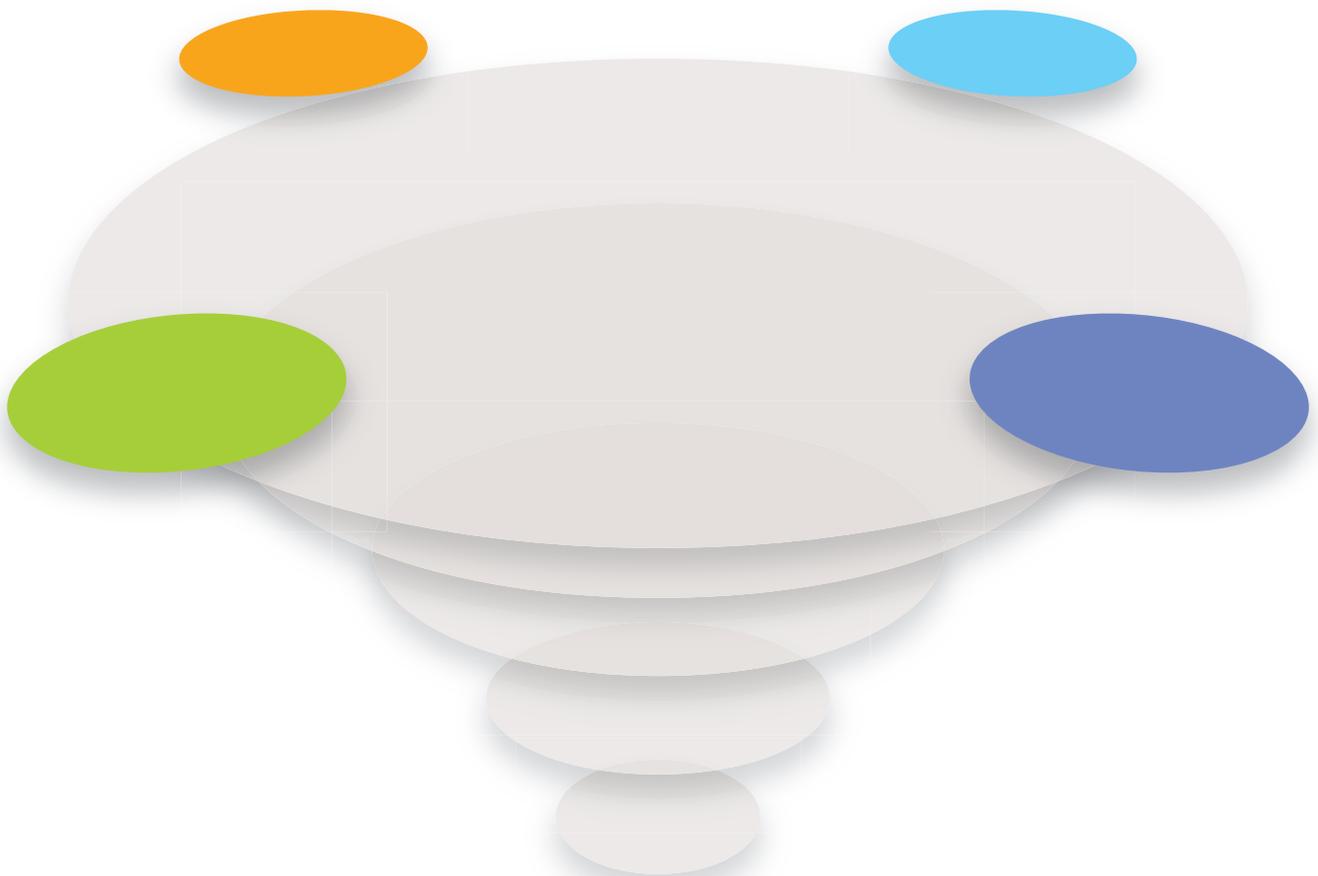


TOSHIBA

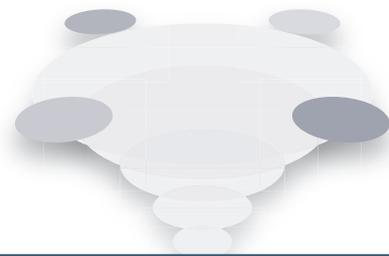
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ANNUAL REPORT 2011

For the Year Ended March 31, 2011



TOSHIBA TEC CORPORATION



Financial Highlights

Years ended March 31

Consolidated	Millions of yen					Thousands of U.S.dollars
	2007	2008	2009	2010	2011	2011
Net sales	¥510,846	¥492,970	¥422,601	¥364,578	¥362,302	\$4,357,210
Operating income	22,671	26,075	10,123	9,725	13,997	168,334
Net income	10,763	13,382	2,634	4,144	6,510	78,292
Total assets	358,253	313,900	281,732	289,518	288,592	3,470,740
Net assets	158,813	161,169	142,034	142,692	140,519	1,689,946
	Yen					U.S.dollars
Per share data:						
Net income -						
Basic	¥38.72	¥48.20	¥9.53	¥15.06	¥23.71	\$0.285
Total shareholders' equity	494.73	504.00	465.63	474.85	473.44	5.694
	Millions of yen					Thousands of U.S.dollars
Non-Consolidated	2007	2008	2009	2010	2011	2011
Net sales	¥297,996	¥266,537	¥237,364	¥211,345	¥221,674	\$2,665,953
Operating income	4,299	5,008	(1,477)	2,544	2,906	34,949
Net income	6,266	7,777	4,722	5,476	4,476	53,830
Common stock	39,971	39,971	39,971	39,971	39,971	480,710
Total assets	237,996	204,069	200,658	210,729	221,925	2,668,972
Net assets	113,039	117,124	116,766	122,704	124,888	1,501,960
	Yen					U.S.dollars
Per share data:						
Net income -						
Basic	¥22.54	¥28.01	¥17.09	¥19.89	¥16.30	\$0.196
Cash dividends	11.00	12.00	5.00	5.00	7.00	0.084
Total shareholders' equity	407.11	421.99	424.09	445.75	455.03	5.472

The dollar amounts in this report represent translations of yen, for convenience only, at the rate of ¥83.15=US\$1.00, the exchange rate prevailing on March 31, 2011.

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Business Overview in the Consolidated Fiscal Year 2010

As for the global economy in the consolidated fiscal year 2010, the entire Asian economy expanded, while a full-scale economic recovery still continued to elude the US, along with credit uncertainty in Europe, the global economy resulted in a gradual recovery. The Japanese economy remained on a recovery trend but fell into an unprecedented crisis due to the influence of the Great East Japan Earthquake occurred in March 2011.

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

From April 1, 2010, we devoted ourselves to further developing business operations centering on the system solutions business, document solutions business and international POS, AI & printer business, with the aim of expanding business areas at the earliest date possible and establishing ourselves as a total solution provider.

Sales steadily increased initially, but due to the Great East Japan Earthquake and fluctuations in exchange rates, finally amounted to 362,302 millions of yen, a 1% decrease over the previous consolidated fiscal year. Our efforts to enhance earning potential resulted in an increase in operating income of 44% over the previous consolidated fiscal year to 13,996 millions of yen, an increase in ordinary income of 47% over the previous consolidated fiscal year to 10,605 millions of yen, and an increase in net income of 57% to 6,510 millions of yen.

The business highlight for each report segment

The business highlights for each report segment in the consolidated fiscal year 2010 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 strengthen a high-profit structure under the severe business environment where weak demand continued due to restricted capital investment in the retail industry.

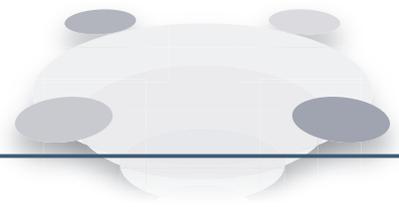
However, our customers and markets, especially in the Tohoku area, as well as our business were worst affected by the Great East Japan Earthquake.

Steady growth in sales of POS systems for mass-sales shops despite the influence of the earthquake resulted in an increase in sales of overall POS systems.

Other products also witnessed an increase in sales, since sales of automatic identification systems experienced a steady growth.

As a result, sales of the system solutions business increased 2% over the previous consolidated fiscal year to 167,478 millions of yen, while operating income increased 61% to 5,740 millions of yen from the previous consolidated fiscal year.

Toshiba Tec Corporation had Kokusai Chart Corporation as its subsidiary by making a tender offer in March 2011, with the aim of maximizing corporate value by incorporating and fusing our bar code printer technology and solution proposals with paper processing technology of Kokusai Chart.



Document Solutions Business

The document solutions business that deals with MFPs and inkjet print heads for markets outside Japan, faced a difficult business climate marked by the appreciation of the yen and intense competition with rivals. Even under such circumstances, this segment focused efforts on further expanding sales of strategic products including high-speed and middle-speed full color MFPs, while further expanding sales and improving management efficiency in emerging markets.

Sales of MFPs decreased due to fluctuations in exchange rates despite an increase in Asia and steady growth in North America and Europe.

Other products witnessed an increase in sales, since sales of inkjet print heads significantly increased.

As a result, sales of the document solutions business decreased 4% over the previous consolidated fiscal year to 165,345 millions of yen, while operating income increased by 8 millions of yen over the previous consolidated fiscal year to 4,337 millions of yen.

International POS, AI & Printer Business

The international POS, AI & printer business that deals with POS systems for markets outside Japan, Automatic Identification Systems and printers, devoted itself to developing new business areas, sales routes and customers, expanding sales by promoting alliance strategies as well as improving profitability by enhancing cost competitiveness, in a severe business environment resulting from continuous intense competition with rivals and a negative impact due to fluctuations in exchange rates.

POS systems and Automatic Identification Systems witnessed an increase in sales, especially in Asia.

ODM such as printers witnessed an increase in sales despite fluctuations in exchange rates.

As a result, sales of the international POS, AI & printer business increased 5% over the previous consolidated fiscal year to 41,826 millions of yen, while operating income increased 113% to 3,918 millions of yen from the previous consolidated fiscal year.

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 2010

- No.1 share POS terminal market ('09) in Japan for eight consecutive years. [Unit share of Japanese market: 42%]
- No.1 share in A3 MFP market in China for eleven consecutive years. [Unit share of Chinese market: 18%]

Source: "China Copier&MFP Market Report 2011 July" published by Key Research Inc./A3 Copier&MFP market

- Kokusai Chart Corporation becomes a Toshiba Tec subsidiary in March 2011.



Forecast for fiscal year 2011

As for the future global economy, Asia's economic expansion is expected to continue and the US economy is expected to remain on a recovery trend. The European economy is concerned about a weak recovery due to budget austerity although the German economy is expected to grow steadily. Although the Japanese economy was expected to recover, it is expected to continue to be in a difficult situation because economic activities slow down and consumer spending will remain weak due to the influence of the Great East Japan Earthquake.

Under such circumstances, by making full use of its power, the Toshiba Tec Group is committed to providing total solutions, developing and introducing 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.

From April 1, 2011, we have 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 are committed to further developing business operations in markets centering on both the system solutions business and the document solutions business

Major measures on a segment basis for fiscal year 2011 ending March are as follows:

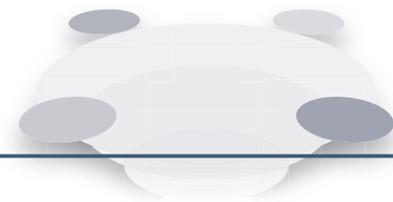
• System Solutions Business

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 such as bar code systems and RFID 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 strengthen a high-profit structure.

• Global Solutions Business

The global solutions business strives to develop and introduce strategic products, as well as expand sales and marketing in response to the region, optimize sales and service channels, toward expanding sales of POS systems, MFPs, automatic identification systems such as bar code systems and RFID systems, and related products 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.

Notes: RFID refers to a system, which identifies and manages articles by attaching an IC tag to articles and moving the tag to the reader device.



The consolidated forecasts for fiscal year 2011

The consolidated forecasts for fiscal year 2011 are expected as follows based on the aforementioned measures.

Forecasts for fiscal year 2011

Net sales	375,000 millions of yen
Operating income	15,000 millions of yen
Ordinary incomes	13,500 millions of yen
Net income for the fiscal year	7,000 millions of yen

Expected situation per report segment for fiscal year 2011

New segments for reporting

Parenthesis: Relative to fiscal 2010 ended March

	Net sales		Operating income	
System Solutions Business	174,700 millions of yen	(104%)	5,900 millions of yen	(102%)
Global Solutions Business	218,700 millions of yen	(-)	9,100 millions of yen	(-)
Eliminations	-18,400 millions of yen		-	
Total	375,000 millions of yen	(104%)	15,000 millions of yen	(107%)

For forecasts for fiscal year 2011 categorized by segment for reporting up till fiscal year 2010, refer to the following.

Old report segments

Parenthesis: Relative to fiscal 2010 ended March

	Net sales		Operating income	
System Solutions Business	174,700 millions of yen	(104%)	5,900 millions of yen	(102%)
Document Solutions Business	170,000 millions of yen	(103%)	4,700 millions of yen	(109%)
International POS, AI & Printer Business	48,700 millions of yen	(117%)	4,400 millions of yen	(113%)
Eliminations	-18,400 millions of yen		-	
Total	375,000 millions of yen	(104%)	15,000 millions of yen	(107%)

For the above-mentioned forecasts, the exchange rates are 85 yen per dollar and 110 yen per euro.

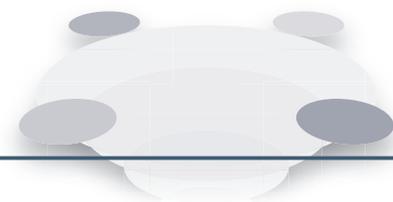
Notes: Forecasts are based on the Toshiba Tec Group's currently available data and certain assumptions considered rational, and the actual results are subject to change due to various factors.

Consolidated Balance Sheets

March 31, 2011 and 2010

ASSETS	Millions of yen		Thousands of U.S.dollars (Note 1)
	2011	2010	2011
Current assets			
Cash and cash equivalents	¥92,928	¥88,669	\$1,117,595
Trade notes and accounts receivable	54,527	55,985	655,766
Inventories	34,278	31,019	412,243
Deferred income taxes (Note 10)	7,115	7,625	85,568
Prepaid expenses and other current assets	13,102	13,747	157,571
Allowance for doubtful accounts	(1,330)	(1,533)	(15,995)
Total current assets	200,620	195,512	2,412,748
Fixed assets			
Property, plant and equipment:			
Buildings and structures	29,293	31,075	352,291
Machinery and equipment	30,485	31,675	366,626
Tools, furniture and fixtures	51,577	56,173	620,289
Land	2,760	2,796	33,193
Lease Assets	8,264	9,325	99,387
Less accumulated depreciation	(94,116)	(100,630)	(1,131,882)
Construction in progress	1,264	736	15,201
	29,527	31,150	355,105
Intangible assets:			
Goodwill	19,405	23,814	233,373
Other intangible assets	5,595	5,385	67,288
	25,000	29,199	300,661
Investments and other assets:			
Investment securities: (Note 14)			
Unconsolidated subsidiaries and affiliates	39	42	469
Other	3,400	3,458	40,890
Deferred income taxes (Note 10)	21,443	21,697	257,883
Other investments and other assets	8,624	8,528	103,716
Allowance for doubtful accounts	(61)	(68)	(732)
	33,445	33,657	402,226
Total fixed assets	87,972	94,006	1,057,992
Total assets	¥288,592	¥289,518	\$3,470,740

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)
	2011	2010	2011
Current liabilities			
Trade notes and accounts payable	¥43,002	¥43,846	\$517,162
Short-term loans (Note 3)	10,863	15,223	130,643
Current portion of long-term debt (Note 3)	6	1	72
Lease liabilities	2,898	1,682	34,853
Accrued income and other taxes	3,392	994	40,794
Accrued bonuses to directors and corporate auditors	66	48	794
Other current liabilities	48,427	46,067	582,405
Total current liabilities	108,654	107,861	1,306,723
Long-term liabilities			
Long-term debt (Note 3)	1	2	12
Lease liabilities	2,689	4,242	32,339
Accrued retirement benefits (Note 4)	34,304	32,030	412,556
Allowance for retirement benefits for directors and corporate auditors	192	217	2,309
Other long-term liabilities	2,233	2,474	26,855
Total long-term liabilities	39,419	38,965	474,071
Total liabilities	148,073	146,826	1,780,794
Contingent liabilities (Note 5)			
Shareholders' equity			
Common stock			
Authorized-1,000,000,000 shares			
Issued- 288,145,704 shares	39,971	39,971	480,710
Capital surplus	52,988	52,988	637,258
Retained earnings	56,012	51,392	673,626
Less treasury stock, at cost:			
13,988,000 shares in 2011	(5,691)	-	(68,443)
13,103,000 shares in 2010	-	(5,424)	-
Total shareholders' equity	143,280	138,927	1,723,151
Accumulated other comprehensive income			
Unrealized holding gains on securities	224	349	2,694
Net deferred profits on hedges	(11)	0	(132)
Foreign currency translation adjustments	(13,694)	(8,672)	(164,691)
Total accumulated other comprehensive income	(13,481)	(8,323)	(162,129)
Share subscription rights	135	103	1,624
Minority interest in consolidated subsidiaries	10,585	11,985	127,300
Net assets	140,519	142,692	1,689,946
Total liabilities and Net assets	¥288,592	¥289,518	\$3,470,740

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2011 and 2010

Millions of yen

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholder's equity
Balance at March 31, 2010	¥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
Balance at March 31, 2011	¥39,971	¥52,988	¥56,012	¥(5,691)	¥143,280

Millions of yen

	Accumulated other comprehensive income				Share subscription rights	Minority interests	Net assets
	Net unrealized holding gain on securities	Net deferred profits on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at March 31, 2010	¥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
Other, net	(125)	(11)	(5,022)	(5,158)	32	(1,400)	(6,492)
Balance at March 31, 2011	¥224	¥(11)	¥(13,694)	¥(13,481)	¥135	¥110,585	¥140,519

Thousands of U.S. dollars

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholder's equity
Balance at March 31, 2010	\$480,710	\$637,258	\$618,064	\$(65,232)	\$1,670,800
Cash dividends (Note 20)	-	-	(23,139)	-	(23,139)
Net income for the year	-	-	78,292	-	78,292
Purchases of treasury stock	-	-	-	(3,331)	(3,331)
Retirement of treasury stock	-	-	-	120	120
Other, net	-	-	409	-	409
Balance at March 31, 2011	\$480,710	\$637,258	\$673,626	\$(68,443)	\$1,723,151

Thousands of U.S. dollars

	Accumulated other comprehensive income				Share subscription rights	Minority interests	Net assets
	Net unrealized holding gain on securities	Net deferred profits on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at March 31, 2010	\$4,197	\$0	\$(104,293)	\$(100,096)	\$1,238	\$144,137	\$1,716,079
Cash dividends (Note 20)	-	-	-	-	-	-	(23,139)
Net income for the year	-	-	-	-	-	-	78,292
Purchases of treasury stock	-	-	-	-	-	-	(3,331)
Retirement of treasury stock	-	-	-	-	-	-	120
Other, net	(1,503)	(132)	(60,398)	(62,033)	386	(16,837)	(78,075)
Balance at March 31, 2011	\$2,694	\$(132)	\$(164,691)	\$(162,129)	\$1,624	\$127,300	\$1,689,946

Millions of yen

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholder's equity
Balance at March 31, 2009	¥39,971	¥52,986	¥47,229	¥(5,363)	¥134,823
Cash dividends (Note 20)	-	-	-	-	-
Net income for the year	-	-	4,144	-	4,144
Purchases of treasury stock	-	-	-	(70)	(70)
Retirement of treasury stock	-	2	-	9	11
Other, net	-	-	19	-	19
Balance at March 31, 2010	¥39,971	¥52,988	¥51,392	¥(5,424)	¥138,927

Millions of yen

	Accumulated other comprehensive income				Share subscription rights	Minority interests	Net assets
	Net unrealized holding gain on securities	Net deferred profits on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at March 31, 2009	¥164	¥(279)	¥(6,557)	¥(6,672)	¥46	¥13,837	¥142,034
Cash dividends (Note 20)	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	4,144
Purchases of treasury stock	-	-	-	-	-	-	(70)
Retirement of treasury stock	-	-	-	-	-	-	11
Other, net	185	279	(2,115)	(1,651)	57	(1,852)	(3,427)
Balance at March 31, 2010	¥349	¥0	¥(8,672)	¥(8,323)	¥103	¥11,985	¥142,692

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

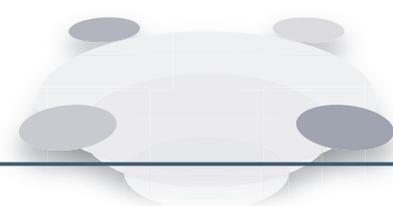
Numbers of shares in issue: 288,145,704 shares in fiscal year 2010

Consolidated Statements of Cash Flows

Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S.dollars (Note 1)
	2011	2010	2011
Cash flows from operating activities			
Income before income taxes and minority interest	¥10,171	¥5,726	\$122,321
Adjustment to reconcile income before income taxes and minority interest to net cash provided by operating activities:			
Depreciation and amortization	13,518	17,255	162,574
Allowance for doubtful accounts	(116)	(122)	(1,395)
Accrual for retirement benefits, less payments	1,760	1,641	21,167
Interest and dividend income	(513)	(490)	(6,170)
Interest expense	806	818	9,693
Loss on sales or disposal of fixed assets	243	144	2,922
Gain or loss on sales of investment securities	(5)	(1)	(60)
Write down of investment securities	41	44	493
Gain on reduction of accrued retirement benefits	(156)	-	(1,876)
Restructuring cost	591	1,511	7,108
Changes in assets and liabilities:			
Notes and accounts receivable	(1,735)	769	(20,866)
Inventories	(4,844)	3,117	(58,256)
Notes and accounts payable	2,978	5,167	35,815
Other	3,030	(5,288)	36,440
Sub Total	25,769	30,291	309,910
Interest and dividend income received	513	482	6,170
Interest expense payments	(806)	(821)	(9,693)
Payments of extra pension for early retirement	(109)	(60)	(1,311)
Income taxes refund	636	1,071	7,648
Income taxes payments	(2,739)	(2,904)	(32,940)
Net cash provided by operating activities	23,264	28,059	279,784
Cash flows from investing activities			
Acquisition of property, plant and equipment	(5,579)	(6,941)	(67,096)
Proceeds from sales of property, plant and equipment	1,161	581	13,963
Acquisition of intangible assets	(2,371)	(1,725)	(28,515)
Acquisition of investment securities	(190)	(31)	(2,285)
Acquisition of investments in newly consolidated subsidiaries (Note 12)	(979)	-	(11,774)
Proceeds from sales of investment securities	18	5	216
Payments for business acquisition	-	(330)	-
Payments of loan receivable	(32)	(16)	(385)
Proceeds from loan receivable	48	44	577
Other	(8)	294	(95)
Net cash used in investing activities	(7,932)	(8,119)	(95,394)
Cash flows from financing activities			
Proceeds (Repayments) of short-term loans, net	(4,054)	3,508	(48,755)
Repayments of long-term debt	(1)	(1)	(12)
Repayments of Finance-Lease liabilities	(2,238)	(2,062)	(26,915)
Purchase of treasury stock	(277)	(70)	(3,331)
Payments of dividend	(1,924)	(8)	(23,139)
Payments of dividend to minority shareholders of subsidiaries	(70)	(79)	(842)
Other	11	10	132
Net cash used in financing activities	(8,553)	1,298	(102,862)
Effect of exchange rate changes on cash and cash equivalents	(2,520)	(1,101)	(30,307)
Net increase in cash and cash equivalents	4,259	20,137	51,221
Cash and cash equivalents at beginning of year	88,669	68,532	1,066,374
Cash and cash equivalents at end of year	¥92,928	¥88,669	\$1,117,595

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 ¥83.15 = US\$1.00 prevailing as of March 31, 2011. 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 significant majority-owned subsidiaries (together the “Companies”). For the years ended March 31, 2011 and 2010, the accounts of 58 and 72 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 on 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, 2011 and 2010.

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 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 market, or at the cost determined by the specific cost method. Work-in-process is principally stated at the lower of cost, determined by the moving average method, or market, or at the cost determined by the specific cost method. Raw materials are principally stated at the lower of cost, determined by the moving average method, or market. 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. 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

(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.

(H) 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.

(I) Accrued Bonuses to Directors and Corporate Auditors

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

(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 are determined mainly at 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) 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 transfer the ownership of the leased property to the Companies had been primarily accounted for as operating leases. Depreciation at lease assets are calculated by the straight-line method over the lease period with no residual value.

(L) 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 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.

(M) Consumption Taxes

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

(N) 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.

(O) Revenue Recognition

Sales are generally recognized at the time of shipment of the goods to customers except for sales of certain product, which are recorded in the accounts upon customer acceptance.

(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) Accounting Standard for Construction Contracts

Effective for the year ended March 31, 2010, the Company and its domestic subsidiaries adopted the "Accounting standards for construction contracts" and "Implementation Guidance for accounting standards for construction contracts". This change in accounting had no impact on operating income and income before income taxes and minority interest.

(S) Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)

Effective for the year ended March 31, 2010, the Company and its domestic subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)". As an actuarial gain or loss is amortized starting as an expense from the following year, this change in accounting had no impact on operating income and income before income taxes and minority interest. As the adoption of this accounting, an unrecognized balance of retirement benefit obligations is ¥364 millions as of March 31, 2010.

(T) Application of Accounting Standard for Asset Retirement Obligation

Effective for the year ended March 31, 2011, the Company adopted the "Accounting Standard for Asset Retirement Obligations" and the "Guidance on Accounting Standard for Asset Retirement Obligations". This change in accounting had only minor impact on operating income, ordinary income and income before income taxes for the year ended March 31, 2011.

(U) Application of Accounting Standard for Business Combinations and Others

Effective for the year ended March 31, 2011, the Company adopted the "Accounting Standard for Business Combinations", the "Accounting Standard for Consolidated Financial Statements", the "Partial Amendments to accounting Standard for Research and Development Costs", the "Accounting Standard for Business Divestitures", the "Accounting Standard for Equity Method of Accounting for Investments" and the "Guidance on Accounting Standard for Business Divestitures".

(V) Change in Presentation (Consolidated Statement of Operations)

Effective for the year ended March 31, 2011, the Company adopted the rules stipulated in Cabinet Office Ordinances Revising Some Portions of the Regulations for Financial Statements" in line with the "Accounting Standard for Consolidated Financial Statements". The Company newly reported "Income before minority interests"

(w) Additional Information

Effective for the year ended March 31, 2011, the Company adopted the "Accounting Standard for Presentation of Comprehensive Income". However, the amounts of "Valuation and translation adjustments" and "Total valuation and translation adjustment" in the previous year are presented as "Accumulated other comprehensive income" and "Total accumulated other comprehensive income", respectively.

3. Short-Term Loans and Long-Term Debt

The average interest rate for short-term loans outstanding at March 31, 2011 and 2010 is 0.75% and 0.73%, respectively.

The long-term debt (including lease liabilities) at March 31, 2011 and 2010, consists of the following:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
Long-term debt:			
Due serially through 2014, with interest rate of 3.72%	¥7	¥3	\$84
Less current portion	6	1	72
	¥1	¥2	\$12
Lease liabilities	¥5,587	¥5,924	\$67,192
Less current portion	2,898	1,682	34,853
	¥2,689	¥4,242	\$32,339

The aggregate annual maturities of long-term debt (excluding the current portion) outstanding at March 31, 2011 are as follows:

	Year ending March 31	Millions of yen	Thousands of U.S.dollars
	2013	1	12
	2014 and thereafter	0	0
		¥1	\$12

The aggregate annual maturities of lease liabilities (excluding the current portion) outstanding at March 31, 2011 are as follows:

	Year ending March 31	Millions of yen	Thousands of U.S.dollars
	2013	677	8,142
	2014	669	8,046
	2015 and thereafter	1,343	16,151
		¥2,689	\$32,339

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. And a part of subsidiaries joins a multiemployer defined benefit pension plans.

The Company and a part of domestic subsidiaries update about pension plan, after obtained consensus of labor and management in January 2011, and adopt "Cash Balance Plan" in April 2011.

The following table sets forth the funded status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2011 and 2010 for the Companies' defined benefit plans:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
Retirement benefit obligation	¥(80,804)	¥(78,835)	\$(971,786)
Plan assets	36,133	35,602	434,552
Unfunded retirement benefit obligation	(44,671)	(43,233)	(537,234)
Unrecognized actuarial gain or loss	5,247	3,905	63,103
Unrecognized past service cost	5,120	7,298	61,575
Net amount recognized in the consolidated balance sheet	(34,304)	(32,030)	(412,556)
Accrued retirement benefit obligation	¥(34,304)	¥(32,030)	\$(412,556)

The components of retirement benefit expenses for the years ended March 31, 2011 and 2010 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
Service cost	¥3,455	¥3,699	\$41,552
Interest cost	1,492	1,540	17,943
Expected return on plan assets	(1,238)	(1,010)	(14,889)
Amortization of actuarial gain or loss	1,422	1,960	17,102
Amortization of past service cost	1,210	1,232	14,552
Total	¥6,341	¥7,421	\$76,260

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, 2011 and 2010 were ¥236 millions (\$2,838 thousands) and ¥115 millions, respectively.

The assumption used in accounting for the above plans for the year ended March 31, 2011 and 2010 are as follows:

	2011	2010
Discount rates	Mainly 2.0%	Mainly 2.0%
Expected return on assets	Mainly 4.0%	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 joins 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	Thousands of U.S.dollars
amount of pension assets	¥67,950	\$817,198
amount of benefit obligation on pension financing	84,142	1,011,930
amount of balance	¥(16,192)	\$(194,732)

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 (\$145,905 thousands)) and lack of amount carried forward (¥4,060 millions (\$48,827 thousands)).

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

5. Contingent liabilities

Contingent liabilities at March 31, 2011 and 2010 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
Trade notes receivable discounted or endorsed	¥411	¥389	\$4,943
Guarantees on employees' bank loans	504	606	6,061

6. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended at March 31, 2011 and 2010 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
Delivering expense	¥6,246	¥6,121	\$75,177
Advertising expense	1,432	1,655	17,222
Personal expense	85,380	87,826	1,026,819
Depreciation and amortization	1,627	2,941	19,567
Research and development expense	16,451	15,610	197,847
Other selling expense	7,909	8,251	95,117

7. Non-Operating Income and Expenses - Other, Net

"Other, net" for the years ended March 31, 2011 and 2010, consists of the following:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
Gain on sale of investments in securities	¥5	¥3	\$60
Loss on valuation of derivative	-	148	-
Loss on sales or disposals of property, plant and equipment	(243)	(144)	(2,922)
Foreign exchange gain or loss	(1,361)	(759)	(16,368)
Gain on revision of retirement benefit plan	156	-	1,876
Other, net	(1,499)	(1,408)	(18,028)
	¥(2,942)	¥(2,160)	\$(35,382)

8. Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income for the year ended March 31, 2010, consists of the following :

	Millions of yen
	2010
Comprehensive income attributable to owners of the parent	¥2,509
Comprehensive income attributable to minority interests	(1,812)
	¥697
Other comprehensive income	
Net unrealized holding gain on securities	¥186
Net deferred profits on hedges	279
Foreign currency translation adjustments	(2,988)
Minimum pension adjustment	32
Total other comprehensive income	(¥2,491)

9. Research and Development Expenses

Research and development costs charged to income for the years ended March 31, 2011 and 2010 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
	¥23,203	¥22,546	\$279,050

10. 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, 2011 and 2010.

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.

	2011	2010
Statutory tax rate	-	40.6%
Effect of:		
Different tax rates applied to income of foreign subsidiaries	-	(18.1)
Expenses permanently not deductible for income tax purposes	-	4.8
Changes in valuation allowance	-	(1.2)
Corporation tax special deduction for research expenditures	-	(9.2)
Amortization of goodwill of foreign subsidiaries	-	36.9
Unrealized gain of inventory	-	(4.7)
A past fiscal year adjustment	-	(2.3)
Other, net	-	(2.5)
Effective tax rates	-	44.3%

Significant components of the Companies' deferred tax assets and liabilities at March 31, 2011 and 2010 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2011	2010	2011
Deferred tax assets:			
Accrued retirement benefits	¥13,289	¥12,491	\$159,820
Intangible assets	7,974	8,604	95,899
Accrued bonuses	2,904	2,555	34,925
Elimination of consolidated unrealized gains	1,353	1,658	16,272
Other	5,972	6,136	71,821
	31,492	31,444	378,737
Valuation allowance	(2,489)	(1,591)	(29,934)
	29,003	29,853	348,803
Deferred tax liabilities:			
Retained earnings appropriated for tax allowable reserves	241	276	2,898
Unrealized gains on securities	147	232	1,768
Other	188	23	2,261
	576	531	6,927
Net deferred tax assets	¥28,427	¥29,322	\$341,876

11. 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	Millions of yen	Thousands of U.S.dollars
	2011	2010	2011
Due within one year	¥361	¥176	\$4,341
Due after one year	400	197	4,811
	¥761	¥373	\$9,152

(C) Finance Lease as a lessor

1. Details of investment lease

	Millions of yen	Millions of yen	Thousands of U.S.dollars
	2011	2010	2011
1-1) Investment lease - current assets			
Lease revenues receivable	¥1,375	¥176	\$16,536
Interests receivable	(130)	(16)	(1,563)
	¥1,245	¥160	\$14,973

1-2) Investment lease - others

Lease revenues receivable	¥2,069	¥231	\$24,883
Interests receivable	(196)	(22)	(2,357)
	¥1,873	¥209	\$22,526

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

Within one year	¥1,375	¥176	\$16,536
Between 1 to 2 years	1,375	176	16,536
Between 2 to 3 years	694	55	8,347
Between 3 to 4 years	-	-	-
Between 4 to 5 years	-	-	-
More than 5 years	-	-	-
	¥3,444	¥407	\$41,419

(D) Operating Lease as a lessor

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

	Millions of yen	Millions of yen	Thousands of U.S.dollars
	2011	2010	2011
Due within one year	¥734	¥285	\$8,828
Due after one year	1,259	356	15,141
	¥1,993	¥641	\$23,969

(E) Other related information

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

	Millions of yen	Millions of yen	Thousands of U.S.dollars
	2011	2010	2011
Lease revenues receivable			
Current assets	-	-	-
Others	-	-	-
	-	-	-
Investment lease			
Current assets	¥730	¥766	\$8,779
Others	889	1,228	10,629
	¥1,619	¥1,994	\$19,471
Lease expenses payable			
Current liabilities	¥730	¥766	\$8,779
Fixed liabilities	889	1,228	10,692
	¥1,619	¥1,994	\$19,471

12 Consolidated Statements of Cash Flows

1. Major items for assets and liabilities of newly consolidated subsidiary

The relation between the assets and liabilities of Kokusai Chart Corporation at the time of consolidation, during the year ended March 31, 2011 and amounts of acquisition for shares of Kokusai Chart Corporation and cash paid for acquisition are as follows:

	Millions of yen	Thousands of U.S.dollars
Current assets	¥1,069	\$12,856
Fixed assets	1,302	15,658
Goodwill	820	9,862
Current liabilities	(746)	(8,971)
Fixed liabilities	(902)	(10,848)
Minority interest	(314)	(3,776)
Amounts of acquisition for share of Kokusai Chart Corporation	1,229	14,781
Cash and cash equivalents of Kokusai Chart Corporation	(250)	(3,007)
Cash paid for acquisition of shares of Kokusai Chart Corporation	¥979	\$11,774

2. The content of important non-finance transaction

By applying the "Accounting Standard for Lease Transactions" and the "Implementation Guidance for Accounting Standard for Lease Transaction", the impact of non-financial transaction on assets and liabilities is ¥3,045 millions (\$36,621 thousands) and ¥2,973 millions (\$35,755 thousands), respectively.

13. Financial Instruments

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

Overview

1. Policy for financial instruments

The Companies raise funds mainly using Toshiba Group Finance program. Essentially the Companies use the program in the Companies have temporary excess funds. 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, 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)	-

	Thousands of U.S. dollars		
	consolidated balance sheet	estimated fair value	difference
(a) Cash and cash equivalents	\$1,117,595	\$1,117,595	-
(b) Trade notes and accounts receivable	655,767		
Allowance for doubtful accounts*1	(15,575)		
	640,192	640,192	-
(c) Marketable securities and investment securities	19,158	19,158	-
(d) Trade notes and accounts payable	(517,162)	(517,162)	-
(e) Short- time loans	(130,715)	(130,715)	-
(f) Derivative transactions *2	(505)	(505)	-

*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	-	-	-	-
Total	¥147,455	-	-	-

	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	\$1,117,595	-	-	-
Trade notes and account receivable	655,766	-	-	-
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	-	-	-	-
Total	\$1,773,361	-	-	-

4. The redemption schedule for long-term debt is disclosed in Note 3.

For the year ended March 31, 2010

Overview

1. Policy for financial instruments

The Companies raise funds mainly using Toshiba Group Finance program. Essentially the Companies use the program if the Companies have temporary excess funds. 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, 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 Transaction 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, 2010, and their estimated fair value are as follows.

	Millions of yen		
	consolidated balance sheet	estimated fair value	difference
(a) Cash and cash equivalents	¥88,669	¥88,669	-
(b) Trade notes and accounts receivable	55,985		
Allowance for doubtful accounts*1	(1,492)		
	54,493	54,493	-
(c) Marketable securities and investment securities	1,697	1,697	-
(d) Trade notes and accounts payable	(43,846)	(43,846)	-
(e) Short- time loans	(15,224)	(15,224)	-
(f) Derivative transactions *2	9	9	-

*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
Unlisted stocks	¥1,802

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, 2010

	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	¥88,669	-	-	-
Trade notes and account receivable	55,985	-	-	-
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	-	-	-	-
Total	¥144,654	-	-	-

4. The redemption schedule for long-term debt is disclosed in Note 3.

14. Securities

1. Information regarding marketable Other Securities as of March 31, 2011 and 2010 are as follows:

	Millions of yen					
	2011			2010		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:						
Stocks	¥803	¥1,315	¥512	¥921	¥1,552	¥631
Securities whose acquisition cost exceeds their carrying value:						
Stocks	326	278	(48)	200	146	(54)
Total	¥1,129	¥1,593	¥464	¥1,121	¥1,698	¥577

	Thousands of U.S. dollars		
	2011		
	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
Stocks	\$9,657	\$15,815	\$6,158
Securities whose acquisition cost exceeds their carrying value:			
Stocks	3,921	3,343	(578)
Total	\$13,578	\$19,158	\$5,580

2. The proceeds from sales of securities, except those of the affiliated companies, for the years ended March 31, 2011 and 2010 were ¥16 millions (\$192 thousands) and ¥0 millions, respectively. The realized gains on those sales for the years ended March 31, 2011 and 2010 were ¥5 millions (\$60 thousands) and ¥(2) millions, respectively.

3. Information regarding non-marketable securities as of March 31, 2011 and 2010 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
	Carrying value		Carrying value
Other securities			
Unlisted stocks	¥1,848	¥1,802	\$22,225
Others	-	-	-
Total	¥1,848	¥1,802	\$22,225

15. Derivative Transactions

- (1) Summarized below are the amount of contract and the estimated fair value of the derivative instruments outstanding at March 31, 2011 and 2010, for which hedged accounting has not been applied.

Currency-related transactions

	Millions of yen					
	2011			2010		
	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	¥1,729	-	¥(42)	¥1,199	-	¥10
AUD	5	-	0	12	-	0
Total	¥1,734	-	¥(42)	¥1,211	-	¥10

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

	Thousands of U.S. dollars			
	2011			
	Contract amount		Fair value	Unrealized Gain(Loss)
	Maturing within one year	Maturing after one year		
Forward foreign exchange contracts				
Sell:				
EUR	\$20,794	-	\$(505)	\$(505)
AUD	60	-	0	0
Total	\$20,854	-	\$(505)	\$(505)

*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, 2011 and 2010, for which hedged accounting has been applied.

Currency-related transactions

1. Net deferred profits on hedges

	Millions of yen			
	2011		2010	
	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	-	¥(16)	¥85
AUD	78	-	¥(2)	5
Total	¥734	-	¥(18)	¥90

	Thousands of U.S. dollars		
	2011		
	Contract amount		Fair value
	Maturing within one year	Maturing after one year	
Forward foreign exchange contracts			
Sell:			
EUR	\$7,889	-	\$(192)
AUD	938	-	(24)
Total	\$8,827	-	\$(216)

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

	Millions of yen			
	2011		2010	
	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	¥168	-	¥(3)	¥267
AUD	83	-	(2)	65
Total	¥251	-	¥(5)	¥332

	Thousands of U.S. dollars		
	2011		
	Contract amount		Fair value
Maturing within one year	Maturing after one year		
Forward foreign exchange contracts			
Sell:			
CAD	\$2,021	-	\$(36)
AUD	998	-	(24)
Total	\$3,019	-	\$(60)

16. Segment Information

(A) Business Segment for the years ended in March 31, 2011 and 2010 (additional information)

Effective the fiscal year ended March 31, 2011, the Company has adopted "Accounting Standards for Disclosures about Segments of an Enterprise and Related Information" and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information".

Effective April 1, 2010, the Company changed its business segment from "Retail Solutions Business Group", "Document Systems Business Group" and "Auto-ID and Printer Business Group" to "System Solutions Business Group", "Document Solutions Business Group" and "International POS, AI & Printer Business Group".

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", "Document Solutions Business Group" and "International POS, AI & Printer Business Group" as report 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
	2011	2010	2011
Net Sales			
System Solutions Business Group			
Unaffiliated customers	¥164,987	¥161,990	\$1,984,209
Intersegment	2,491	2,363	29,958
Total	167,478	164,353	2,014,167

Document Solutions Business Group			
Unaffiliated customers	156,578	162,833	1,883,079
Intersegment	8,768	9,127	105,448
Total	165,346	171,960	1,988,527
International POS, AI & Printer Business Group			
Unaffiliated customers	40,737	39,755	489,922
Intersegment	1,089	233	13,097
Total	41,826	39,988	503,019
Adjustments	(12,348)	(11,723)	(148,503)
Consolidated	¥362,302	¥364,578	\$4,357,210

Segment Income

System Solutions Business Group	¥5,741	¥3,556	\$69,044
Document Solutions Business Group	4,338	4,329	52,171
International POS, AI & Printer Business Group	3,918	1,840	47,119
Consolidated	¥13,997	¥9,725	\$168,334

Segment Assets

System Solutions Business Group	¥68,752	¥65,425	\$826,843
Document Solutions Business Group	124,459	133,195	1,496,801
International POS, AI & Printer Business Group	28,217	32,402	339,351
Adjustments	67,164	58,496	807,745
Consolidated	¥288,592	¥289,518	\$3,470,740

Depreciation

System Solutions Business Group	¥2,684	¥3,257	\$32,279
Document Solutions Business Group	7,559	9,783	90,908
International POS, AI & Printer Business Group	685	958	8,238
Consolidated	¥10,928	¥13,998	\$131,425

Amortization

System Solutions Business Group	¥35	¥35	\$421
Document Solutions Business Group	2,511	3,218	30,199
International POS, AI & Printer Business Group	44	4	529
Consolidated	¥2,590	¥3,257	\$31,149

Capital Expenditures

System Solutions Business Group	¥2,952	¥1,711	\$35,502
Document Solutions Business Group	7,677	8,389	92,327
International POS, AI & Printer Business Group	1,243	340	14,949
Consolidated	¥11,872	¥10,440	\$142,778

Note1: Adjustments of Net Sales for the year ended March 31, 2011 and 2010 are intersegment elimination, and ¥12,348 millions (\$ 148,503 thousands) and ¥11,723 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, 2011 and 2010 are ¥67,164 millions (\$807,745 thousands) and ¥58,496 millions, respectively.

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

The main products of each business segments

System Solutions Business Group

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

Document Solutions Business Group

Multifunction Peripherals, Facsimile, Unit Parts, Inkjet Head, Overseas

International POS, AI & Printer Business Group

POS Systems, Electronic Cash Register, Electronic Scales, Overseas

(B) Relative Information

1. Products and service information the year ended in March 31, 2011

	Millions of yen	Thousands of U.S. dollars
Net sales of Retail	¥186,234	\$2,239,735
Net sales of MFP	176,068	2,117,475
	¥362,302	\$4,357,210

Note: Retail : POS system, Auto-ID system which contain hardware and software to automatically retrieve,

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	
	2011		2011	
Net Sales				
Japan	¥193,885		\$2,331,750	
American States	62,873		756,140	
Europe	73,001		877,943	
Asia and others	32,543		391,377	
Net sales	¥362,302		\$4,357,210	
Tangible Fixed Assets				
Japan	¥14,891		\$179,086	
American States	3,740		44,979	
Europe	6,820		82,020	
Asia and others	4,076		49,020	
Net sales	¥29,527		\$355,105	

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

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, 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, 2011

	Millions of yen		Thousands of U.S.dollars	
	2011		2011	
	Amortization of goodwill	Balance at end of period	Amortization of goodwill	Balance at end of period
System Solutions Business Group	¥35	¥882	\$421	\$10,607
Document Solutions Business Group	2,511	18,517	30,199	222,694
International POS, AI & Printer Business Group	44	6	529	72
Consolidated	¥2,590	¥19,405	\$31,149	233,373

6. Information on negative goodwill by business segment the year ended in March 31, 2011

No events to be noted for this purpose.

For the year ended March 31, 2010

(C) Previous Business Segment for the year ended in March 31, 2010

	Millions of yen	
	2010	
Net Sales		
Retail Solutions Business Group		
Unaffiliated customers	¥151,786	
Intersegment	2,626	
Total	154,412	
Document Systems Business Group		
Unaffiliated customers	183,636	
Intersegment	4,832	
Total	188,468	
Auto-ID and Printer Business Group		
Unaffiliated customers	29,157	
Intersegment	3,401	
Total	32,558	
Eliminations	(10,860)	
Consolidated	¥364,578	

Operating Expenses

Retail Solutions Business Group	¥149,335
Document Systems Business Group	184,529
Auto-ID and Printer Business Group	31,849
Eliminations	(10,860)
Consolidated	¥354,853

Operating Income

Retail Solutions Business Group	¥5,077
Document Systems Business Group	3,939
Auto-ID and Printer Business Group	709
Eliminations	-
Consolidated	¥9,725

Identifiable Assets

Retail Solutions Business Group	¥65,392
Document Systems Business Group	140,029
Auto-ID and Printer Business Group	26,840
Corporate and Eliminations	57,257
Consolidated	¥289,518

Depreciation and Amortization

Retail Solutions Business Group	¥2,816
Document Systems Business Group	13,677
Auto-ID and Printer Business Group	762
Consolidated	¥17,255

Depreciation and Amortization

Retail Solutions Business Group	¥1,680
Document Systems Business Group	8,507
Auto-ID and Printer Business Group	253
Consolidated	¥10,440

(D) Geographic Segments

	Millions of yen 2010
Net Sales	
Japan	
Unaffiliated customers	¥188,545
Intersegment	66,610
Total	255,155
American States	
Unaffiliated customers	66,288
Intersegment	1,620
Total	67,908
Europe	
Unaffiliated customers	81,030
Intersegment	2,744
Total	83,774
Asia and others	
Unaffiliated customers	28,716
Intersegment	45,968
Total	74,684
Eliminations	(116,943)
Consolidated	¥364,578

Operating Expenses

Japan	¥248,535
American States	70,205
Europe	80,731
Asia and others	70,977
Eliminations	(115,595)
Consolidated	¥354,853

Operating Income

Japan	¥6,620
American States	(2,297)
Europe	3,043
Asia and others	3,707
Eliminations	(1,348)
Consolidated	¥9,725

Identifiable Assets

Japan	¥198,572
American States	26,939
Europe	53,509
Asia and others	41,359
Corporate and Eliminations	(30,861)
Consolidated	¥289,518

(Note1) 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

(Note2) Corporate assets mainly consist of cash, time deposits, securities and investments with financial institutions of the Company.
Corporate assets at March 31, 2010, is ¥58,496 millions.

(E) Net Sales by Region

	Millions of yen 2010
Net Sales	
Japan	¥169,415
American States	76,683
Europe	86,988
Asia and others	31,492
Net sales	¥364,578

(Note) Net sales by region are determined based upon the locations of the customers. Therefore, this information is different from the net sales for geographic segments, which are determined based upon where the sales originated.

17. Stock Option Plan

Stock option for the years ended March 31, 2011 and 2010 are as follows:

The year ended March 31, 2011

1. The amount and the accounting subject in relation to the stock option in the fiscal year 2010
Selling, General and Administrative Expenses: ¥41 millions (\$493 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

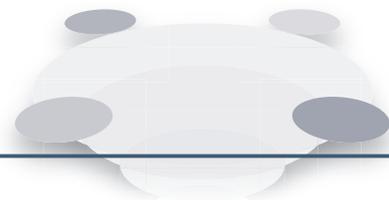
	The third new share subscription right as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered	134,000 shares of Common stock
Date of issuance	July 30, 2010
Condition of exercising	(Note)
Vesting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

(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 in the years ended March 31, 2011, 2010 and 2009.

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
Before the resolution			
End of the preceding term	-	-	-
Offered	-	-	134,000
Cancelled	-	-	-
Vested	-	-	134,000
Outstanding	-	-	-
After the resolution			
End of the preceding term	66,000	169,000	-
Vested	-	-	134,000
Exercised	4,000	18,000	-
Cancelled	-	-	-
Outstanding	62,000	151,000	134,000

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
Exercised price	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)
The average price at the time of exercising	¥299 (\$3.596)	¥296 (\$3.560)	-
Official price at the date of offered	¥560 (\$6.735)	¥393 (\$4.726)	¥307 (\$3.692)

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)	35.6%
Estimated residual period (Note 2)	1 years and 7 month
Estimated dividends (Note 3)	¥5 (\$0.06) per share
Risk-free rate (Note 4)	0.14%

- (Note) 1. The third: The figure is calculated based on actual share data from December 15, 2008 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 third: The estimated figure is based on the actual dividend amount at March 31, 2010.
 4. Estimated capitalisation cycle of government bond 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.

The Year ended March 31, 2010

1. The amount and the accounting subject in relation to the stock option in the fiscal year 2009
 Selling, General and Administrative Expenses: ¥66 millions

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

- (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 in the year ended March 31, 2010 and 2009.

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
Before the resolution		
End of the preceding term	83,000	-
Offered	-	169,000
Cancelled	-	-
Vested	83,000	169,000
Outstanding	-	-
After the resolution		
End of the preceding term	-	-
Vested	83,000	169,000
Exercised	17,000	-
Cancelled	-	-
Outstanding	66,000	169,000

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
Exercised price	¥1	¥1
The average price at the time of exercising	¥387	-
Official price at the date of offered	¥560	¥393

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	The second new share subscription right as share-reward type stock option
Stock market volatility (Note 1)	28.1%	42.4%
Estimated residual period (Note 2)	3 years and 6 month	2 years and 6 month
Estimated dividends (Note 3)	¥12 per share	¥5 per share
Risk-free rate (Note 4)	0.94%	0.34%

- (Note) 1. The first: The figure is calculated based on actual share data from February 14, 2005 up to the week of offered.
 The second: The figure is calculated based on actual share data from January 29, 2007 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 first: The estimated figure is based on the actual dividend amount at March 31, 2008.
 The second: The estimated figure is based on the actual dividend amount at March 31, 2009.
 4. Estimated capitalisation cycle of government bond 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.

18. Business Combination

The year ended in March 31, 2011

Business combination by acquisition

1. Summary of Business combination

- (1) Name of the acquired company and its content of business

Name of the acquired company
 Kokusai Chart Corporation

Content of business

Mesurement business, information business and label related business

- (2) Reasons for business combination

Aiming for maximizing the Company's value of supply-chain management business, by constructing the collaborative framework, and concentrating the bar-code printer technology and the ability of solution proposal which the company has and technology of paper converting which the acquired company has.

- (3) Date of business combination

March 22, 2011

- (4) Legal form of business combination

Acquisition of stock

- (5) Company name after acquisition

Kokusai Chart Corporation

- (6) Acquired ratio of voting rights

Share of voting rights at the date of the business combination 56.61%

2. Operating results of the acquired company for the year ended in March 31, 2011

Operating results are not included, because the Company deems the end of fiscal period to be the acquisition date

3. Acquisition cost of the acquired company

Acquisition price	¥1,121 millions	(\$13,482 thousands)
Other direct costs for the acquisition	¥108 millions	(\$1,299 thousands)
Total	¥1,229 millions	(\$14,781 thousands)

4. Goodwill incurred, occurrence factor and method and period of amortization

(1) Goodwill incurred ¥820 millions (\$9,862 thousands)

- (2) Occurrence factor

Because its current value of net assets dips below the acquired cost, the Company recognizes the difference as goodwill.

- (3) Method and period of amortization

Equal amounts over 5 years

5. Breakdown of acquired assets and liabilities as of the date of business combination

Current assets	¥1,069 millions	(\$12,856 thousands)
Fixed assets	¥1,836 millions	(\$22,081 thousands)
Total assets	¥2,905 millions	(\$34,937 thousands)
Current liabilities	¥746 millions	(\$8,972 thousands)
Fixed liabilities	¥903 millions	(\$10,860 thousands)
Total liabilities	¥1,649 millions	(\$19,832 thousands)

6. Assuming the business combination would be completed at the beginning date of fiscal year, the amount of effect on consolidated income statements of this fiscal year and the method of calculation would be as follow

It is not disclosed as the amounts are immaterial.

The year ended in March 31, 2010

Not applicable

19. Transactions with Related Parties

(A) Transaction with Related Parties for the year ended March 31, 2011.

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

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	¥439,901 \$(5,290,451)	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 (Millions of yen)
interlocking of directors	Deposit of fund	Deposit of fund	*1	Cash and Cash equivalent, Accrued interest, Interest income	¥65,102 \$(782,946), ¥7 \$(84), ¥227 \$(2,730)

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 other related matters

Depositing funds are determined from market rates and offers from third party interests rates.

(¥=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		Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End (Millions of yen)
Dispatch of executive officers, etc.	Business Relationship				
None	Sales of our products	Sales of document processing and telecommunication equipments, etc.	¥8,579	Trade notes and account receivable	¥2,819 \$(33,903)

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 other related matters

Depositing funds are determined from market rates and offers from third party interests rates.

(¥=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		Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End (Millions of yen)
Dispatch of executive officers,	Business Relationship				
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents, interest income	¥6,485 \$(77,992), ¥17 \$(204)

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 other related matters

Depositing funds are determined from market rates and offers from third party interests rates.

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

Status	Name	Address	Capital (Thousands of sterling pound)	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		Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
Dispatch of executive officers, etc.	Business Relationship				
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents	¥2,934 \$(35,286)

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 other related matters

Depositing funds are determined from market rates and offers from third party interests rates.

(B) Transactions with Related Parties for the year ended March 31, 2010.

(¥=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		Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
Dispatch of executive officers, etc.	Business Relationship				
None	Sales of our products	Sales of document processing and telecommunication equipments, etc.	¥7,432	Trade notes and account receivable	¥2,967

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 other related matters

As in the case of general trade terms, sales of products are determined from market prices and overall costs.

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

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Capital Corporation	Minato-ku, Tokyo	¥100	Financing of TOSHIBA Group domestic companies	None
Relationship		Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End
Dispatch of executive officers, etc.	Business Relationship				
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents Received interest Accured interest	¥52,731 ¥176 ¥7

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 other related matters

Depositing funds are determined from market rates and offers from third party interests rates.

(¥=Million, 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		Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End (Millions of yen)
Dispatch of executive officers, etc.	Business Relationship				
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents Received interest	¥9,449 ¥34

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 other related matters

Depositing funds are determined from market rates and offers from third party interests rates.

(¥=Million, GBP=Thousand)

Status	Name	Address	Capital (Thousands of sterling pound)	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		Transactions	Transaction Amounts (Millions of yen)	Account item	Balance at Fiscal Year End (Millions of yen)
Dispatch of executive officers, etc.	Business Relationship				
None	Deposits of funds	Deposits of funds	*1	Cash and cash equivalents	¥4,553

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 other related matters
Depositing funds are determined from market rates and offers from third party interests rates.

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, 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

(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	\$16,549	\$0.06	March, 31, 2010	June 1, 2010
Board of directors held on October 28, 2010	Common stock	\$6,590	\$0.02	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

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

(1) Cash dividends paid

Not applicable

(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, 2010	Common stock	¥1,375	Retained earnings	¥5.0	March, 31, 2010	June 1, 2010

21. Per share Information

Per share information at March 31, 2011 and 2010 are as follows:

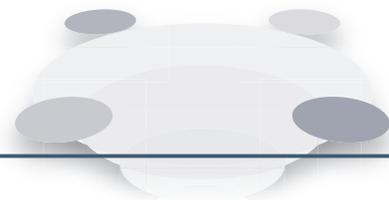
	Yen		U.S.dollars
	2011	2010	2011
Net assets per share	¥473.44	¥474.85	\$5.69
Net income per share	23.71	15.06	0.29
Net income per share fully diluted	23.68	15.05	0.28

* 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
	2011	2010	2011
Net income per share			
Net income	¥6,510	¥4,144	\$78,292
Amounts not attributable to common stock	-	-	-
Net income attributable to common stock	6,510	4,144	78,292
Average number of shares of common stock	274,541	275,172	
Net income per share fully diluted			
Adjustment to net income	-	-	-
Increase in number of common stocks (thousand shares)	307	181	
(Share subscription rights)	307	181	
Outline of the residual securities excluded from the calculation of the fully diluted net income per share because they have no dilutive effects.	-	-	-

Net income per share

Net income	¥6,510	¥4,144	\$78,292
Amounts not attributable to common stock	-	-	-
Net income attributable to common stock	6,510	4,144	78,292
Average number of shares of common stock	274,541	275,172	
Net income per share fully diluted			
Adjustment to net income	-	-	-
Increase in number of common stocks (thousand shares)	307	181	
(Share subscription rights)	307	181	
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

The year ended in March 31, 2011

Effective April 1, 2011, the Company changed its business segment. The Company shifted the business structure aiming the efficiency and expansion of the overseas operations. The Company changed to two segments. System Solution is in charge of domestic business, Global Solution is in charge of overseas business.

The business segment information for the year ended March 31, 2011, under the new business segmentation is as follows:

	Millions of yen
	2011
Net Sales	
System Solutions Business Group	
Unaffiliated customers	¥164,987
Intersegment	2,491
Total	167,478
Global Solutions Business Group	
Unaffiliated customers	197,315
Intersegment	9,831
Total	207,146
Adjustments	(12,322)
Consolidated	¥362,302
Segment Income	
System Solutions Business Group	¥5,741
Global Solutions Business Group	8,256
Consolidated	¥13,997
Segment Assets	
System Solutions Business Group	¥68,752
Global Solutions Business Group	152,676
Adjustments	67,165
Consolidated	¥288,593
Depreciation	
System Solutions Business Group	¥2,684
Global Solutions Business Group	8,244
Consolidated	¥10,928
Amortization	
System Solutions Business Group	¥35
Global Solutions Business Group	2,555
Consolidated	¥2,590
Capital Expenditures	
System Solutions Business Group	¥2,952
Global Solutions Business Group	8,920
Consolidated	¥11,872
Unamortized balance	
System Solutions Business Group	¥882
Global Solutions Business Group	18,523
Consolidated	¥19,405

The year ended in March 31, 2010

(A) Change in Business Segment

Effective April 1, 2010, the Company changed its business segment. Corresponding to the changes in the business circumstances, the Company shifted the business structure from commodity composition segment base to market-friendly

segment base with the aim of expanding business areas in a short period of time possible and establishing become as a total solutions provider.

New Business groups and main products are as follows.

- (1) System Solutions Business Group Segment
POS systems, Electronic Cash Registers, Electronic Scales, Office Automation Equipments, Supply products, Multifunction Peripherals, Facsimile, Unit parts, Inkjet Head, Barcode systems, RFID solutions, Printers, Custom terminals, in Japan
- (2) Document Solutions Business Group Segment
Multifunction Peripherals, Facsimile, Unit parts, Inkjet Head, Overseas
- (3) International POS, AI & Printer Business Group Segment
POS systems, Electronic Cash Registers, Electronic Scales, Supply products, Barcode systems, RFID solutions, Printers, Overseas

The business segment information for the year ended March 31, 2010, under the new business segmentation is as follows.

	Millions of yen
	2010
Net Sales	
System Solutions Business Group	
Unaffiliated customers	¥161,990
Intersegment	2,363
Total	164,353
Document Solutions Business Group	
Unaffiliated customers	162,833
Intersegment	9,127
Total	171,960
International POS, AI & Printer Business Group	
Unaffiliated customers	39,755
Intersegment	233
Total	39,988
Eliminations	(11,723)
Consolidated	¥364,578
Operating Expenses	
System Solutions Business Group	¥160,797
Document Solutions Business Group	167,631
International POS, AI & Printer Business Group	38,148
Eliminations	(11,723)
Consolidated	¥354,853
Operating Income	
System Solutions Business Group	¥3,556
Document Solutions Business Group	4,329
International POS, AI & Printer Business Group	1,840
Eliminations	-
Consolidated	¥9,725
Identifiable Assets	
System Solutions Business Group	¥65,426
Document Solutions Business Group	133,196
International POS, AI & Printer Business Group	32,400
Corporate and Eliminations	58,496
Consolidated	¥289,518

Depreciation and Amortization	
System Solutions Business Group	¥3,292
Document Solutions Business Group	13,001
International POS, AI & Printer Business Group	962
Consolidated	¥17,255
Capital Expenditures	
System Solutions Business Group	¥1,711
Document Solutions Business Group	8,389
International POS, AI & Printer Business Group	340
Consolidated	¥10,440

(B) Transfer of Business

The company decided at the meeting of board of directors held on May 27, 2010, to take over the MFP's business of domestic sales and maintenance service from Toshiba Tec Business Solutions Corporation, effective on October 1, 2010.

(1) Company name and its content of business, a legal form of business combination, company name after combination and purpose of business transfer.

1. Company name and its content of business
Toshiba Tec Business Solutions Corporation
MFP's business of domestic sales and maintenance service
2. Legal form of business combination
Business transfer under common control
3. Company name after combination
Toshiba Tec Corporation
4. Purpose of business transfer
The Company rebuilds the domestic business, and takes over the MFP's business of domestic sales and maintenance service and creates synergy effects with System Solutions Business.

(2) Summary of accounting method

The Company accounts for this transfer of business as a transaction under the common control as stated in the "Accounting for Business Combinations" and "Guidance for Accounting Standard for Business Combinations and Business Divestitures".



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Fax: +81 3 3503 1197

Report of Independent Auditors

The Board of Directors
TOSHIBA TEC CORPORATION

We have audited the accompanying consolidated balance sheets of TOSHIBA TEC CORPORATION and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended and consolidated statement of comprehensive income for the year ended March 31, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOSHIBA TEC CORPORATION and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 23, 2011

TOSHIBA TEC CORPORATION

Corporate Data

2-17-2 Higashi Gotanda, Shinagawa-ku, Tokyo 141-8664 Japan
Tel: +81-3-6422-7000
Fax: +81-3-6422-7111
<http://www.toshibatec.co.jp/>
Established: February 21, 1950
Employees: 3,740 <Consolidated: 20,259> (as of March 2011)
Common Stock: ¥39,971 million (as of March 2011)
Stock Listing: Tokyo Stock Exchange (1st Section)

Board of Directors and Corporate Auditors

President and Chief Executive Officer (as of June 23, 2011)

◇Mamoru Suzuki

Directors

Hiroshi Inubushi
Shigenobu Osawa
Ushio Kawaguchi
Masato Yamamoto
Takayuki Ikeda
Atsushi Tanaka
Hidejiro Shimomitsu

Corporate Auditors

Takao Saito
Satoshi Yamato
Hideaki Hori
Takehiko Ouchi
Tsuyoshi Okubo

◇: Representative Director

Main Consolidated Companies (as of March 31, 2011)

- 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 CO., LTD.
- TEC APPLIANCE CO., LTD.
- TOSHIBA TEC AMERICA RETAIL INFORMATION SYSTEMS, INC.
- 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 ELECTRIC CORPORATION
- TOSHIBA TEC (H.K.) LOGISTICS & PROCUREMENT LTD.
- KOKUSAI CHART CORPORATION

