TOSHIBA
Leading Innovation

ANNUAL REPORT 2010

For the Year Ended March 31, 2010

TOSHIBA TEC CORPORATION

Financial Highlights

Years ended March 31

Consolidated	Millions of yen 2006	2007	2008	2009	2010	Thousands of U.S.dollars 2010
Net sales	¥443,402	¥510,846	¥492,970	¥422,601	¥364,578	$3,918,508
Operating income	17,157	22,671	26,075	10,123	9,725	104,525
Net income	6,034	10,763	13,382	2,634	4,144	44,540
Total assets	323,476	358,253	313,900	281,732	289,518	3,111,758
Total net assets	148,423	158,813	161,169	142,034	142,692	1,533,663
Total shareholders' equity	128,066	–	–	–	–	–
	Yen					U.S.dollars
Per share data:						
Net income -						
Basic	¥21.40	¥38.72	¥48.20	¥9.53	¥15.06	$0.162
Total shareholders' equity	458.80	494.73	504.00	465.63	474.85	5.104

Non-Consolidated	Millions of yen 2006	2007	2008	2009	2010	Thousands of U.S.dollars 2010
Net sales	¥253,931	¥297,996	¥266,537	¥237,364	¥211,345	$2,271,550
Operating income	3,720	4,299	5,008	(1,477)	2,544	27,343
Net income	6,966	6,266	7,777	4,722	5,476	58,856
Common stock	39,971	39,971	39,971	39,971	39,971	429,611
Total assets	197,815	237,996	204,069	200,658	210,729	2,264,929
Total net assets	110,494	113,039	117,124	116,766	122,704	1,318,831
Total shareholders' equity	110,494	–	–	–	–	–
	Yen					U.S.dollars
Per share data:						
Net income -						
Basic	¥24.84	¥22.54	¥28.01	¥17.09	¥19.89	$0.214
Cash dividends	9.00	11.00	12.00	5.00	5.00	0.054
Total shareholders' equity	395.91	407.11	421.99	424.09	445.75	4.791

The dollar amounts in this report represent translations of yen, for convenience only, at the rate of ¥93.04=US$1.00, the exchange rate prevailing on March 31, 2010.

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Business Review

Business Overview in the Consolidated Fiscal Year 2009

As for the global economy in the consolidated fiscal year 2009, signs of recovery were shown in Asia, however, economic stagnation still continued in the US and Europe and the global economy remained in a severe situation. Although the worst seemed behind, the Japanese economy was still stuck in a difficult situation with sluggish capital investment, exports and lower consumer expenditure.

Under such circumstances, aiming at realization of a strong profit constitution, the TOSHIBA TEC Group dedicated to establish a solid corporate structure whose performance is not swayed by external environment changes; improved sales and services efficiency, selected and focused on investment projects, and promoted our manufacturing technology, along with maintaining a stable balance sheet.

Sales amounted to 364,578 million yen, a 14% decrease from the previous consolidated fiscal year, due to the global market stagnation because of the economic downturn and fluctuations in exchange rates. Although significant decline in profits was recorded, our efforts to enhance earning potential through the cost structure reform led to considerable improvement, resulting in a decrease in operating profit of 4% over the previous consolidated fiscal year to 9,725 million yen, an increase in ordinary profit of 6% over the previous consolidated fiscal year to 7,236 million yen, and an increase in net profit of 57% over the previous consolidated fiscal year to 4,144 million yen.

Concerning non-consolidated operating results, sales amounted to 211,344 million yen, an 11% decrease from the previous year, also due to the global market stagnation because of the economic downturn and fluctuations in exchange rates. Although significant decline in profits was recorded, our efforts to enhance earning potential through the cost structure reform resulted in an increase in operating profit of 4,020 million yen over the previous year to 2,543 million yen, an increase in ordinary profit of 84% over the previous year to 5,377 million yen, and an increase in net profit of 16% over the previous year to 5,475 million yen.

Issues to be Addressed

Due to the development of globalization, borderless business and engineering innovation, there is increasingly severe market competition in the business environment surrounding the Toshiba TEC Group.

Under such circumstances, the Group continuously focuses efforts on releasing new products that satisfy customers' needs, improving marketing skills, proactively expanding business to emerging economies, improving business efficiency, innovating the cooperative processes between development and manufacturing, reducing costs, strengthening the Group's management power and improving asset efficiency, in order to build a strong corporate structure.

The business highlights for each business segment in the consolidated fiscal year 2009 are described below.

Retail Solutions Business

The retail solutions business that deals with POS systems, electronic cash registers/scales, OA equipment and supplies, committed to developing new products that meet market needs, expanding sales of core products, streamlining and expanding the overseas sales network along with improving cost competitiveness under the severe business environment where the profitability of the overall retail industry, the main market for the products, declined due to weaker consumer expenditure.

Document Systems Business

The document systems business that deals with MFPs, facsimiles, various unit parts and inkjet print heads, faced a difficult business climate marked by the continuous downturn of the global economy and intense competition. Even under such circumstances, this segment focused efforts on introducing strategic products including high-speed and middle-speed monochrome MFPs to the market, further sales expansion, while thoroughly reducing fixed costs and improving cost competitiveness.

Auto-ID & Printer Business

The auto-ID & printer business that deals with automatic identification systems such as barcode systems and RFID systems, printers and specialized terminals, devoted itself to expanding sales by developing new business areas, sales routes and customers as well as improving profitability, in a severe business environment resulting from continuous intense competition and a fall in demand due to restricted capital investment along with the slowdown in the global economy.

Notes: (1) Automatic Identification (AI) Systems refer to systems, which contain hardware and software to automatically retrieve, identify and manage data, from barcodes and IC tags.
(2) 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.

Key Achievements for 2009

- Realized restructuring in the whole group
  [Fixed expenses-28.5 billion Yen, -14% (vs. previous year)]
- Seven consecutive No.1 POS terminal share of Japanese market (‘08)
  [Unit share of Japanese market: 52%]
- Achieved No.1 share in A3 MFP market in China for ten consecutive years
  [Unit share of Chinese market: 19%] *1
- Integrated main information system of seven major bases in Japan and Asia. Shifted to private cloud computing system
- First introduction of store operation system with UHF band RFID to apparel business in Japan
- BERTL’s BEST by US independent rating agency, BERTL *2
  (MFP: e-STUDIO5520c/6520c/6530c)
- Japanese International Trade and Industry Minister Prize as product safety leading company

Notes:
*1 Source: “China Copier&MFP Market Report 2010 May” published by Key Research Inc./A3 Copier&MFP market
*2 Best Light Production Color MFP Range

Forecast for fiscal year 2010

The Toshiba TEC Group is committed to providing total solutions by making full use of its power as a group, developing and introducing 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 and assets.

From April 1, 2010, we have been devoting ourselves to further developing business operations centering on the System Solutions Business Group, the Document Solutions Business Group and the International POS, AI & Printer Business Operations, with the aim of expanding business areas at the earliest date possible and establishing ourselves as a total solutions provider.

Major measures on a segment basis for fiscal year 2010 ending March are as follows:

• System Solutions Business

The system solutions business strives to develop new products appropriate to market needs and promote area marketing, toward expanding sales of POS systems, barcode systems, MFPs and related products into the domestic market as well as providing total solutions, which use these products in combination. The system solutions business is also committed to streamlining sales and service systems at home to strengthen a high-profit structure.

• Document Solutions Business

The document solutions business strives to develop, introduce and expand sales of new strategic products, as well as provide solutions such as MPS, extend sales sites, and increase efficiency, toward expanding sales of MFPs into the overseas market. Thus, the document solutions business segment is committed to enhancing marketability and serviceability as well as improving cost competitiveness by self-manufacturing core products and increasing earning power along with reducing the fixed costs.

• International POS, AI & Printer Business

The international POS, AI & printer business strives to introduce competitive products into business fields per region and optimize the sales system toward expanding sales of POS systems and barcode printers in the overseas market. Thus, the international POS, AI & printer business is also committed to increasing earning power with the global development manufacturing system at the core.

Note: MPS refers to a service whereby a manufacturer undertakes the management of customers' MFPs and printers, sets up the devices at optimal positions and improves operating rates.

Mid-term Management Strategies (2010 – 2012)

Toshiba TEC Corporation strives to achieve growth exceeding the market under a new business management system launched on April 1, 2010.

For the Japanese market, the POS system, MFPs and Auto ID systems businesses have been unified as a means to utilize respective customer bases and create integrated products, thereby offering total solutions, with a view to eventually expanding business areas by entering growing markets. For the global market, we are implementing our growth strategy through sales expansion of POS systems and Auto ID systems utilizing MFP's business base, as well as working to enhance our solution proposals and engage in proactive expansion strategy for emerging markets.

1. Enhancement of Solutions ability with New Products and Services

To expand our business and achieve growth exceeding the market, our primary business shall shift from hardware to software and amalgamated business. In addition, we are making efforts to establish the next generation technologies required to enter growing markets.

2. Business Expansion in the Global Market

While centering on developed markets with overwhelming scale, Toshiba TEC Corporation also focuses on emerging markets where scale expansion is expected, and accelerates to develop the global market by expanding sales channels via dealers and direct sales and releasing strategic products specific to regions.

3. Promotion of Restructuring by Maximizing Total Group Power

We are expanding and streamlining our businesses by making maximum use of the Group's management assets, including consolidation of global sales and service bases, and sharing customer bases owned by each business. Also, we are striving to strengthen cost competitiveness further by consolidating production bases and optimizing the global manufacturing system.

Achievement Goals in the Mid-term Business Plan (Consolidated)

Unit: 100 million yen

Remarks		FY 2009 (Result)	FY 2010 (Target)	FY 2012 (Target)
Net sales		¥3,646	¥3,800	¥4,500
	System Solutions	1,643	1,720	1,900
(Breakdown)	Document Solutions	1,720	1,772	2,200
	International POS, AI & Printers	400	451	600
Operating profit		97	120	225
(ROS)		(2.7)	(3.2)	(5.0)

Note: Sales for each segment in the breakdown show the amount before elimination of internal sales between segments.
For the above-mentioned forecast, the exchange rates are 90 yen to the dollar and 120 yen to the euro.

Consolidated Balance Sheets

March 31, 2010 and 2009

ASSETS	Millions of yen 2010	Millions of yen 2009	Thousands of U.S.dollars (Note 1) 2010
Current assets			
Cash and cash equivalents	¥88,669	¥68,532	$953,020
Trade notes and accounts receivable	55,985	58,353	601,731
Inventories	31,019	34,938	333,394
Deferred income taxes (Note 9)	7,625	7,232	81,954
Prepaid expenses and other current assets	13,747	9,833	147,754
Allowance for doubtful accounts	(1,533)	(1,596)	(16,447)
Total current assets	195,512	177,292	2,101,376
Fixed assets			
Property, plant and equipment:			
Buildings and structures	31,075	31,262	333,996
Machinery and equipment	31,675	29,984	340,445
Tools, furniture and fixtures	56,173	56,712	603,751
Land	2,796	2,809	30,052
Lease Assets	9,325	6,884	100,226
Less accumulated depreciation	(100,630)	(95,133)	(1,081,578)
Construction in progress	736	3,541	7,910
	31,150	36,059	334,802
Intangible assets:			
Goodwill	23,814	27,970	255,955
Other intangible assets	5,385	6,173	57,878
	29,199	34,143	313,833
Investments and other assets:			
Investment securities: (Note 12)			
Unconsolidated subsidiaries and affiliates	42	42	451
Other	3,458	3,168	37,167
Deferred income taxes (Note 9)	21,697	22,720	233,201
Other investments and other assets	8,528	8,469	91,659
Allowance for doubtful accounts	(68)	(161)	(731)
	33,657	34,238	361,747
Total fixed assets	94,006	104,440	1,010,382
Total assets	¥289,518	¥281,732	$3,111,758

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

LIABILITIES AND NET ASSETS	Millions of yen 2010	Millions of yen 2009	Thousands of U.S.dollars (Note 1) 2010
Current liabilities			
Trade notes and accounts payable	¥43,846	¥40,503	$471,260
Short-term loans (Note 3)	15,223	11,802	163,618
Current portion of long-term debt (Note 3)	1	1	11
Lease liabilities	1,682	1,178	18,078
Accrued income and other taxes	994	726	10,683
Accrued bonuses to directors and corporate auditors	48	–	516
Other current liabilities	46,067	49,594	495,131
Total current liabilities	107,861	103,804	1,159,297
Long-term liabilities			
Long-term debt (Note 3)	2	3	21
Lease liabilities	4,242	3,852	45,593
Accrued retirement benefits (Note 4)	32,030	30,419	344,261
Allowance for retirement benefits for directors and corporate auditors	217	230	2,332
Other long-term liabilities	2,474	1,390	26,591
Total long-term liabilities	38,965	35,894	418,798
Total liabilities	146,826	139,698	1,578,095
Contingent liabilities (Note 5)			
Shareholders' equity			
Common stock			
Authorized-1,000,000,000 shares			
Issued- 288,145,704 shares	39,971	39,971	429,611
Capital surplus	52,988	52,986	569,518
Retained earnings	51,392	47,229	552,365
Less treasury stock, at cost:			
13,103,000 shares in 2010	(5,424)	–	(58,298)
12,925,892 shares in 2009	–	(5,363)	–
Total shareholders' equity	138,927	134,823	1,493,196
Valuation and Translation adjustment			
Unrealized holding gains on securities	349	164	3,751
Net deferred profits on hedges	0	(279)	0
Foreign currency translation adjustments	(8,672)	(6,557)	(93,207)
Total valuation and translation adjustments	(8,323)	(6,672)	(89,456)
Share subscription rights	103	46	1,107
Minority interest in consolidated subsidiaries	11,985	13,837	128,816
Total Net assets	142,692	142,034	1,533,663
Total liabilities and Net assets	¥289,518	¥281,732	$3,111,758

Consolidated Statements of Operations

Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S.dollars (Note 1)
	2010	2009	2010
Net sales	¥364,578	¥422,601	$3,918,508
Cost of sales (Note 8)	193,282	228,434	2,077,407
Gross profit	171,296	194,167	1,841,101
Selling, general and administrative expenses (Note 6 and 8)	161,571	184,044	1,736,576
Operating income	9,725	10,123	104,525
Non-operating income and expenses:			
Interest and dividend income	490	925	5,267
Interest expense	(818)	(610)	(8,792)
Restructuring cost	(1,511)	(1,365)	(16,240)
Other, net (Note 7)	(2,160)	(3,631)	(23,217)
Income before income taxes and minority interest	5,726	5,442	61,543
Income taxes (Note 9):			
Current	2,070	1,377	22,248
Deferred	467	2,119	5,019
Income before minority interest	3,189	1,946	34,276
Minority interest in income of consolidated subsidiaries	(955)	(688)	(10,264)
Net income	¥4,144	¥2,634	$44,540

	Yen		U.S.dollars
Per share data	2010	2009	2010
Net income-Basic	¥15.06	¥9.53	$0.162
Cash dividends	¥5.00	¥5.00	$0.054

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

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2010 and 2009

Millions of yen

	Shareholder's equity				
	Common stock	Capital surplus	Retaind earnings	Treasury stock, at cost	Total shareholder's equity
Balance at March 31, 2009	¥39,971	¥52,986	¥47,229	¥(5,363)	¥134,823
Net income for the year	–	–	4,144	–	4,144
Cash dividends (Note 17)	–	–	–	–	–
Purchases of treasury stock	–	–	–	(70)	(70)
Retirement of treasury stock	–	2	–	9	11
Changes by accounting standard	–	–	–	–	–
Other, net	–	–	19	–	19
Balance at March 31, 2010	¥39,971	¥52,988	¥51,392	¥(5,424)	¥138,927

Millions of yen

	Valuation and Translation adjustments				Share subscription rights	Minority interests	Total net assets
	Net unrealized holding gain on securities	Net deferred profits on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at March 31, 2009	¥164	¥(279)	¥(6,557)	¥(6,672)	¥46	¥13,837	¥142,034
Net income for the year	–	–	–	–	–	–	4,144
Cash dividends (Note 17)	–	–	–	–	–	–	–
Purchases of treasury stock	–	–	–	–	–	–	(70)
Retirement of treasury stock	–	–	–	–	–	–	11
Changes by accounting standard	–	–	–	–	–	–	–
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

Thousands of U.S. dollars

	Shareholder's equity				
	Common stock	Capital surplus	Retaind earnings	Treasury stock, at cost	Total shareholder's equity
Balance at March 31, 2009	$429,611	$569,497	$507,620	$(57,642)	$1,449,086
Net income for the year	–	–	44,540	–	44,540
Cash dividends (Note 17)	–	–	–	–	–
Purchases of treasury stock	–	–	–	(753)	(753)
Retirement of treasury stock	–	21	–	97	118
Changes by accounting standard	–	–	–	–	–
Other, net	–	–	205	–	205
Balance at March 31, 2010	$429,611	$569,518	$552,365	$(58,298)	$1,493,196

Thousands of U.S. dollars

	Valuation and Translation adjustments				Share subscription rights	Minority interests	Total net assets
	Net unrealized holding gain on securities	Net deferred profits on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at March 31, 2009	$1,763	$(2,999)	$(70,475)	$(71,711)	$494	$148,721	$1,526,590
Net income for the year	–	–	–	–	–	–	44,540
Cash dividends (Note 17)	–	–	–	–	–	–	–
Purchases of treasury stock	–	–	–	–	–	–	(753)
Retirement of treasury stock	–	–	–	–	–	–	118
Changes by accounting standard	–	–	–	–	–	–	–
Other, net	1,988	$2,999	(22,732)	(17,745)	613	(19,905)	(36,832)
Balance at March 31, 2010	$3,751	$0	$(93,207)	$(89,456)	$1,107	$128,816	$1,533,663

Millions of yen

	Shareholder's equity				
	Common stock	Capital surplus	Retaind earnings	Treasury stock, at cost	Total shareholder's equity
Balance at March 31, 2008	¥39,971	¥52,989	¥51,113	¥(4,141)	¥139,932
Net income for the year	–	–	2,634	–	2,634
Cash dividends (Note 17)	–	–	(3,180)	–	(3,180)
Purchases of treasury stock	–	–	–	(1,238)	(1,238)
Retirement of treasury stock	–	(3)	–	16	13
Changes by revision of consolidation scope	–	–	(3,407)	–	(3,407)
Other, net	–	–	69	–	69
Balance at March 31, 2009	¥39,971	¥52,986	¥47,229	¥(5,363)	¥134,823

Millions of yen

	Valuation and Translation adjustments				Share subscription rights	Minority interests	Total net assets
	Net unrealized holding gain on securities	Net deferred profits on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at March 31, 2008	¥613	–	¥(659)	¥(46)	–	¥21,283	¥161,169
Net income for the year	–	–	–	–	–	–	2,634
Cash dividends (Note 17)	–	–	–	–	–	–	(3,180)
Purchases of treasury stock	–	–	–	–	–	–	(1,238)
Retirement of treasury stock	–	–	–	–	–	–	13
Changes by revision of consolidation scope	–	–	–	–	–	–	(3,407)
Other, net	(449)	(279)	(5,898)	(6,626)	46	(7,446)	(13,957)
Balance at March 31, 2009	¥164	¥(279)	¥(6,557)	¥(6,672)	¥46	¥13,837	¥142,034

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 2009

Consolidated Statements of Cash Flows

Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S.dollars (Note 1)
	2010	2009	2010
Cash flows from operating activities			
Income before income taxes and minority interest	¥5,726	¥5,442	$61,543
Adjustment to reconcile income before income taxes and minority interest to net cash provided by operating activities:			
Depreciation and amortization	17,255	16,973	185,458
Allowance for doubtful accounts	(122)	(1,342)	(1,311)
Accrual for retirement benefits, less payments	1,641	2,824	17,638
Interest and dividend income	(490)	(925)	(5,267)
Interest expense	818	610	8,792
Loss on sales or disposal of fixed assets	144	264	1,548
Gain or loss on sales of investment securities	(1)	(7)	(11)
Write down of investment securities	44	22	473
Restructuring cost	1,511	1,365	16,240
Changes in assets and liabilities:			
Notes and accounts receivable	769	10,495	8,265
Inventories	3,117	1,861	33,502
Notes and accounts payable	5,167	723	55,535
Other	(5,288)	(9,926)	(56,835)
Sub Total	30,291	28,379	325,570
Interest and dividend income received	482	909	5,180
Interest expense payments	(821)	(614)	(8,824)
Payments of extra pension for early retirement	(60)	(37)	(645)
Income taxes payments	(2,904)	(4,378)	(31,212)
Income taxes refund	1,071	2,504	11,511
Net cash provided by operating activities	28,059	26,763	301,580
Cash flows from investing activities			
Acquisition of property, plant and equipment	(6,941)	(11,141)	(74,602)
Proceeds from sales of property, plant and equipment	581	298	6,244
Acquisition of intangible assets	(1,725)	(2,121)	(18,541)
Acquisition of investment securities	(31)	(6)	(333)
Proceeds from sales of investment securities	5	21	54
Payments for business acquisition	(330)	(1,133)	(3,547)
Payments of loan receivable	(16)	(19)	(172)
Proceeds from loan receivable	44	40	473
Proceeds from liquidation of non-consolidated subsidiaries (dormant)	–	182	–
Other	294	464	3,160
Net cash used in investing activities	(8,119)	(13,415)	(87,264)
Cash flows from financing activities			
Proceeds (Repayments) of short-term loans, net	3,508	(860)	37,704
Repayments of long-term debt	(1)	(585)	(11)
Repayments of Finance-Lease liabilities	(2,062)	–	(22,163)
Purchase of treasury stock	(70)	(1,238)	(752)
Payments of dividend	(8)	(3,180)	(86)
Payments of dividend to minority shareholders of subsidiaries	(79)	(576)	(849)
Other *	10	(911)	108
Net cash used in financing activities	1,298	(7,350)	13,951
Effect of exchange rate changes on cash and cash equivalents	(1,101)	(1,425)	(11,833)
Net increase in cash and cash equivalents	20,137	4,573	216,434
Cash and cash equivalents at beginning of year	68,532	63,958	736,586
Increase in cash and cash equivalents resulting from:			
Subsidiaries inclusion in consolidation	–	–	–
Cash and cash equivalents at end of year	¥88,669	¥68,532	$953,020

* 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 ¥2,890 ($31,062) and ¥2,689 ($28,902) million respectively.

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 ¥93.04 = US$1.00 prevailing as of March 31, 2010. 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, 2010 and 2009, the accounts of 72 and 79 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, 2010 and 2009.

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 "Valuation and Translation adjustments" 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 "Valuation and Translation adjustments" 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.

Effective for the year ended March 31, 2009, the Accounting Standard for Measurement of Inventories (ASBJ Statement No.9) has been applied from the preceding consolidated fiscal year. The value stated on the balance sheet is calculated by the lower of the cost or market prices in consideration of its profitability. This change in accounting had no impact on operating income and income before income taxes and minority interest.

(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

Effective for the year ended March 31, 2009, under a revision of the Corporation Tax Law, the Company and domestic subsidiaries changed the depreciation method into that based on the revised Corporation Tax Law. With regard to the depreciation of machinery and equipment, the duration has changed into 7-13 years from 7-11 years. By the adoption of this change, the operating income, the ordinary income and the income before tax have decreased by ¥335 million, respectively.

(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) Allowance for Retirement Benefits for Directors and Corporate Auditors

The Company and its domestic subsidiaries provided allowance for the retirement benefits for directors and corporate officers. At the board of directors meeting on March 26, 2008, the Company has adopted the stock option plan instead of the retirement benefits for directors and corporate officers.

(L) 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.

Effective for the year ended March 31, 2009, the Company has adopted the "Accounting Standards for Lease Transactions" and "Implementation Guidance for Accounting Standards for Lease Transactions". By applying these standards, depreciation of assets under finance leases, entered into on and after April 1, 2008, 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. This change in accounting had no impact on operating income and income before income taxes and minority interest.

(M) Income Taxes, Deferred Tax Assets and Liabilities

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

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

(N) Consumption Taxes

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

(O) Derivative Financial Instruments

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

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

(P) 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.

(Q) Research and Development Expenses

Research and development costs are charged to income as incurred.

(R) 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.

(S) The "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Effective for the year ended march 31, 2009, the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No.18, issued May 17, 2006) and carried out necessary consolidated financial adjustments. By the adoption of this rule, the retained earnings at the beginning of the year decreased by ¥3,406 million mainly due to amortizing goodwill of subsidiaries in America. The operating income and the income before income taxes and minority interest have also decreased by ¥1,659 million, respectively.

(T) 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.

(U) 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 million ($3,912 thousand).

3. Short-Term Loans and Long-Term Debt

The average interest rate for short-term loans outstanding at March 31, 2010 and 2009 is 0.7% and 3.2%, respectively.

The long-term debt (including lease liabilities) at March 31, 2010 and 2009, consists of the following :

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Long-term debt:			
Due serially through 2014, with interest rate of 3.72%	¥3	¥4	$32
Less current portion	1	1	11
	¥2	¥3	$21
Lease liabilities	¥5,924	¥5,030	$63,671
Less current portion	1,682	1,178	18,078
	¥4,242	¥3,852	$45,593

The aggregate annual maturities of long-term debt (excluding the current portion) outstanding at March 31, 2010 are as follows:

Year ending March 31	Millions of yen	Thousands of U.S.dollars
2012	1	10
2013	1	10
2014 and thereafter	0	1
	¥2	$21

The aggregate annual maturities of lease liabilities (excluding the current portion) outstanding at March 31, 2010 are as follows:

Year ending March 31	Millions of yen	Thousands of U.S.dollars
2012	1,109	11,919
2013	1,069	11,490
2014 and thereafter	2,064	22,184
	¥4,242	$45,593

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.

The following table sets forth the funded status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2010 and 2009 for the Companies' defined benefit plans:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Retirement benefit obligation	¥(78,835)	¥(78,255)	$(847,324)
Plan assets	35,602	28,406	382,653
Unfunded retirement benefit obligation	(43,233)	(49,849)	(464,671)
Unrecognized actuarial gain or loss	3,905	11,065	41,971
Unrecognized past service cost	7,298	8,530	78,439
Net amount recognized in the consolidated balance sheet	(32,030)	(30,254)	(344,261)
Prepaid pension cost	0	165	0
Accrued retirement benefit obligation	¥(32,030)	¥(30,419)	$(344,261)

The components of retirement benefit expenses for the years ended March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Service cost	¥3,699	¥3,256	$39,757
Interest cost	1,540	1,565	16,552
Expected return on plan assets	(1,010)	(1,046)	(10,856)
Amortization of actuarial gain or loss	1,960	1,287	21,066
Amortization of past service cost	1,232	1,251	13,242
Total	¥7,421	¥6,313	$79,761

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, 2010 and 2009 were ¥115 millions ($124 thousands) and ¥76 millions, respectively.

The assumption used in accounting for the above plans for the year ended March 31, 2010 and 2009 are as follows:

	2010	2009
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

5. Contingent liabilities

Contingent liabilities at March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Trade notes receivable discounted or endorsed	¥389	¥1,033	$4,181
Guarantees on lease contracts	–	101	–
Guarantees on employees' bank loans	606	731	6,513
Subsidiary's guarantee on customers' bank loans	–	2	–

6. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses at March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Delivering expense	¥6,121	¥7,445	$65,789
Advertising expense	1,655	3,276	17,788
Personal expense	87,826	97,382	943,960
Depreciation and amortization	2,941	3,928	31,610
Research and development expense	15,610	20,070	167,777
Other selling expense	8,251	7,849	88,682

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

"Other, net" for the years ended March 31, 2010 and 2009, consists of the following:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Write-down and disposal of inventories	¥ –	¥(491)	$ –
Loss on sales or disposals of property, plant and equipment	(144)	(400)	(1,548)
Foreign exchange gain or loss	(759)	(1,666)	(8,158)
Other, net	(1,257)	(1,074)	(13,510)
	¥(2,160)	¥(3,631)	$(23,216)

8. Research and Development Expenses

Research and development costs charged to income for the years ended March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
	¥22,546	¥29,592	$242,326

9. Income Taxes and Deferred Tax Assets and Liabilities

The following table summarizes the difference between the statutory tax rate and the Company's effective tax rate for the years ended March 31 2010 and 2009.

	2010	2009
Statutory tax rate	40.6%	40.6%
Effect of :		
Different tax rates applied to income of foreign subsidiaries	(18.1)	(19.3)
Expenses not deductible for income tax purposes	4.8	5.7
Changes in valuation allowance	(1.2)	0.5
Corporation tax special deduction for research expenditures	(9.2)	(9.0)
Amortization of goodwill of foreign subsidiaries	36.9	44.7
Unrealized gain of inventory	(4.7)	–
A past fisical year adjustment	(2.3)	–
Other, net	(2.5)	1.1
	44.3%	64.3%

Significant components of the Companies' deferred tax assets and liabilities at March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Deferred tax assets:			
Accrued retirement benefits	¥12,491	¥11,881	$134,254
Intangible assets	8,604	9,174	92,476
Accrued bonuses	2,555	3,151	27,461
Elimination of consolidated unrealized gains	1,658	1,286	17,820
Other	6,136	6,500	66,951
	31,444	31,992	337,962
Valuation allowance	(1,591)	(1,658)	(17,100)
	29,853	30,334	320,862
Deferred tax liabilities:			
Retained earnings appropriated for tax allowable reserves	276	317	2,966
Unrealized gains on securities	232	111	2,494
Other	23	(45)	247
	531	383	5,707
Net deferred tax assets	¥29,322	¥29,951	$315,155

10. Leases

(A) Finance Lease as a lessee

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

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

1-2. Depreciation method of lease assets:
According to the "Accounting Standards for Lease Transactions" and "Implementation Guidance for Accounting Standards for Lease Transactions", which have been adopted from the consolidated fiscal year beginning April 1, 2008, depreciation of assets under finance leases which do not transfer ownership of the leased assets to the lessee are calculated by the straight-line method over the lease period with no resudual 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
	2010	2009	2010
Due within one year	¥176	¥215	$1,892
Due after one year	197	255	2,117
	¥373	¥470	$4,009

(C) Finance Lease as a lessor

1. Details of investment lease

1-1) Investment lease - current assets	Millions of yen	Millions of yen	Thousands of U.S.dollars
	2010	2009	2010
Lease revenues receivable	¥176	¥221	$1,892
Interests receivable	(16)	(21)	(172)
	¥160	¥200	$1,720

1-2) Investment lease - others	2010	2009	2010
Lease revenues receivable	¥231	¥261	$2,483
Interests receivable	(22)	(25)	(237)
	¥209	¥236	$2,246

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

Within one year	¥176	¥221	$1,892
Between 1 to 2 years	176	221	1,892
Between 2 to 3 years	55	39	591
Between 3 to 4 years	–	–	–
Between 4 to 5 years	–	–	–
More than 5 years	–	–	–
	¥407	¥481	¥4,375

(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
	2010	2009	2010
Due within one year	¥285	¥337	$3,063
Due after one year	356	277	3,827
	¥614	¥614	$6,890

(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
Lease revenues receivable	2010	2009	2010
Current assets	–	–	–
Others	–	–	–
	–	–	–
Investment lease			
Current assets	766	638	8,233
Others	1,228	907	13,199
	¥1,994	¥1,545	$21,432
Lease expenses payable			
Current liabilities	766	638	8,233
Fixed liabilities	1,228	907	13,199
	¥1,994	¥1,545	$21,432

11. Financial Instruments

Effective for the year ended March 31, 2010, a new accounting standard for financial instruments and related implementation guidance have been adopted.

For the year ended March 31, 2010

Overview

1. Policy for financial instruments

The Company and its consolidated subsidiaries (collectively, the "Companies") raise funds mainly using Toshiba Group Finance program. Esentially 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 dose 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 issures.

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 of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if availble. When there is no quoted market price available, fair value is determined based on reasonable esteimates. 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 13 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	differene
(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	(15,223)	(15,223)	–
(f)	Derivative transactions (*2)	9	9	–

		Thousands of U.S. dollars		
		consolidated balance sheet	estimated fair value	differene
(a)	Cash and cash equivalents	$953,020	$953,020	–
(b)	Trade notes and accounts receivable	601,731		
	Allowance for doubtful accounts (*1)	(16,036)		
		585,695	585,695	–
(c)	Marketable securities and investment securities	18,239	18,239	–
(d)	Trade notes and accounts payable	(471,260)	(471,260)	–
(e)	Short- time loans	(163,618)	(163,618)	–
(f)	Derivative transactions (*2)	97	97	–

(*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 parenthsis.

(Note) 1. Method to determine the estimeted 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 12 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 13 Derivative Transactions

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

	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥1,802	$19,368

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 Five year through Ten years
Cash and cash equivalents	¥88,669	–	–	–
Trade notes and account receivable	55,985	–	–	–
Marketable securities and invetment securities				
Held-to-maturity debt securities				
National and local government bonds	–	–	–	–
Corporate bonds	–	–	–	–
Other marketable securities with maturities				
Corporate bonds	–	–	–	–
Other	–	–	–	–
total	¥144,654	–	–	–

	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 Five year through Ten years
Cash and cash equivalents	$953,020	–	–	–
Trade notes and account receivable	601,731	–	–	–
Marketable securities and invetment securities				
Held-to-maturity debt securities				
National and local government bonds	–	–	–	–
Corporate bonds	–	–	–	–
Other marketable securities with maturities				
Corporate bonds	–	–	–	–
Other	–	–	–	–
total	$1,554,751	–	–	–

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

12. Securities

(1) Information regarding marketable Other Securities as of March 31, 2010 and 2009 are as follows:

	Millions of yen					
	2010			2009		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:						
Stocks	¥921	¥1,552	¥631	¥855	¥1,404	¥549
Securities whose acquisition cost exceeds their carrying value:						
Stocks	200	146	(54)	270	214	(56)
Total	¥1,121	¥1,698	¥577	¥1,125	¥1,618	¥493

	Thousands of U.S.dollars		
	2010		
	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
Stocks	$9,899	$16,681	$6,782
Securities whose acquisition cost exceeds their carrying value:			
Stocks	2,150	1,569	(581)
Total	$12,049	$18,250	$6,201

(2) The proceeds from sales of securities, except those of the affiliated companies, for the years ended March 31, 2010 and 2009 were ¥0 millions ($4 thousands) and ¥19 millions, respectively. The realized gains on those sales for the years ended March 31, 2010 and 2009 were (¥2) millions (($21) thousands) and ¥6 millions, respectively.

(3) Information regarding non-marketable securities as of March 31, 2010 and 2009 is as follows.

	Millions of yen		Thousands of U.S.dollars
	2010	2010	2010
	Carrying value		Carrying value
Other securities			
Unlisted stocks	¥1,802	¥1,550	$19,368
Others	–	–	–
Total	¥1,802	¥1,550	$19,368

13. Derivative Transactions

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

Currency-related transactions

	Millions of yen			
	Contract amout		Fair value	Unrealized Gain(Loss)
	Maturing within one year	Maturing after one year		
Forward foreign exchange contracts				
Sell:				
EUR	¥1,199	–	¥10	¥10
AUD	12	–	0	0
total	¥1,211	–	¥10	¥10

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

	Thousands of U.S. dollars			
	Contract amout		Fair value	Unrealized Gain(Loss)
	Maturing within one year	Maturing after one year		
Forward foreign exchange contracts				
Sell:				
EUR	$12,887	–	$107	$107
AUD	129	–	0	0
total	$13,016	–	$107	$107

*Caluculation 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, 2010, for which hedged accounting has been applied.

Currency-related Transactions

1. Net deffered profits on hedges

	Millions of yen			Thousands of U.S. dollars		
	Contract amout		Fair value	Contract amout		Fair value
	Maturing within one year	Maturing after one year		Maturing within one year	Maturing after one year	
Forward foreign exchange contracts						
Sell:						
EUR	¥85	–	¥0	$914	–	$0
AUD	5	–	0	54	–	0
total	¥90	–	¥0	$968	–	$0

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

	Millions of yen			Thousands of U.S. dollars		
	Contract amout		Fair value	Contract amout		Fair value
	Maturing within one year	Maturing after one year		Maturing within one year	Maturing after one year	
Forward foreign exchange contracts						
Sell:						
CAD	¥267	–	¥(7)	$2,870	–	$(75)
AUD	65	–	(2)	698	–	(22)
total	¥332	–	¥(9)	$3,568	–	$(97)

(3) Fair value information of the derivative financial instruments at March 31, 2009 is summarized below according to the disclosure requirements applicable to the repective year.

	Millions of yen		
	2009		
	Contract amount	Fair value	Unrealized gain (loss)
Forward exchange contracts:			
Sell Euros and others	¥2,046	¥2,186	¥(140)

Above forward exchange contracts are taken by the Company to hedge the foreign currency risk on inter-company transactions. They meet the criteria for deferral hedge accounting, and holding gains or losses of these financial instruments are deferred in the Non-Consolidated Financial Statements of the Company.

14. Segment Information

(A) Business Segment for the years ended in March 31, 2010 and 2009

The Companies operate in three business segments in the fiscal year 2009 and 2008.

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Net Sales			
Retail Solutions Business Group			
Unaffiliated customers	¥151,786	¥166,738	$1,631,406
Intersegment	2,626	3,770	28,224
Total	154,412	170,508	1,659,630
Document Systems Business Group			
Unaffiliated customers	183,636	216,037	1,973,732
Intersegment	4,832	9,671	51,934
Total	188,468	225,708	2,025,666
Auto-ID and Printer Business Group			
Unaffiliated customers	29,157	39,826	313,381
Intersegment	3,401	4,358	36,554
Total	32,558	44,184	349,935
Eliminations	(10,860)	(17,799)	(116,724)
Consolidated	¥364,578	¥422,601	$3,918,508
Operating Expenses			
Retail Solutions Business Group	¥149,335	¥163,867	$1,605,062
Document Systems Business Group	184,529	223,644	1,983,330
Auto-ID and Printer Business Group	31,849	42,767	342,315
Eliminations	(10,860)	(17,800)	(116,724)
Consolidated	¥354,853	¥412,478	$3,813,983
Operating Income			
Retail Solutions Business Group	¥5,077	¥6,642	$54,568
Document Systems Business Group	3,939	2,064	42,337
Auto-ID and Printer Business Group	709	1,417	7,620
Eliminations	–	–	–
Consolidated	¥9,725	¥10,123	$104,525
Identifiable Assets			
Retail Solutions Business Group	¥65,392	¥65,762	$702,837
Document Systems Business Group	140,029	147,591	1,505,041
Auto-ID and Printer Business Group	26,840	25,845	288,478
Corporate and Eliminations	57,257	42,534	615,402
Consolidated	¥289,518	¥281,732	$3,111,758
Depreciation and Amortization			
Retail Solutions Business Group	¥2,816	¥3,150	$30,267
Document Systems Business Group	13,677	13,016	147,001
Auto-ID and Printer Business Group	762	808	8,190
Consolidated	¥17,255	¥16,974	$185,458
Capital Expenditures			
Retail Solutions Business Group	¥1,680	¥3,907	$18,057
Document Systems Business Group	8,507	10,627	91,434
Auto-ID and Printer Business Group	253	580	2,719
Consolidated	¥10,440	¥15,114	$112,210

(Note) Corporate assets mainly consist of cash, time deposits, securities and investments with financial institutions of the Company.
Corporate assets at March 31, 2010 and 2009, are ¥58,496 millions ($628,719 thousands) and ¥43,422 millions, respectively.

The main products of each business segments

Retail Solutions Business Group
POS Systems, Electronic Cash Register, Electronic Scales

Document Systems Business Group
Color Multi Function Peripherals, Monochrome Multi Function Peripherals

Auto-ID and Printer Business Group
Barcode Printer, RFID Products

(B) Geographic Segments

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Net Sales			
Japan			
Unaffiliated customers	¥188,545	¥215,419	$2,026,494
Intersegment	66,610	70,266	715,929
Total	255,155	285,685	2,742,423
American States			
Unaffiliated customers	66,288	81,065	712,468
Intersegment	1,620	1,855	17,412
Total	67,908	82,920	729,880
Europe			
Unaffiliated customers	81,030	91,388	870,916
Intersegment	2,744	2,398	29,492
Total	83,774	93,786	900,408
Asia and others			
Unaffiliated customers	28,716	34,730	308,642
Intersegment	45,968	52,268	494,067
Total	74,684	86,998	802,709
Eliminations	(116,943)	(126,788)	(1,256,912)
Consolidated	¥364,578	¥422,601	$3,918,508
Operating Expenses			
Japan	¥248,535	¥282,392	$2,671,271
American States	70,205	83,475	754,568
Europe	80,731	93,558	867,702
Asia and others	70,977	82,736	762,866
Eliminations	(115,595)	(129,683)	(1,242,423)
Consolidated	¥354,853	¥412,478	$3,813,983
Operating Income			
Japan	¥6,620	¥3,293	$71,152
American States	(2,297)	(555)	(24,688)
Europe	3,043	228	32,706
Asia and others	3,707	4,262	39,843
Eliminations	(1,348)	2,895	(14,488)
Consolidated	¥9,725	¥10,123	$104,525
Identifiable Assets			
Japan	¥198,572	¥203,938	$2,134,265
American States	26,939	26,889	289,542
Europe	53,509	47,941	575,118
Asia and others	41,359	37,321	444,529
Corporate and Eliminations	(30,861)	(34,357)	(331,696)
Consolidated	¥289,518	¥281,732	$3,111,758

(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 and 2009, are ¥58,496 millions ($628,719 thousands) and ¥43,422 millions, respectively.

(C) Net Sales by Region

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Net Sales			
Japan	¥169,415	¥190,828	$1,820,883
American States	76,683	97,425	824,194
Europe	86,988	98,802	934,953
Asia and others	31,492	35,546	338,478
Net sales	¥364,578	¥422,601	$3,918,508

(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.

15. Stock Option Plan

Stock option for the years ended March 31, 2010 and 2009 are as follows:

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 million ($709 thousand).

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 years 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	–	–
End of the preceding term		
March 31, 2008	–	–
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 ($0.01)	¥1 ($0.01)
The avarage price at the time of exercising	¥387 ($4.160)	–
Official price at the date of offered	¥560 ($6.019)	¥393 ($4.224)

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 dividents (Note 3)	¥12 ($0.12) per share	¥5 ($0.05) 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 Febrary 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 divident amount at March 31, 2008.
The second : The estimated figure is based on the actual divident 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.

The year ended March 31, 2009

1. The amount and the accounting subject in relation to the stock option in the fiscal year 2008

Selling, General and Administrative Expenses: ¥46 million

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

(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, 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
Before the resolution	
March 31, 2008	–
Offered	83,000
Cancelled	–
Vested	–
Outstanding	83,000
After the resolution	
March 31, 2008	–
Vested	–
Exercised	–
Cancelled	–
Outstanding	–

2-2. Per share data

	The first new share subscription right as share-reward type stock option
Exercised price	¥1
The avarage price at the time of exercising	–
Official price at the date of offered	¥560

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)	28.1%
Estimated residual period (Note 2)	3 years and 6 month
Estimated dividents (Note 3)	¥12 ($0.12) per share
Risk-free rate (Note 4)	0.94%

(Note) 1. The figure is calculated based on actual share data from February 14, 2005 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 estimated figure is based on the actual divident amount at March 31, 2008.
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.

16. Transactions with Related Parties

(A) Transactions with Fellow Subsidiaries for the year ended March 31, 2010.

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

Status	Name	Address	Capital (Thousand of Singapore dollars)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Singapore Pte., Ltd.	Singapore	S$11,600 (US$8,291)	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.	Business Relationship				
None	Sales of our products	Sales of document processing and telecommunication equipments, etc.	¥7,432	Trade notes and account receivable	¥2,967 ($31,890)

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

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)

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 ($1,075)	Financing of TOSHIBA Group domestic companies	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	¥52,731 ($566,756)
				Received interest	¥176 ($1,892)
				Accured interst	¥7 ($75)

With regard to the amounts above, Balance at Fiscal Year End 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 Singapore dollars)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Capital (Asia) LTD.	Singapore	S$4,000 (US$2,859)	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	¥9,449 ($101,558)
				Received interest	¥34 ($365)

With regard to the amounts above, Balance at Fiscal Year End 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, 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 (US$7,545)	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.	Business Relationship				
None	Deposits of funds	Deposits of funds	*1	Cash and Cash equivalents	¥4,553 ($48,936)

With regard to the amounts above, Balance at Fiscal Year End 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 Fellow Subsidiaries for the year ended March 31, 2009.

(¥=Million)

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Solutions Corporation	Minato-ku, Tokyo	¥23,500	Development, designing, manufacturing, sales and maintenance of computer systems and communication systems,etc.	None

Relationship		Transactions	Transaction Amounts	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.	¥7,241	Trade notes and account receivable	¥3,586

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

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)

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	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	¥35,718
				Received interest	¥223
				Accrued interest	¥1

With regard to the amounts above, Balance at Fiscal Year End 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	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	¥6,214
				Received interest	¥112

With regard to the amounts above, Balance at Fiscal Year End 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	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba International Finance Plc.	London, UK	GBP 5,000	Financing of corporate subsidiaries overseas etc.	None

Relationship		Transactions	Transaction Amounts	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	Short-term loans payable	¥3,744
				Interest expense	¥87

With regard to the amounts above, Balance at Fiscal Year End 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.

17. Cash Dividends

(A) 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

(resolution)	Type of shares	Total amount of dividends (Thousands of U.S.dollars)	Dividend resource	Dividends per share (U.S.dollars)	Record date	Effective date
Board of directors held on April 28, 2010	Common stock	$14,779	Retained earnings	$0.05	March, 31, 2010	June 1, 2010

(B) Cash dividends for the year ended March 31, 2009

(1) Cash dividends paid

(resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record date	Effective date
General shareholders' meeting held on April 25, 2008	Common stock	¥1,804	¥6.5	March, 31, 2008	June 2, 2008 (After general shareholders' meeting)
Board of directors held on October 30, 2008	Common stock	¥1,376	¥5.0	September 30,2008	December 1, 2008

(2) Year end dividends of the following fiscal year
Not applicable

18. Subsequent Event

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 Resgisters, 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 deceided 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 Buisness.

(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".

The year ended in March 31, 2009

Not applicable

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

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

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, 2010 and 2009, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, 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, 2010 and 2009, 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, 2010 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

June 25, 2010

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: 3,426 <Consolidated: 19,745> (as of March 2010)
Common Stock: ¥39,971 million (as of March 2010)
Stock Listing: Tokyo Stock Exchange (1st Section)

Board of Directors and Corporate Auditors

President and Chief Executive Officer (as of June 25, 2010)
◇Mamoru Suzuki

Directors
◇Yoshiyasu Kikuchi
Kazuaki Ushiyama
Keiichi Miura
Shigenobu Osawa
Ushio Kawaguchi
Toshio Yonezawa
Masahiko Fukakushi

◇:Representative Director

Corporate Auditors
Takao Saito
Satoshi Yamato
Hideaki Hori
Takehiko Ouchi
Tsuyoshi Okubo

Main Consolidated Companies (as of March 31, 2010)

- TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.
- TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH
- TOSHIBA TEC FRANCE IMAGING SYSTEMS S.A.
- TEC ENGINEERING CORPORATION
- TOSHIBA TEC BUSINESS SOLUTIONS CORPORATION
- TOSHIBA TEC EUROPE RETAIL INFORMATION SYSTEMS S.A.
- TOSHIBA TEC U.K. IMAGING SYSTEMS LTD.
- 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.

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