March are as follows:

### • System Solutions Business

The system solutions business strives to promote area marketing, develop new products appropriate to market needs, and enhance service and supply business, toward expanding sales of POS systems, MFPs, automatic identification systems and related products into the Japanese market as well as providing total solutions. The system solutions business is also committed to further streamlining sales and service systems at home to improve profit structure.

### • Global Solutions Business

The global solutions business strives to develop and release strategic products such as KIOSK terminals, as well as expand sales and marketing in response to the region, optimize sales and service channels, toward expanding sales of MFPs, POS systems, automatic identification systems, related products and inkjet heads into markets outside Japan as well as providing total solutions, which capitalize on a wide range of products and markets. The global solutions business is also committed to expanding business by enhancing operations in emerging countries and areas.

The consolidated forecasts for fiscal year 2012 are expected as follows based on the aforementioned measures:

### Forecasts for fiscal year 2012

Net sales	420,000 millions of yen
Operating income	15,000 millions of yen
Ordinary income	13,000 millions of yen
Net income for the fiscal year	4,900 millions of yen

The aforementioned consolidated forecasts include the effect when Toshiba Tec Corporation completes acquisition of retail store solution business from IBM, announced as of April 17, 2012.

The exchange rates for fiscal year 2012 are 80 yen per dollar and 105 yen per euro.

Notes: Forecasts are based on the Toshiba Tec Group's currently available data and certain assumptions considered rational, and are not intended to encourage the realization. Actual results are subject to change due to various factors.

## Mid-term Business Plan

### Basic Strategy

- (1) Realize growth through expansion of domains
  - i) Strengthen Retail Store Solution Business
    - ⇒ Enhance global one-stop solution
  - ii) Differentiate in Printing Solutions
    - ⇒ Get involved in retail sector and eco solutions
  - iii) Go into new vertical domains
    - ⇒ Utilize core products and technology for new domain
- (2) Restructuring
  - Build profitability by reorganizing cost structure

### Achievement of Goals

(100 millions of yen)

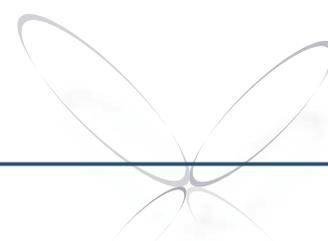
	FY2011 (Result)	FY2012 (Target)	FY2014 (Target)
Net Sales	3506	4200	5200
Operating income	108	150	320
ROS	3.1%	3.6%	6.2%

### Resource Loading Plan

- (1) Research & development investment plan      3 years   90,000 millions of yen
- (2) Capital investment/investment & loan program   3 years   38,000 millions of yen

# Consolidated Balance Sheets

March 31, 2012 and 2011



ASSETS	Millions of yen		Thousands of U.S.dollars (Note 1)
	2012	2011	2012
<b>Current assets</b>			
Cash and cash equivalents	¥85,959	¥92,928	\$1,045,857
Trade notes and accounts receivable	56,817	54,527	691,288
Inventories	31,758	34,278	386,397
Deferred tax assets (Note 9)	6,311	7,115	76,785
Prepaid expenses and other current assets	12,760	13,102	155,252
Allowance for doubtful accounts	(1,253)	(1,330)	(15,245)
<b>Total current assets</b>	<b>192,352</b>	<b>200,620</b>	<b>2,340,334</b>
<b>Fixed assets</b>			
Property, plant and equipment:			
Buildings and structures	28,624	29,293	348,266
Machinery and equipment	33,985	30,485	413,493
Tools, furniture and fixtures	50,466	51,577	614,016
Land	2,568	2,760	31,245
Lease Assets	7,946	8,264	96,678
Less accumulated depreciation	(94,421)	(94,116)	(1,148,814)
Construction in progress	1,360	1,264	16,548
	<b>30,528</b>	<b>29,527</b>	<b>371,432</b>
Intangible assets:			
Goodwill	16,853	19,405	205,049
Other intangible assets	5,745	5,595	69,899
	<b>22,598</b>	<b>25,000</b>	<b>274,948</b>
Investments and other assets:			
Investment securities: (Note 13)			
Unconsolidated subsidiaries and affiliates	39	39	475
Other	3,420	3,400	41,611
Deferred tax assets (Note 9)	19,509	21,443	237,365
Other investments and other assets	8,233	8,624	100,170
Allowance for doubtful accounts	(243)	(61)	(2,957)
	<b>30,958</b>	<b>33,445</b>	<b>376,664</b>
<b>Total fixed assets</b>	<b>84,084</b>	<b>87,972</b>	<b>1,023,044</b>
<b>Total assets</b>	<b>¥276,436</b>	<b>¥288,592</b>	<b>\$3,363,378</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S.dollars (Note 1)
	2012	2011	2012
<b>Current liabilities</b>			
Trade notes and accounts payable	¥46,995	¥43,002	\$571,785
Short-term loans (Note 3)	1,929	10,863	23,470
Current portion of long-term debt (Note 3)	1	6	12
Lease liabilities	2,752	2,898	33,483
Accrued income and other taxes	1,635	3,392	19,893
Accrued bonuses to directors and corporate auditors	48	66	584
Other current liabilities	43,814	48,427	533,082
<b>Total current liabilities</b>	<b>97,174</b>	<b>108,654</b>	<b>1,182,309</b>
<b>Long-term liabilities</b>			
Long-term debt (Note 3)	1	1	12
Lease liabilities (Note 3)	2,106	2,689	25,624
Accrued retirement benefits (Note 4)	36,405	34,304	442,937
Allowance for retirement benefits for directors and corporate auditors	137	192	1,667
Other long-term liabilities	881	2,233	10,719
<b>Total long-term liabilities</b>	<b>39,530</b>	<b>39,419</b>	<b>480,959</b>
<b>Total liabilities</b>	<b>136,704</b>	<b>148,073</b>	<b>1,663,268</b>
<b>Contingent liabilities (Note 5)</b>			
<b>Shareholders' equity</b>			
Common stock			
Authorized-1,000,000,000 shares			
Issued- 288,145,704 shares	39,971	39,971	486,324
Capital surplus	52,986	52,988	644,677
Retained earnings	56,466	56,012	687,018
Less treasury stock, at cost:			
13,839,000 shares in 2012	(5,629)	-	(68,488)
13,988,000 shares in 2011	-	(5,691)	-
<b>Total shareholders' equity</b>	<b>143,794</b>	<b>143,280</b>	<b>1,749,531</b>
<b>Accumulated other comprehensive income</b>			
Unrealized holding gain (loss) on securities	341	224	4,149
Deferred gain or loss on hedges	-	(11)	-
Foreign currency translation adjustments	(14,499)	(13,694)	(176,408)
Minimum pension liability adjustment	(63)	-	(767)
<b>Total accumulated other comprehensive income</b>	<b>(14,221)</b>	<b>(13,481)</b>	<b>(173,026)</b>
<b>Share subscription rights</b>	<b>113</b>	<b>135</b>	<b>1,375</b>
<b>Minority interests</b>	<b>10,046</b>	<b>10,585</b>	<b>122,230</b>
<b>Net assets</b>	<b>139,732</b>	<b>140,519</b>	<b>1,700,110</b>
<b>Total liabilities and net assets</b>	<b>¥276,436</b>	<b>¥288,592</b>	<b>\$3,363,378</b>



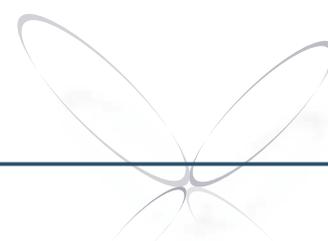
# Consolidated Statements of Comprehensive Income

Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S.dollars (Note 1)
	2012	2011	2012
Income before minority interests	2,192	5,996	26,670
Other comprehensive income			-
Unrealized holding gain (loss) on securities	118	(125)	1,436
Deferred gain (loss) on hedges	12	(12)	146
Foreign currency translation adjustments	(968)	(6,213)	(11,778)
Minimum pension liability adjustment	36	66	438
Total other comprehensive income (Note 7)	(802)	(6,284)	(9,758)
Comprehensive income	¥ 1,390	(¥288)	¥16,912
(breakout)			-
Comprehensive income attributable to owners of the parent	1,909	1,385	23,227
Comprehensive income attributable to minority interests	(519)	(1,673)	(6,315)

# Consolidated Statements of Changes in Net Assets

Years ended March 31, 2012 and 2011



	Millions of yen				
	Shareholder's equity				
	Common stock	Capital surplus	Retaind earnings	Treasury stock, at cost	Total shareholder's equity
<b>Balance at April 1, 2011</b>	¥39,971	¥52,988	¥56,012	¥( 5,691)	¥143,280
Cash dividends (Note 20)	-	-	(2,193)	-	(2,193)
Net income for the year	-	-	2,566	-	2,566
Reclassification to minimum pension liability adjustment	-	-	81	-	81
Purchases of treasury stock	-	-	-	(3)	(3)
Retirement of treasury stock	-	(2)	-	65	63
Other, net	-	-	-	-	-
<b>Balance at March 31, 2012</b>	¥39,971	¥52,986	¥56,466	¥( 5,629)	¥143,794

	Millions of yen					Share subscription rights	Minority interests	Net assets
	Accumulated other comprehensive income							
	Unrealized holding gain (loss) on securities	Deferred gain or loss on hedges	Foreign currency translation adjustments	Minimum pension liability adjustment	Total accumulated other comprehensive income			
<b>Balance at April 1, 2011</b>	¥224	(¥11)	¥(13,694)	-	¥(13,481)	¥135	¥10,585	¥140,519
Cash dividends (Note 20)	-	-	-	-	-	-	-	(2,193)
Net income for the year	-	-	-	-	-	-	-	2,566
Reclassification to minimum pension liability adjustment	-	-	-	(81)	(81)	-	-	-
Purchases of treasury stock	-	-	-	-	-	-	-	(3)
Retirement of treasury stock	-	-	-	-	-	-	-	63
<b>Other, net</b>	117	11	(805)	18	(659)	(22)	(539)	(1,220)
<b>Balance at March 31, 2012</b>	¥341	-	¥(14,499)	¥(63)	¥(14,221)	¥113	¥10,046	¥139,732

	Thousand of U.S. dollars				
	Shareholder's equity				
	Common stock	Capital surplus	Retaind earnings	Treasury stock, at cost	Total shareholder's equity
<b>Balance at April 1, 2011</b>	\$486,324	\$644,701	\$681,494	\$(69,242)	\$1,743,277
Cash dividends (Note 20)	-	-	(26,682)	-	(26,682)
Net income for the year	-	-	31,220	-	31,220
Reclassification to minimum pension liability adjustment	-	-	986	-	986
Purchases of treasury stock	-	-	-	(37)	(37)
Retirement of treasury stock	-	(24)	-	791	767
Other, net	-	-	-	-	-
<b>Balance at March 31, 2012</b>	\$486,324	\$644,677	\$687,018	\$(68,488)	\$1,749,531

	Thousand of U.S. dollars					Share subscription rights	Minority interests	Net assets
	Accumulated other comprehensive income							
	Unrealized holding gain (loss) on securities	Deferred gain or loss on hedges	Foreign currency translation adjustments	Minimum pension liability adjustment	Total accumulated other comprehensive income			
<b>Balance at April 1, 2011</b>	\$2,725	\$(134)	\$(166,614)	-	\$(164,023)	\$1,642	\$128,787	\$1,709,683
Cash dividends (Note 20)	-	-	-	-	-	-	-	(26,682)
Net income for the year	-	-	-	-	-	-	-	31,220
Reclassification to minimum pension liability adjustment	-	-	-	(986)	(986)	-	-	-
Purchases of treasury stock	-	-	-	-	-	-	-	(37)
Retirement of treasury stock	-	-	-	-	-	-	-	767
<b>Other, net</b>	1,424	134	(9,794)	219	(8,017)	(267)	(6,557)	(14,841)
<b>Balance at March 31, 2012</b>	\$4,149	-	\$(176,408)	\$(767)	\$(173,026)	\$1,375	\$122,230	\$1,700,110

	Millions of yen				
	Shareholder's equity				
	Common stock	Capital surplus	Retaind earnings	Treasury stock, at cost	Total shareholder's equity
<b>Balance at April 1, 2010</b>	¥39,971	¥52,988	¥51,392	¥( 5,424)	¥138,927
Cash dividends (Note 20)	-	-	(1,924)	-	(1,924)
Net income for the year	-	-	6,510	-	6,510
Purchases of treasury stock	-	-	-	(277)	(277)
Retirement of treasury stock	-	-	-	10	10
Other, net	-	-	34	-	34
<b>Balance at March 31, 2011</b>	¥39,971	¥52,988	¥56,012	¥ 5,691	¥143,280

	Millions of yen					Share subscription rights	Minority interests	Net assets
	Accumulated other comprehensive income							
	Unrealized holding gain (loss) on securities	Deferred gain or loss on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income				
<b>Balance at April 1, 2010</b>	¥349	¥ 0	¥( 8,672)	¥( 8,323)	¥103	¥11,985	¥142,692	
Cash dividends (Note 20)	-	-	-	-	-	-	(1,924)	
Net income for the year	-	-	-	-	-	-	6,510	
Purchases of treasury stock	-	-	-	-	-	-	(277)	
Retirement of treasury stock	-	-	-	-	-	-	10	
<b>Other, net</b>	(125)	(11)	(5,022)	(5,158)	32	(1,400)	(6,492)	
<b>Balance at March 31, 2011</b>	¥224	¥(11)	¥(13,694)	¥(13,481)	¥135	¥10,585	¥140,519	

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

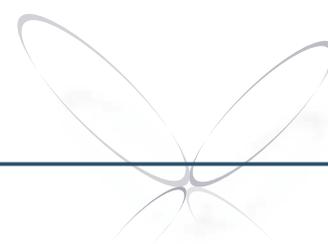
Numbers of shares in issue: 288,145,704 shares in fiscal year 2010

# Consolidated Statements of Cash Flows

Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S.dollars (Note 1)
	2012	2011	2012
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interest	¥7,912	¥10,171	\$96,265
Adjustment to reconcile income before income taxes and minority interest to net cash provided by operating activities:			
Depreciation and amortization	13,571	13,518	165,117
Allowance for doubtful accounts	158	(116)	1,922
Accrual for retirement benefits, less payments	2,124	1,760	25,843
Interest and dividend income	(419)	(513)	(5,098)
Interest expense	614	806	7,470
(Gain) loss on sales or disposal of fixed assets	(132)	243	(1,606)
Gain on sales of investment securities	(10)	(5)	(122)
Write down of investment securities	74	41	900
Retirement benefit expenses	308	-	3,747
Gain on reduction of accrued retirement benefits	-	(156)	-
Reversal of the cost related to employee transfer	(588)	-	(7,154)
Compensation	(100)	-	(1,217)
Loss on withdrawal from pension fund	575	-	6,996
Restructuring cost	824	591	10,026
Changes in assets and liabilities:			
Notes and accounts receivable	(3,724)	(1,735)	(45,310)
Inventories	1,849	(4,844)	22,497
Notes and accounts payable	5,084	2,978	61,857
Other	(6,646)	3,030	(80,860)
<b>Sub Total</b>	<b>21,474</b>	<b>25,769</b>	<b>261,273</b>
Interest and dividend income received	411	513	5,001
Interest paid	(624)	(806)	(7,592)
Payments of extra pension for early retirement	(26)	(109)	(316)
Income taxes refund	-	636	-
Income taxes paid	(5,068)	(2,739)	(61,663)
<b>Net cash provided by operating activities</b>	<b>16,167</b>	<b>23,264</b>	<b>196,703</b>
<b>Cash flows from investing activities</b>			
Acquisitions of property, plant and equipment	(7,230)	(5,579)	(87,967)
Proceeds from sales of property, plant and equipment	750	1,161	9,125
Acquisitions of intangible assets	(2,281)	(2,371)	(27,753)
Acquisitions of investment securities	(59)	(190)	(718)
Acquisitions of investments in newly consolidated subsidiaries (Note 11)	-	(979)	-
Proceeds from sales of investment securities	43	18	523
Payments of loans receivable	(18)	(32)	(219)
Proceeds from loans receivable	18	48	219
Payment for business acquisition	(524)	-	(6,375)
Other	(208)	(8)	(2,531)
<b>Net cash used in investing activities</b>	<b>(9,509)</b>	<b>(7,932)</b>	<b>(115,696)</b>
<b>Cash flows from financing activities</b>			
Repayments of short-term loans, net	(8,791)	(4,054)	(106,959)
Repayments of long-term debt	(6)	(1)	(73)
Repayments of Finance-Lease liabilities	(2,454)	(2,238)	(29,858)
Purchases of treasury stock	(5)	(277)	(61)
Payments of dividends	(2,193)	(1,924)	(26,682)
Payments of dividends to minority shareholders of subsidiaries	(15)	(70)	(183)
Other	65	11	791
<b>Net cash used in financing activities</b>	<b>(13,399)</b>	<b>(8,553)</b>	<b>(163,025)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(228)</b>	<b>(2,520)</b>	<b>(2,773)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(6,969)</b>	<b>4,259</b>	<b>(84,791)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>92,928</b>	<b>88,669</b>	<b>1,130,648</b>
<b>Cash and cash equivalents at end of year</b>	<b>¥85,959</b>	<b>¥92,928</b>	<b>\$1,045,857</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



## 1. Basis of Presenting Consolidated Financial Statements

The consolidated financial statements of TOSHIBA TEC CORPORATION (the "Company") have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications have been made to present the consolidated financial statements in a format which is more familiar to the readers outside Japan.

Solely for the convenience of the readers, the consolidated financial statements have been presented in U.S. dollars by translating Japanese yen amounts at the exchange rate of ¥82.19 = US\$1.00 prevailing as of March 31, 2012. The translation should not be construed as a representation that the Japanese yen could be converted into U.S. dollar at the above or any other rate of exchange.

## 2. Summary of Significant Accounting Policies

### (A) Basis of Consolidation and Accounting of Investments in Affiliated Companies

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries (together the "Companies"). For the years ended March 31, 2012 and 2011, the accounts of 53 and 58 subsidiaries are consolidated, respectively. All significant inter-company transactions and accounts are eliminated in consolidation.

All assets and liabilities of the consolidated subsidiaries are revaluated on acquisitions, if applicable. The difference between the cost of investments in subsidiaries and the equity in their assets and liabilities at the dates of acquisition is recognized as goodwill in the consolidated balance sheet and principally amortized by the straight-line method over 5 to 15 years.

The Company has no unconsolidated subsidiary for which the equity method of accounting has been applied for the years ended March 31, 2012 and 2011.

From the perspective of immateriality, the investments in the remaining unconsolidated subsidiaries and affiliated companies are stated at cost.

Certain subsidiaries have year end which differs from that of the Company. As a result, adjustments have been made for any significant transactions as needed in consolidation that took place during the period between the year end of the subsidiaries and the year end of the Company.

### (B) Foreign Currency Translation

Revenue and expense accounts of foreign consolidated subsidiaries are translated into yen using the annual average rate during the year. The balance sheet accounts, except for the components of net assets, are translated at the rate in effect at the balance sheet date. The components of net assets are translated at their historical rates. Translation adjustments are presented

as a component of "Accumulated other comprehensive income" under Net Assets in the consolidated balance sheets.

Foreign currency transactions are measured at the applicable rates of exchange prevailing at the transaction dates, unless hedged by foreign exchange contracts. Assets and liabilities denominated in foreign currencies at the balance sheet date are re-measured at the applicable rates of exchange prevailing at that date, unless hedged by foreign exchange contracts. Exchange differences are charged or credited to operations.

### (C) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments, generally with original maturates of three months or less.

### (D) Investment Securities

Marketable securities classified as "Other securities" are reported at fair value with unrealized holding gains or losses, net of taxes, presented as a component of "Accumulated other comprehensive income" under Net Assets in the consolidated balance sheets. Cost of securities sold is determined by the moving average method.

Non-marketable securities classified as "Other securities" are carried at cost, which is determined by the moving average method. Supplies are principally stated at the latest purchase cost method.

### (E) Inventories

Finished goods, merchandises and semi-finished components are principally stated at the lower of cost, determined by the first-in, first-out method or net realizable value. Work-in-process and raw materials are principally stated at the lower of cost, determined by the moving average method or net realizable value. Supplies are principally stated at the latest purchase cost method.

### (F) Property, Plant and Equipment and Depreciation

Property, plant and equipment are carried at cost. Material improvements are capitalized, but repair and maintenance including minor improvements are charged to income.

Depreciation of property, plant and equipment is generally computed by the declining-balance method for the Company and its domestic subsidiaries, and by the straight-line method for the overseas subsidiaries, at the rates based on the estimated useful lives of the respective assets.

### (G) Intangible Assets and Amortization

Intangible assets are amortized by the straight-line method over their estimated useful lives.

Goodwill recognized through purchase and acquisition of subsidiary is basically amortized by the straight-line method over 5 to 15 years period.

The useful lives of principal property, plant and equipment are summarized as follows:

Buildings and structures	15 to 38 years
Machinery and equipment	5 to 13 years
Tools, furniture and fixtures	1 to 6 years

**(H) Leases**

The Companies lease certain equipment under non-cancelable lease agreements referred to as finance leases. Prior to April 1, 2008, finance leases other than those which transferred the ownership of the leased property to the Companies had been primarily accounted for as operating leases. Depreciation at lease assets is calculated by the straight-line method over the lease period with no residual value.

**(I) Allowance for Doubtful Accounts**

Allowance for doubtful accounts is provided in the amount sufficient to cover probable losses on collection. It consists of individually estimated uncollectible amounts and an amount calculated using the rate of actual losses on collection in the past.

**(J) Retirement Benefits**

Upon retirement or termination of employment, employees of the Company and its domestic subsidiaries are generally entitled to lump-sum payments determined by reference to their current basic rate of pay, length of service and conditions under which the termination occurs.

The Company and its domestic subsidiaries provide allowance for the retirement benefits and make contributions to a non-contributory tax-qualified pension plans (the "Funded Plan") for employees' severance indemnities payable, as part of the existing retirement plan.

Allowance for the employees' retirement benefits is determined mainly by the amount based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for amortization of unrecognized actuarial gain or loss and past service costs.

**(K) Accrued Retirement benefits to Directors and Corporate Auditors**

The retirement benefits to directors and corporate auditors are determined based on the internal rule and accounted for as an expense of the accounting period in which such retirement benefits were accrued.

**(L) Accrued Bonuses to Directors and Corporate Auditors**

The bonuses to directors and corporate auditors are determined based on the internal rule and accounted for as an expense of the accounting period in which such bonuses were accrued.

**(M) Income Taxes, Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the temporary differences are expected to reverse.

The Company and its wholly owned domestic subsidiaries file their consolidated tax return in Japan for the Corporation Tax purpose.

**(N) Consumption taxes**

Consumption taxes withheld from sales and paid upon purchasing goods and services by the Companies are not included in revenues and expenses.

**(O) Derivative Financial Instruments**

The Company and certain subsidiaries have entered into forward exchange contracts to hedge the risk of fluctuation in exchange rate in the foreign currency transactions related to accounts receivable and payable denominated in foreign currency.

Derivative financial instruments are reported at fair value with unrealized gain or loss, charged or credited to operations, except for those which meet the criteria for the deferral hedge accounting under which unrealized gains or losses is deferred as assets or liabilities. Receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding foreign exchange contract rates.

**(P) Research and Development Expenses**

Research and development costs are charged to income as incurred.

**(Q) Impairment of Fixed Assets**

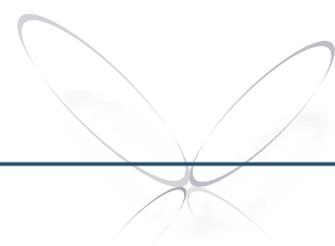
According to the accounting standard, fixed assets are reviewed for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

**(R) Change in Presentation (Consolidated Statement of Operations)**

Effective for the year ended March 31, 2012, the amount of the loss on valuation of derivative, included and presented in "the other" on non-operational expenses for the year ended March 31, 2011, exceeded the total non-operational expenses by 10%, it is presented as "loss on valuation of derivative". To reflect this change in presentation, Consolidated Statement of Operations of the previous year is reclassified. For Consolidated Statement of Operations of the previous year, the loss on valuation of derivative presented in "the other" on non-operational expenses, ¥51 millions is reclassified as "loss on valuation of derivative", which results in ¥1,828 millions for "the other" and ¥1,880 millions in total

**(S) Additional Information**

Effective for the year ended March 31, 2012, the Company and its domestic subsidiaries adopted "Accounting Standard regarding correction of accounting changes and errors" (Accounting Standards Board of Japan (ASBJ) statement No.24, issued on December 4, 2009) and "Guideline of Accounting Standard regarding correction of accounting changes and errors" (ASBJ Guideline No.24, issued on December 4, 2009)



### 3. Short-Term Loans and Long-Term Debt

The average interest rate for short-term loans outstanding at March 31, 2012 and 2011 is 0.62 % and 0.75%, respectively.

The long-term debt (including lease liabilities) at March 31, 2012 and 2011, consists of the following :

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Long-term debt:			
Due serially through 2014, with interest rate of 3.72%	¥2	¥7	\$24
Less current portion	1	6	12
	¥1	¥1	\$12
Lease liabilities	¥4,858	¥5,587	\$59,107
Less current portion	2,752	2,898	33,483
	¥2,106	¥2,689	\$25,624

The aggregate annual maturities of long-term debt (excluding the current portion) outstanding at March 31, 2012 are as follows:

Year ending March 31	Millions of yen	Thousands of U.S.dollars
2014	1	12
	¥1	\$12

The aggregate annual maturities of lease liabilities (excluding the current portion) outstanding at March 31, 2012 are as follows:

Year ending March 31	Millions of yen	Thousands of U.S.dollars
2014	529	6,436
2015	526	6,400
2016 and thereafter	1,051	12,788
	¥2,106	\$25,624

### 4. Retirement Benefits

The Company and its domestic subsidiaries have defined benefit plans, i.e., the Funded Plans and the lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

TOSEI ELECTRIC CORPORATION and TEC APPLIANCE CO., LTD., however, withdrew from the "Shizuoka Metalworking Industrial Welfare Pension" and "Toshiba Corporation Pension Fund" which they were belong to, respectively. Also, the former company (stock company surviving absorption-type merger) and the latter company (Procedures for a company absorbed in absorption-type merger) merged together and changed its trade name to "TOSEI CORPORATION".

The following table sets forth the funded status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2012 and 2011 for the Companies' defined benefit plans:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Retirement benefit obligation	¥(89,025)	¥(80,804)	\$(1,083,161)
Plan assets	36,890	36,133	448,838
Unfunded retirement benefit obligation	(52,135)	(44,671)	(634,323)
Unrecognized actuarial gain or loss	11,630	5,247	141,501
Unrecognized past service cost	4,100	5,120	49,885
Net amount recognized in the consolidated balance sheet	(36,405)	(34,304)	(442,937)
Accrued retirement benefit obligation	¥(36,405)	¥(34,304)	\$(442,937)

The components of retirement benefit expenses for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Service cost	¥3,475	¥3,455	\$42,280
Interest cost	1,441	1,492	17,533
Expected return on plan assets	(785)	(1,238)	(9,551)
Amortization of actuarial gain or loss	1,539	1,422	18,724
Amortization of past service cost	1,078	1,210	13,116
Total	¥6,748	¥6,341	\$82,102

1) Apart from the retirement benefit expenses above, additional retirement benefit payments are included in Non-operating expenses.

The additional retirement benefit payments for the years ended March 31, 2012 and 2011 were ¥70 millions (\$852 thousands) and ¥236 millions, respectively.

2) Retirement benefit expenses of subsidiaries which adopt simplified method are recorded as "service cost".

3) The influence on changes of calculation method from simplified method to principle method concerning retirement benefit obligation of parts of domestic subsidiaries is ¥308 millions (\$3,747 thousands)

4) Loss on withdrawal from pension fund of parts of domestic subsidiaries is recorded as extraordinary loss, which amounted ¥575 millions (\$6,996 thousands)

The assumption used in accounting for the above plans for the years ended March 31, 2012 and 2011 are as follows:

	2012	2011
Discount rates	Mainly 1.2%	Mainly 2.0%
Expected return on assets	Mainly 2.5%	Mainly 4.0%
Amortization period of past service cost	10 years Straight-line method	10 years Straight-line method
Amortization period of actuarial gain or loss	10 years Straight-line method	10 years Straight-line method

One company of the domestic companies joined a multiemployer defined benefit pension plans.

Information on such fund as of and for the year ended March 31, 2011 is as follows:

Reserve position of whole plan	Millions of yen
amount of pension assets	¥67,950
amount of benefit obligation on pension financing	84,142
amount of balance	¥(16,192)

Percentage of our required contribution to total institution 1.3%

Main factor of above amount of balance is amortization of past service cost (¥12,132 millions) and lack of amount carried forward (¥4,060 millions).

Amortization period of past service cost is 20 years, using the straight-line method.

## 5. Contingent liabilities

Contingent liabilities at March 31, 2012 and 2011 are as follows :

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Trade notes receivable discounted or endorsed	¥412	¥411	\$5,013
Guarantees on employees' bank loans	448	504	5,451

## 6. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended at March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Delivering expense	¥6,303	¥6,246	\$76,688
Advertising expense	1,475	1,432	17,946
Personal expense	84,773	85,380	1,031,427
Depreciation and amortization	1,523	1,627	18,530
Research and development expense	16,308	16,451	198,418
Other selling expense	6,027	7,909	73,330

## 7. Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income for the year ended March 31, 2012, consists of the following :

	Millions of yen
	2012
Other comprehensive income	
Unrealized holding gain (loss) on securities	
Amount of accrual	¥165
Amount of recycling	(¥10)
Amount before tax effect adjustment	¥154
Tax effect adjustments	(¥36)
Unrealized holding gain (loss) on securities	¥118
Unrealized holding gain (loss) on securities	
Amount of accrual	¥20
The effect adjustments	(8)
Deferred gain or loss on hedges	¥12
Foreign currency translation adjustments	
Amount of accrual	(¥1,213)
Amount of recycling	246
Amount before tax effect adjustment	(968)
Tax effect adjustments	-

Foreign currency translation adjustments	(¥968)
Minimum pension liability adjustment	
Amount of accrual	¥60
Tax effect adjustments	(24)
Minimum pension liability adjustment	¥36
Total other comprehensive income	(¥802)

## 8. Research and Development Expenses

Research and development costs charged to income for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
	¥20,353	¥23,203	\$247,634

## 9. Income Taxes and Deferred Tax Assets and Liabilities

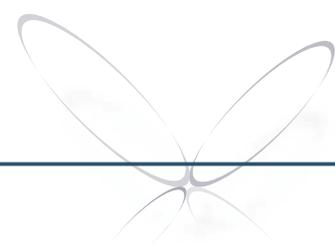
The following table summarizes the difference between the statutory tax rate and the Company's effective tax rate for the years ended March 31 2012 and 2011.

1. Significant components of the Companies' deferred tax assets and liabilities for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Deferred tax assets:			
Accrued retirement benefits	¥12,863	¥13,289	\$156,503
Intangible assets	6,677	7,974	81,239
Accrued bonuses	2,778	2,904	33,800
Elimination of consolidated unrealized gains	1,103	1,353	13,420
Other	4,554	5,972	55,408
	27,975	31,492	340,370
Valuation allowance	(1,342)	(2,489)	(16,328)
	26,633	29,003	324,042
Deferred tax liabilities:			
Retained earnings appropriated for tax allowable reserves	461	241	5,609
Unrealized gains on securities	178	147	2,166
Other	379	188	4,611
	1,018	576	12,386
Net deferred tax assets	¥25,615	¥28,427	\$311,656

Net deferred tax assets are included as below on consolidated balance sheet for the years ended March 31, 2012 and 2011.

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Current assets - Deffered tax assets	¥6,311	¥7,115	\$76,785
Fixed assets - Deffered tax assets	19,509	21,443	237,365
Current liabilities - Deffered tax liabilities	-	(132)	-
Long-term liabilities - Deffered tax liabilities	204	-	2,482



## 2. Difference between Statutory tax rate and Company's effective tax rate

	2012	2011
Statutory tax rate	40.6%	
Effect of :		
Different tax rates applied to income of foreign subsidiaries	(12.1)	-
Expenses permanently not deductible for income tax purposes	2.2	-
Income permanently not included as revenue	(5.4)	
Corporation tax special credit for research expenditures	(4.3)	-
Downward revision of deferred tax asset by changes in tax rate	28.9	
Amortization of goodwill of foreign subsidiaries	21.1	-
Other, net	1.3	-
Effective tax rates	<u>72.3%</u>	<u>-</u>

\*There is no significant difference between the statutory tax rate (40.6%) and the Company's effective tax rate for the year ended March 31, 2011.

## 3. Influence by changes of corporation tax rate

"Partial amendments of income tax law purposed for rebuilding system of taxation corresponding to changes in economic and social structure" and "Special measures law concerning reserving source of tax necessary for executing the policy for recovery from Great East Japan Earthquake" were proclaimed on December 2, 2011 and effective for the year starting April 1, 2012, decrease corporation tax rate and impose special corporate tax for reconstruction. Along with that, effective statutory tax rate used to calculate deferred tax asset and deferred tax liability changes from 40.64% to 37.97% regarding expected reversal of temporary difference for the effective year starting April 1, 2012 and 35.60% for the effective year starting April 1, 2015. By this change of tax rate, net amount of deferred tax asset decreases by ¥2,261 millions (\$ 27,509 thousands) and income taxes adjustment increases by ¥2,288 millions (\$ 27,837 thousands).

## 10. Leases

### (A) Finance Lease as a lessee

Finance Lease transactions, except for those which meet the conditions that the ownership of the leased assets was transferred to the lessee.

1-1. The content of Lease assets: tangible assets (tools, furnitures and fixture)

1-2. Depreciation method of lease assets:

According to the "Accounting Standards for Lease Transactions" and "Implementation Guidance for Accounting Standards for Lease Transactions", which have been adopted from the consolidated fiscal year beginning April 1, 2008, depreciation of assets under finance leases which do not transfer ownership of the leased assets to the lessee are calculated by the straight-line method over the lease period with no residual value.

### (B) Operating Lease as a lessee

Future minimum lease payments for noncancelable operating leases are summarised as follows:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Due within one year	¥367	¥361	\$4,465
Due after one year	422	400	5,135
	<u>¥789</u>	<u>¥761</u>	<u>\$9,600</u>

### (C) Finance Lease as a lessor

1. Details of investment lease

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
1-1) Investment lease - current assets			
Lease revenues receivable	¥132	¥1,375	\$1,606
Interests receivable	(7)	(130)	(85)
	<u>¥125</u>	<u>¥1,245</u>	<u>\$1,521</u>

1-2) Investment lease - others

Lease revenues receivable	¥1,554	¥2,069	\$18,907
Interests receivable	(88)	(196)	(1,070)
	<u>¥1,466</u>	<u>¥1,873</u>	<u>\$17,837</u>

1-3) Expected collect amounts of lease revenues receivable are as follows:

Within one year	¥132	¥1,375	\$1,606
Between 1 to 2 years	959	1,375	11,668
Between 2 to 3 years	426	694	5,183
Between 3 to 4 years	147	-	1,789
Between 4 to 5 years	22	-	267
More than 5 years	0	-	0
	<u>¥1,686</u>	<u>¥3,444</u>	<u>\$20,513</u>

### (D) Operating Lease as a lessor

Future minimum lease payments for noncancelable operating leases are summarised as follows:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Due within one year	¥422	¥734	\$5,134
Due after one year	1,022	1,259	12,435
	<u>¥1,444</u>	<u>¥1,993</u>	<u>\$17,569</u>

## (E) Other related information

Future minimum lease payments for noncancelable operating sub-leases are summarised as follows:

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Lease revenues receivable			
Current assets	-	-	-
Others	-	-	-
	-	-	-
Investment lease			
Current assets	¥655	¥730	\$7,969
Others	344	889	4,185
	¥999	¥1,619	\$12,154
Lease expenses payable			
Current liabilities	¥655	¥730	\$7,969
Fixed liabilities	344	889	4,185
	¥999	¥1,619	\$12,154

## 11. Consolidated Statements of Cash Flows

The content of important non-cash transaction

The impact of non-cash transactions on assets and liabilities under finance lease is ¥2,237 millions (\$27,217 thousands) and ¥2,230 millions (\$27,132 thousands) for the year ended March 31, 2012 and ¥3,045 millions and ¥2,973 millions for the year ended March 31, 2011, respectively.

## 12. Financial Instruments

### For the year ended March 31, 2011

#### Overview

##### 1. Policy for financial instruments

The Companies raise funds mainly using Toshiba Group Finance program. Essentially the Companies use the program in excess funds the Companies have temporary. The Companies use derivatives for the purpose of reducing risks (described below) and does not enter into derivatives for speculative or trading purposes.

##### 2. Types of financial instruments and related risks

Trade receivables (trade notes and accounts receivable) are exposed to credit risk in relation to customers. In addition, the Companies are exposed to foreign currency exchange rate fluctuation risk arising from receivables denominated in foreign currencies. In principle, the foreign currency exchange risks deriving from the trade receivables denominated in foreign currencies, net of trade payables denominated in the same currencies, are hedged by forward foreign exchange contracts.

Investment securities are exposed to market risk. These are share of stock related on our business.

Substantially all trade payables (trade notes and accounts payable) are due within one year. Although the Companies are exposed to foreign currency exchange rate fluctuation risk arising from those payables denominated in foreign currencies. But the volume of account payable is in the range of account receivable of the same currency.

Regarding derivatives, the Companies enter into forward foreign exchange contracts to reduce the foreign currency exchange rate fluctuation risk arising from the receivables and

payables denominated in foreign currencies.

##### 3. Risk management for financial instruments

###### 1) Monitoring of credit risk

In accordance with the internal policies, the Credit Managing division monitors credit worthiness of their customers periodically, and monitors due dates and outstanding balances by individual customer. In addition, the Companies are making efforts to identify and mitigate risks of bad debts from customers who are having financial difficulties.

###### 2) Monitoring of market risks (the risks arising from fluctuations in foreign exchanges rates, interest rates and others)

For trade receivables and payables denominated in foreign currencies, the Companies identify the foreign currency exchange rate fluctuation risk for each currency on a monthly basis and enters into forward foreign exchange contracts to hedge such risk.

The Accounting Division manages risks on derivative transaction, in accordance with the internal policies.

Monthly reports including actual transaction data are submitted to top management for their review.

For marketable securities and investment securities, the Companies periodically review the fair values of such financial instruments and the financial position of the issuers. In addition, the Companies continuously evaluate whether securities should be maintained taking into account their fair values and relationships with the issuers.

###### 3) Monitoring of liquidity risk (the risk that the Companies may not be able to meet its obligations on scheduled due dates)

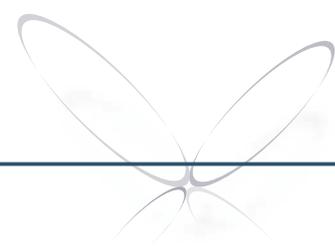
Based on the report from each division, the Companies prepare and update its cash flow plans on a timely basis to manage liquidity risk.

##### 4. Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, the fair value is determined based on reasonable estimates. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. In addition, the notional amounts of derivatives in Note 15 Derivative Transactions are not indicative of the actual market risk involved in derivative transactions.

## Estimated Fair Value of Financial Instruments

The carrying value of financial instruments in the consolidated balance sheet as of March 31, 2012, and their estimated fair value are as follows:



	Millions of yen		
	consolidated balance sheet	estimated fair value	difference
(a) Cash and cash equivalents	¥85,959	¥85,959	-
(b) Trade notes and accounts receivable	56,817		
Allowance for doubtful accounts *1	(1,108)		
	55,709	55,709	-
(c) Marketable securities and investment securities	1,795	1,795	-
(d) Trade notes and accounts payable	(46,995)	(46,995)	-
(e) Short- time loans	(1,929)	(1,929)	-
(f) Derivative transactions *2	(364)	(364)	-

	Thousands of U.S. dollars		
	consolidated balance sheet	estimated fair value	difference
(a) Cash and cash equivalents	\$1,045,857	\$1,045,857	-
(b) Trade notes and accounts receivable	691,288		
Allowance for doubtful accounts *1	(13,481)		
	677,807	677,807	-
(c) Marketable securities and investment securities	21,840	21,840	-
(d) Trade notes and accounts payable	(571,785)	(571,785)	-
(e) Short- time loans	(23,470)	(23,470)	-
(f) Derivative transactions *2	(4,429)	(4,429)	-

\*1 Allowance for doubtful accounts provided for individual customers are deducted.

\*2 The value of assets and liabilities arising from derivatives is shown at net value.

\*3 The liability position is shown in parenthesis.

Note: 1. Method to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

**Cash and cash equivalents, Trade notes and accounts receivable**

Since these items are settled in a short period of time, their carrying value approximates fair value.

**Marketable securities and investment securities**

The fair value of marketable equity securities is based on the quoted market price.

For information on securities by each holding purpose, refer to Note 13 Securities.

**Short-term loans, Trade notes and accounts payable**

Since these items are settled in a short period of time, their carrying value approximates fair value.

**Derivatives transactions**

Refer to Note 14 Derivative Transactions

2. Financial instruments for which it is extremely difficult to determine the fair value

	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥1,665	\$20,258

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in the above table.

3. Redemption schedule for receivables and marketable securities with maturities at March 31, 2012

	Millions of yen			
	Due in One Year or Less	Due after One year through Five years	Due after Five year through Ten years	Due after Ten Years
Cash and cash equivalents	¥85,959	-	-	-
Trade notes and account receivable	56,817	-	-	-
Marketable securities and investment securities				
Held-to-maturity debt securities				
National and local government bonds	-	-	-	-
Corporate bonds	-	-	-	-
Other marketable securities with maturities	-	-	-	-
Corporate bonds	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>¥142,776</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Thousands of U.S. dollars			
	Due in One Year or Less	Due after One year through Five years	Due after Five year through Ten years	Due after Ten Years
Cash and cash equivalents	\$1,045,857	-	-	-
Trade notes and account receivable	691,288	-	-	-
Marketable securities and investment securities				
Held-to-maturity debt securities	-	-	-	-
National and local government bonds	-	-	-	-
Corporate bonds	-	-	-	-
Other marketable securities with maturities	-	-	-	-
Corporate bonds	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>\$1,737,145</b>	<b>-</b>	<b>-</b>	<b>-</b>

Effective for the year ended March 31, 2011, a new accounting standard for financial instruments and related implementation guidance have been adopted.

## For the year ended March 31, 2011

### Estimated Fair Value of Financial Instruments

The carrying value of financial instruments in the consolidated balance sheet as of March 31, 2011, and their estimated fair value are as follows:

	Millions of yen		
	consolidated balance sheet	estimated fair value	difference
(a) Cash and cash equivalents	¥92,928	¥92,928	-
(b) Trade notes and accounts receivable	54,527		
Allowance for doubtful accounts *1	(1,295)		
	53,232	53,232	-
(c) Marketable securities and investment securities	1,593	1,593	-
(d) Trade notes and accounts payable	(43,002)	(43,002)	-
(e) Short- time loans	(10,869)	(10,869)	-
(f) Derivative transactions *2	(42)	(42)	-

\*1 Allowance for doubtful accounts provided for individual customers are deducted.

\*2 The value of assets and liabilities arising from derivatives is shown at net value.

\*3 The liability position is shown in parenthesis.

Note: 1. Method to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

**Cash and cash equivalents, Trade notes and accounts receivable**

Since these items are settled in a short period of time, their carrying value approximates fair value.

**Marketable securities and investment securities**

The fair value of marketable equity securities is based on the quoted market price.

For information on securities by each holding purpose, refer to Note 14 Securities.

**Short-term loans, Trade notes and accounts payable**

Since these items are settled in a short period of time, their carrying value approximates fair value.

**Derivatives transactions**

Refer to Note 15 Derivative Transactions

2. Financial instruments for which it is extremely difficult to determine the fair value

	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥1,848	\$22,225

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in the above table.

3. Redemption schedule for receivables and marketable securities with maturities at March 31, 2011

	Millions of yen			
	Due in One Year or Less	Due after One year through Five years	Due after Five year through Ten years	Due after Ten Years
Cash and cash equivalents	¥92,928	-	-	-
Trade notes and account receivable	54,527	-	-	-
Marketable securities and investment securities				
Held-to-maturity debt securities				
National and local government bonds	-	-	-	-
Corporate bonds	-	-	-	-
Other marketable securities with maturities				
Corporate bonds	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>¥147,455</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 13. Securities

1. Information regarding marketable Other Securities as of March 31, 2012 and 2011 are as follows:

	2012			2011		
	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:						
Stocks	¥1,622	¥940	¥682	¥1,315	¥803	¥512
Stocks	173	206	(32)	278	326	(48)
<b>Total</b>	<b>¥1,795</b>	<b>¥1,146</b>	<b>¥650</b>	<b>¥1,593</b>	<b>¥1,129</b>	<b>¥464</b>

	Thousands of U.S. dollars		
	2012		
	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
Stocks	\$19,735	\$11,437	\$8,298
Securities whose acquisition cost exceeds their carrying value:			
Stocks	2,105	2,506	(401)
<b>Total</b>	<b>\$21,840</b>	<b>\$13,943</b>	<b>\$7,897</b>

2. The proceeds from sales of securities, except those of the affiliated companies, for the years ended March 31, 2012 and 2011 were ¥31 millions (\$378 thousands) and ¥16 millions, respectively. The realized gains on those sales for the years ended March 31, 2012 and 2011 were ¥10 millions (\$123 thousands) and ¥5 millions, respectively.

3. Information regarding non-marketable securities as of March 31, 2012 and 2011 is as follows.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
	Carrying value		Carrying value
Other securities			
Unlisted stocks	¥1,665	¥1,848	\$20,258
Others	-	-	-
<b>Total</b>	<b>¥1,665</b>	<b>¥1,848</b>	<b>\$20,258</b>

### 14. Derivative Transactions

1. Summarized below are the amount of contract and the estimated fair value of the derivative instruments outstanding at March 31, 2012 and 2011, for which hedged accounting has not been applied.

Transaction outside the market

Currency-related transactions

	Millions of yen					
	2012			2011		
	Contract amount	Fair value	Unrealized Gain(Loss)	Contract amount	Fair value	Unrealized Gain(Loss)
	Maturing within one year	Maturing after one year		Maturing within one year	Maturing after one year	
Forward foreign exchange contracts						
Sell:						
EUR	¥6,212	-	¥(361)	¥(361)	¥1,729	-
CAD	38	-	(3)	(3)	-	-
AUD	-	-	-	-	5	0
<b>Total</b>	<b>¥6,250</b>	<b>-</b>	<b>¥(364)</b>	<b>¥(364)</b>	<b>¥1,734</b>	<b>-</b>

\*Calculation of fair value is based on the value from financial institutions.

	Thousands of U.S. dollars		
	2012		
	Contract amount	Fair value	Unrealized Gain(Loss)
	Maturing within one year	Maturing after one year	
Forward foreign exchange contracts			
Sell:			
EUR	\$75,581	-	\$(4,392)
CAD	462	-	(37)
AUD	-	-	-
<b>Total</b>	<b>\$76,043</b>	<b>-</b>	<b>\$(4,429)</b>

\*Calculation of fair value is based on the value from financial institutions.

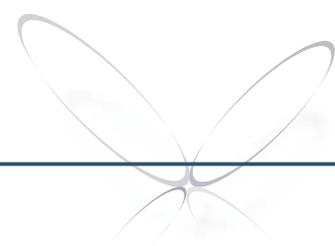
2. Summarized below are the amount of contract and the estimated fair value of the derivative instruments outstanding at March 31, 2012 and 2011, for which hedged accounting has been applied.

Currency-related transactions

(1) Net deferred profits on hedges, accounted for as part of accounts receivable

	Millions of yen			
	2012		2011	
	Contract amount	Fair value	Contract amount	Fair value
	Maturing within one year	Maturing after one year	Maturing within one year	Maturing after one year
Forward foreign exchange contracts				
Sell:				
EUR	¥-	-	-	¥656
AUD	-	-	-	78
<b>Total</b>	<b>¥-</b>	<b>-</b>	<b>\$-</b>	<b>¥734</b>

\*Calculation of fair value is based on the value from financial institutions.



	Thousands of U.S. dollars		
	2012		
	Contract amount		Fair value
	Maturing within one year	Maturing after one year	
Forward foreign exchange contracts			
Sell:			
EUR	\$-	-	-
AUD	-	-	-
<b>Total</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>

\*Calculation of fair value is based on the value from financial institutions.

(2) Forward foreign exchange contracts, accounted for as part of accounts receivable

	Millions of yen					
	2012			2011		
	Contract amount		Fair value	Contract amount		Fair value
	Maturing within one year	Maturing after one year		Maturing within one year	Maturing after one year	
Forward foreign exchange contracts						
Sell:						
CAD	¥352	-	¥(18)	¥168	-	¥(3)
AUD	476	-	(31)	83	-	(2)
<b>Total</b>	<b>¥828</b>	<b>-</b>	<b>¥(49)</b>	<b>¥251</b>	<b>-</b>	<b>¥(5)</b>

\*Calculation of fair value is based on the value from financial institutions.

	Thousands of U.S. dollars		
	2012		
	Contract amount		Fair value
	Maturing within one year	Maturing after one year	
Forward foreign exchange contracts			
Sell:			
CAD	\$4,283	-	\$(219)
AUD	5,791	-	(377)
<b>Total</b>	<b>\$10,074</b>	<b>-</b>	<b>\$(596)</b>

\*Calculation of fair value is based on the value from financial institutions.

## 15. Segment Information

### (A) Business Segment for the years ended in March 31, 2012 and 2011

#### 1. Summary of reportable segment

The reportable segments of the Companies are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decisions about resource allocation and to assess performance.

Aiming the early realization of business expansion and the positional establishment as total solution provider, the Companies create inclusive strategies per market and develop business activity under a framework for business operation per market. Therefore, the Companies report on "System Solutions Business Group" and "Global Solutions Business Group" as a reportable segments.

#### 2. The calculation method for amounts of sales, income, assets and other items per reportable segments

The accounting policies of the segments are substantially the same as those described in the significant accounting policies in Note 1.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
<b>Net Sales</b>			
System Solutions Business Group			
Unaffiliated customers	¥167,911	¥164,987	\$2,042,961
Intersegment	1,773	2,491	21,572
<b>Total</b>	<b>169,684</b>	<b>167,478</b>	<b>2,064,533</b>
Global Solutions Business Group			
Unaffiliated customers	182,693	197,316	2,222,813
Intersegment	10,070	9,830	122,521
<b>Total</b>	<b>192,763</b>	<b>207,146</b>	<b>2,345,334</b>
Adjustments	(11,843)	(12,322)	(144,093)
<b>Consolidated</b>	<b>¥350,604</b>	<b>¥362,302</b>	<b>\$4,265,774</b>

	Millions of yen	Thousands of U.S. dollars
<b>Segment Income</b>		
System Solutions Business Group	¥5,865	¥5,741
Global Solutions Business Group	4,965	8,256
<b>Consolidated</b>	<b>¥10,830</b>	<b>¥13,997</b>

	Millions of yen	Thousands of U.S. dollars
<b>Segment Assets</b>		
System Solutions Business Group	¥69,035	¥68,752
Global Solutions Business Group	147,650	152,677
Adjustments	59,751	67,163
<b>Consolidated</b>	<b>¥276,436</b>	<b>¥288,592</b>

	Millions of yen	Thousands of U.S. dollars
<b>Depreciation</b>		
System Solutions Business Group	¥2,735	¥2,684
Global Solutions Business Group	8,304	8,243
<b>Consolidated</b>	<b>¥11,039</b>	<b>¥10,927</b>

	Millions of yen	Thousands of U.S. dollars
<b>Amortization</b>		
System Solutions Business Group	¥199	¥35
Global Solutions Business Group	2,333	2,555
<b>Consolidated</b>	<b>¥2,532</b>	<b>¥2,590</b>

	Millions of yen	Thousands of U.S. dollars
<b>Capital Expenditures</b>		
System Solutions Business Group	¥2,205	¥2,952
Global Solutions Business Group	9,962	8,920
<b>Consolidated</b>	<b>¥12,167</b>	<b>¥11,872</b>

Note1: Adjustments of Net Sales for the years ended March 31, 2012 and 2011 are intersegments elimination, and ¥11,843 millions (\$144,093 thousands) and ¥12,322 millions, respectively.

Adjustments of Segment Assets are Corporate assets, and consist of cash and cash equivalents and investment securities.

Adjustments of Segment Assets at March 31, 2012 and 2011 are ¥59,751 millions (\$726,986 thousands) and ¥67,163 millions, respectively.

Note2: Segment Income corresponds to Operating Income of Consolidated Statement of Operations.

The main products of each business segments

**System Solutions Business Group**

POS Systems, Electronic Cash Register, Electronic Scales, Multifunction Peripherals, in Japan

**Global Solutions Business Group**

POS Systems, Electronic Cash Register, Electronic Scales, Multifunction Peripherals, abroad

### (B) Relative Information

#### 1. Products and service information the year ended in March 31, 2012

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Net sales of Retail	¥192,402	¥186,234	\$2,340,942
Net sales of MFP	158,202	176,068	1,924,833
<b>Total</b>	<b>¥350,604</b>	<b>¥362,302</b>	<b>\$4,265,774</b>

Retail: POS system, Auto-ID system which contain hardware and software to automatically retrieve, identify and manage data, from Barcodes and IC tags

MFP: Multi Function Peripherals, Facsimiles, various unit parts and inkjet print heads

## 2. Information by geographical area

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
<b>Net Sales</b>			
Japan	¥177,158	¥193,885	\$2,155,469
American States	67,628	62,873	822,825
Europe	73,775	73,001	897,615
Asia and others	32,043	32,543	389,865
Net sales	¥350,604	¥362,302	\$4,265,774
<b>Tangible Fixed Assets</b>			
Japan	¥13,752	¥14,891	\$167,320
American States	6,800	3,740	82,735
Europe	6,049	6,820	73,598
Asia and others	3,927	4,076	47,779
Net sales	¥30,528	¥29,527	\$371,432

Criteria of geographical segmentation and the name of countries or areas mainly included in each segment except for Japan are as follows:

(1) Criteria: geographical closeness

(2) Countries & Areas

1 American States

U.S.A., Canada, Mexico, Puerto Rico, Panama, Venezuela, Brazil, Chile

2 Europe

U.K., France, Germany, Belgium, Spain, Netherlands, Sweden, Norway, Denmark, Finland, Switzerland, Poland

3 Asia and Others

Singapore, Malaysia, Indonesia, China, Australia, Korea

## 3. Information by major customer

the year ended in March 31, 2012

There are no customers whom the Companies sell it to more than 10% of total sales.

the year ended in March 31, 2011

There are no customers whom the Companies sell it to more than 10% of total sales.

## 4. Information on impairment loss in fixed assets by business segment

the year ended in March 31, 2012

No events to be noted for this purpose.

the year ended in March 31, 2011

No events to be noted for this purpose.

## 5. Information on amortization of goodwill and unamortized balance by business segment

the year ended in March 31, 2012

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
	Balance at end of period		Balance at end of period
System Solutions Business Group	¥682	¥882	\$8,298
Global Solutions Business Group	16,171	18,523	196,751
Consolidated	¥16,853	¥19,405	\$205,049

For the amount of amortization of goodwill, it is omitted as it is disclosed in "Segment Information"

## 6. Information on negative goodwill by business segment the year ended in March 31, 2012

No events to be noted for this purpose.

the year ended in March 31, 2011

No events to be noted for this purpose.

## 16. Stock Option Plan

Stock option for the years ended March 31, 2012 and 2011 are as follows:

### The Year ended March 31, 2012

1. The amount and the accounting subject in relation to the stock option in the fiscal year 2011 Selling, General and Administrative Expenses: ¥40 millions (\$ 486 thousands).

2. The size of stock option and its circumstances

#### 1) General information

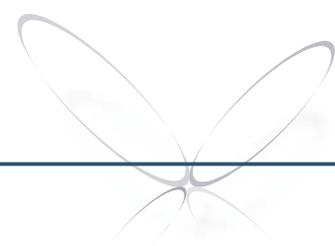
	The first new share subscription right as share-reward type stock option
Qualified beneficiaries	18 of the Company directors and corporate officers
Type of shares for which new subscription rights offered	83,000 shares of Common stock
Date of issuance	August 1, 2008
Condition of exercising	(Note)
Vesting period	No conditional period required
Subscription rights exercise period	From August 2, 2008 to August 1, 2038

	The second new share subscription right as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered	169,000 shares of Common stock
Date of issuance	July 31, 2009
Condition of exercising	(Note)
Vesting period	No conditional period required
Subscription rights exercise period	From August 1, 2009 to July 31, 2039

	The third new share subscription right as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered	134,000 shares of Common stock
Date of issuance	July 30, 2010
Condition of exercising	(Note)
Vesting period	No conditional period required
Subscription rights exercise period	From July 31, 2010 to July 30, 2040

	The third new share subscription right as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered	128,000 shares of Common stock
Date of issuance	August 2, 2011
Condition of exercising	(Note)
Vesting period	No conditional period required
Subscription rights exercise period	From August 3, 2011 to August 2, 2041

(Note) 1. The amount is converted into the number of shares.  
2. Fixed term of the right is not given.  
Subscription rights may be exercised in a lump sum within expiration cycle and 10 days after a beneficiary resigns from directors or corporate officers.



## 2) The size of stock option and movement

Addressed is the amount of stock option existing as of March 31, 2012.

As for the number of stock option, it is converted into the number of shares.

### 2)-1. The number of stock option

	The first new share subscription right as share-reward type stock option	The second new share subscription right as share-reward type stock option	The third new share subscription right as share-reward type stock option	The fourth new share subscription right as share-reward type stock option
Before the resolution				
End of the preceding term	-	-	-	-
Offered	-	-	-	128,000
Cancelled	-	-	-	-
Vested	-	-	-	128,000
Outstanding	-	-	-	-
After the resolution				
End of the preceding term	62,000	151,000	134,000	-
Vested	-	-	-	128,000
Exercised	30,000	73,000	57,000	-
Cancelled	-	-	-	-
Outstanding	32,000	78,000	77,000	128,000

### 2)-2. Per share data

	The first new share subscription right as share-reward type stock option	The second new share subscription right as share-reward type stock option	The third new share subscription right as share-reward type stock option	The fourth new share subscription right as share-reward type stock option
Exercised price	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)
The average price at the time of exercising	¥345 (\$4.198)	¥347 (\$4.222)	¥347 (\$4.222)	-
Official price at the date of offered	¥560 (\$6.813)	¥393 (\$4.782)	¥307 (\$3.735)	¥316 (\$3.845)

## 3. The evaluation of fair price of stock option

### 1) The evaluation method used: Black-Scholes method

### 2) General information and the method of estimation

	The first new share subscription right as share-reward type stock option
Stock market volatility (Note 1)	32.1%
Estimated residual period (Note 2)	2.2 years
Estimated dividends (Note 3)	¥7 (\$0.09) per share
Risk-free rate (Note 4)	0.17%

(Note) 1. The fourth: The figure is calculated based on actual share data from May 11, 2009 up to the week of offered.

2. The calculation is based on the condition that the Company's directors or corporate officers are resigned and the exercised exactly after the day of resignation.

3. The fourth: The estimated figure is based on the actual dividend amount at March 31, 2011.

4. Estimated capitalisation cycle of government bond is in accordance with estimated accumulated period

### 4. The method of estimating the number of stock option vested

Fundamentally, only the actual number of cancelled is shown as it is difficult to estimate possible number of cancelled.

## 17. Business Combination

Not applicable

## 18. Asset Retirement Obligation

Not applicable

## 19. Transactions with Related Parties

### 1. Transactions with Related Parties

#### (A) Transactions with Related Parties for the year ended March 31, 2012.

(¥=Million, US\$=Thousand)

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights owned (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	¥439,901 (\$5,352,245)	Manufacturing and sales of Digital Products and Electronic devices and Social Infrastructure and Home Appliances	direct: 52.9% indirect: 0.1%
Relationship					
Dispatch of executive officers, etc.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
interlocking of directors	Sales of our products and Deposit of fund	Deposit of fund	*1	Cash and Cash equivalent, Accrued interest, Interest income	¥58,593 (\$712,897), ¥2 (\$24), ¥134 (\$1,630)

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

\*1: Concerning Deposits of funds, it's difficult to figure out Transaction Amounts because fund settlement is performed whenever needed.

Therefore, only Balance at Fiscal Year End is stated.

Policy for determining trade terms and conditions and other related matters

(1) Depositing funds are determined from market rates and offers from third party interests rates.  
(2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.

(¥=Million, US\$=Thousand, S\$=Thousand)

Status	Name	Address	Capital (Thousands of Singapore dollars)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Singapore Pte., Ltd.	Singapore	S\$11,600	Sales and maintenance of audio visual equipment, personal computers, document processing and telecommunication equipments, etc.	None
Relationship					
Dispatch of executive officers, etc.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
None	Sales of our products	Sales of document processing and telecommunication equipments, etc.	¥6,895	Account receivable	¥2,368 (\$28,811)

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

Policy for determining trade terms and conditions and other related matters

(1) Depositing funds are determined from market rates and offers from third party interests rates.  
(2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.

(¥=Million, US\$=Thousand, S\$=Thousand)

Status	Name	Address	Capital (Thousands of Singapore dollars)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Capital (Asia) LTD.	Singapore	S\$4,000	Financing of corporate subsidiaries overseas etc.	None
Relationship					
Dispatch of executive officers.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents, interest income	¥5,799 \$(70,556), ¥3 \$(37)

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

\*1 Concerning Deposits of funds, it's difficult to figure out Transaction Amounts because fund settlement is performed whenever needed.  
Therefore, only Balance at Fiscal Year End is stated.

Policy for determining trade terms and conditions and other related matters

- (1) Depositing funds are determined from market rates and offers from third party interests rates.
- (2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.

(¥=Million, US\$=Thousand, S\$=Thousand)

Status	Name	Address	Capital (Thousands of sterling pounds)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba International Finance (UK) Plc.	London, UK	GBP 5,000	Financing of corporate subsidiaries overseas etc.	None
Relationship					
Dispatch of executive officers, etc.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents	¥1,559 (\$18,968)

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

\*1 Concerning Deposits of funds, it's difficult to figure out Transaction Amounts because fund settlement is performed whenever needed.  
Therefore, only Balance at Fiscal Year End is stated.

Policy for determining trade terms and conditions and other related matters

- (1) Depositing funds are determined from market rates and offers from third party interests rates.
- (2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.

## (B) Transactions with Related Parties for the year ended March 31, 2011.

(¥=Million, US\$=Thousand)

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights owned (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	¥439,901	Manufacturing and sales of Digital Products and Electronic devices and Social Infrastructure and Home Appliances	direct: 52.9% indirect: 0.1%
Relationship					
Dispatch of executive officers, etc.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
interlocking of directors	Deposit of fund	Deposit of fund	*1	Cash and Cash equivalent, Accured interest, Interest income	¥65,102 ¥7 ¥227

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

\*1 Concerning Deposits of funds, it's difficult to figure out Transaction Amounts because fund settlement is performed whenever needed.  
Therefore, only Balance at Fiscal Year End is stated.

With regard to the amounts above, the amounts include the transaction amount with Toshiba Capital Corporation. Toshiba Capital Corporation was merged into by Toshiba Corporation at October 1, 2010.

Policy for determining trade terms and conditions and other related matters

- (1) Depositing funds are determined from market rates and offers from third party interests rates.
- (2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.

(¥=Million, US\$=Thousand, S\$=Thousand)

Status	Name	Address	Capital (Thousands of Singapore dollars)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Singapore Pte.,Ltd	Singapore	S\$11,600	Sales and maintenance of audio visual equipment, personal computers, document processing and telecommunication equipments, etc.	None
Relationship					
Dispatch of executive officers, etc.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
None	Sales of our products	Sales of document processing and telecommunication equipments, etc.	¥8,579	Trade notes and account receivable	¥2,819

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

Policy for determining trade terms and conditions and other related matters

- (1) Depositing funds are determined from market rates and offers from third party interests rates.
- (2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.

(¥=Million, US\$=Thousand, S\$=Thousand)

Status	Name	Address	Capital (Thousands of Singapore dollars)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Capital(Asia) LTD.	Singapore	S\$ 4,000	Financing of corporate subsidiaries overseas etc.	None
Relationship					
Dispatch of executive officers, etc.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents, Interest income	¥6,485 ¥17

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

\*1 Concerning Deposits of funds, it's difficult to figure out Transaction Amounts because fund settlement is performed whenever needed.  
Therefore, only Balance at Fiscal Year End is stated.

Policy for determining trade terms and conditions and other related matters

- (1) Depositing funds are determined from market rates and offers from third party interests rates.
- (2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.

(¥=Million, S\$=Thousand, GBP=Thousand)

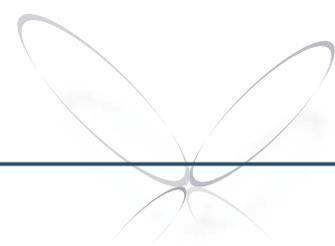
Status	Name	Address	Capital (Thousands of sterling pounds)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba International Finance(UK) Plc.	London,UK	GBP 5,000	Financing of corporate subsidiaries overseas etc.	None
Relationship					
Dispatch of executive officers, etc.	Business Relationship	Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents	¥2,934

With regard to the amounts above, Transaction Amounts and Balance at Fiscal Year End don't include consumption taxes.

\*1 Concerning Deposits of funds, it's difficult to figure out Transaction Amounts because fund settlement is performed whenever needed.  
Therefore, only Balance at Fiscal Year End is stated.

Policy for determining trade terms and conditions and other related matters

- (1) Depositing funds are determined from market rates and offers from third party interests rates.
- (2) For sales of the products, it is determined as general transaction over negotiation with offering our price, considering market price and total cost.



## 2. Notes regarding parent company and material affiliated companies

Information on the parent company

Toshiba Corporation (listed on Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange, London Stock Exchange)

## 20. Cash Dividends

### (A) Cash dividends for the year ended March 31, 2011

#### (1) Cash dividends paid

(resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record date	Effective date
Board of directors held on April 28, 2011	Common stock	¥1,370	¥5.0	March 31, 2011	June 1, 2011
Board of directors held on November 2, 2011	Common stock	¥823	¥3.0	September 30, 2011	December 1, 2011

(resolution)	Type of shares	Total amount of dividends (Thousands of U.S.dollars)	Dividends per share (U.S.dollars)	Record date	Effective date
Board of directors held on April 28, 2011	Common stock	\$16.669	\$0.06	March 31, 2011	June 1, 2011
Board of directors held on November 2, 2011	Common stock	\$10.013	\$0.04	September 30, 2011	December 1, 2011

#### (2) Year end dividends of the following fiscal year

(resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend resource	Dividends per share (yen)	Record date	Effective date
Board of directors held on April 27, 2012	Common stock	¥1,097	Retained earnings	¥4.0	March 31, 2012	June 1, 2012

### (B) Cash dividends for the year ended March 31, 2010

#### (1) Cash dividends paid

(resolution)	Type of shares	Total amount of dividends (Thousands of U.S.dollars)	Dividends per share (U.S.dollars)	Record date	Effective date
Board of directors held on April 28, 2010	Common stock	¥1,375	¥5.0	March, 31, 2010	June 1, 2010
Board of directors held on October 28, 2010	Common stock	¥548	¥2.0	September, 31, 2010	December 1, 2010

#### (2) Year end dividends of the following fiscal year

(resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend resource	Dividends per share (yen)	Record date	Effective date
Board of directors held on April 28, 2011	Common stock	¥1,371	Retained earnings	¥5.0	March, 31, 2011	June 1, 2011

## 21. Per share Information

Per share information at March 31, 2012 and 2011 are as follows:

	Yen		U.S.dollars
	2012	2011	2012
Net assets per share	¥472.36	¥473.44	\$5.747
Net income per share	9.35	23.71	0.114
Net income per share fully diluted	9.34	23.68	0.114

\* Net income per share and net assets per share fully diluted were calculated on the basis of the following data.

	Millions of yen		Thousands of U.S.dollars
	2012	2011	2012
Net income per share			
Net income	¥2,566	¥6,510	\$31,220
Amounts not attributable to common stock	-	-	-
Net income attributable to common stock	2,566	6,510	\$31,220
Average number of shares of common stock during the period (thousand shares)	274,274	274,541	
Net income per share fully diluted			
Adjustment to net income	-	-	-
Increase in number of common stocks (thousand shares)	305	307	
(Share subscription rights)	305	307	
Outline of the residual securities excluded from the calculation of the fully diluted net income per share because they have no dilutive effects.	-	-	-

## 22. Subsequent Event

### Transfer of Business

The Company reached an agreement at the meeting of board of directors held on April 17, 2012, to take over retail store solution business from IBM, effective on the same day.

The Company plans to establish new companies to transfer business in each country, and its holding company in Japan, and start business.

Considering smooth business transfer, for certain period of time after the completion of the transfer, the Company shall hold 80.1% share of the holding company while IBM holds 19.9% share. The Company plans to make the holding company of its subsidiary after certain period of time.

#### (1) Company name and its content of business

The name: International Business Machines Corporation

The address: New Orchard Road, Armonk, New York 10504, USA

The representative: Virginia M. Rometty

President and Chief Executive Officer

Amount of stated capital: \$48,129 millions (About ¥3,850 billions) \*

The content of business: Hardware through IT and integrated solution (system & technology), software, service, and consulting etc

\*exchange rate to calculate is \$1 = ¥80, applied below as well.

- 
- (2) The content of business to be transferred  
Development, sale, and maintenance service pertaining to retail store solution business
  - (3) Purpose of business transfer  
By transferring retail store solution business from IBM, the Company aims to become a leading company of retail POS system which provides high quality products and solution and develops its business globally in the retail solution market.
  - (4) The date of transfer  
From at the end of June to July, 2012 (Scheduled)
  - (5) Legal form of business combination  
Business transfer under common control
  - (6) Company name after combination  
Undecided as the Company establishes new companies in each countries
  - (7) The price of transfer  
About \$850 millions (About ¥68 billions)



Ernst & Young ShinNihon LLC  
Hibiya Kokusai Bldg.  
2-2-3 Uchisaiwai-cho  
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100  
Fax: +81 3 3503 1197

## Independent Auditor's Report

The Board of Directors  
TOSHIBA TEC CORPORATION

We have audited the accompanying consolidated financial statements of TOSHIBA TEC CORPORATION and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls 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 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 audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOSHIBA TEC CORPORATION and its consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

### *Emphasis of Matter*

We draw attention to Note 22 to the consolidated financial statements, which describes the Company reached an agreement at the meeting of board of directors held on April 17, 2012, to take over retail store solution business from International Business Machines Corporation, effective on the same day. Our opinion is not qualified in respect of this matter.

### *Convenience Translation*

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

*Ernst & Young ShinNihon LLC*

June 26, 2012  
Tokyo, Japan

# TOSHIBA TEC CORPORATION

## Corporate Data

1-11-1, Osaki, Shinagawa-ku, Tokyo, Japan

Tel: +81-3-6830-9100

Fax: +81-3-6684-4001

<http://www.toshibatec.co.jp/>

Established: February 21, 1950

Employees: 3,821 <Consolidated: 19,823> (as of March 2012)

Common Stock: ¥39,971 million (as of March 2012)

Stock Listing: Tokyo Stock Exchange (1st Section)

## Board of Directors and Corporate Auditors

President and Chief Executive Officer (as of June 26, 2012)

◇Mamoru Suzuki

Directors

Hiroshi Inubushi

Shigenobu Osawa

Ushio Kawaguchi

Masato Yamamoto

Takayuki Ikeda

Masayoshi Hirata

Hidejiro Shimomitsu

Corporate Auditors

Takao Saito

Hiroyuki Ikeda

Takehiko Ouchi

Toshihiko Matsumoto

◇: Representative Director

## Main Consolidated Companies (as of March 31, 2012)

- TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.
- TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH
- TOSHIBA TEC FRANCE IMAGING SYSTEMS S.A.
- TOSHIBA TEC SOLUTION SERVICES CORPORATION
- TOSHIBA TEC EUROPE RETAIL INFORMATION SYSTEMS S.A.
- TOSHIBA TEC U.K. IMAGING SYSTEMS LIMITED
- TOSHIBA TEC NORDIC AB
- TER CORPORATION
- TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD.
- TOSHIBA TEC SINGAPORE PTE LTD
- P.T. TEC INDONESIA
- TEC INFORMATION SYSTEMS CORPORATION
- TIM ELECTRONICS SDN. BHD.
- TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A.
- TEC PRECISION CO., LTD.
- TOSEI CORPORATION
- KOKUSAI CHART CORPORATION
- TOSHIBA TEC (H.K.) LOGISTICS & PROCUREMENT LTD.

