TOSHIBA

Leading Innovation

Toshiba Corporation

Annual Report 2009 • Operational Review

Financial Highlights • Toshiba Corporation and Subsidiaries

For the years ended March 31, 2009, 2008 and 2007

(Millions of yen)

	2009	2008 *(Note3)*	2007 *(Note3)*
Net sales—Japan	**¥ 3,230,840**	¥ 3,702,474	¥ 3,599,385
—Overseas	**3,423,678**	3,962,858	3,516,965
Net sales (Total)	**6,654,518**	7,665,332	7,116,350
Operating income (loss) *(Note 1)*	**(250,186)**	246,393	258,364
Income (loss) from continuing operations, before income taxes and minority interest	**(279,252)**	265,049	327,131
Net income (loss)	**(343,559)**	127,413	137,429
Total assets	**5,453,225**	5,935,637	5,931,962
Shareholders' equity	**447,346**	1,022,265	1,108,321
Capital expenditures (property, plant and equipment)	**357,111**	465,044	375,335
Research and development expenditures	**378,261**	393,293	393,987
Return on equity (ROE) (%)	**(46.8)**	12.0	13.0
Return on total assets (ROA) (%)	**(6.0)**	2.1	2.6

Yen

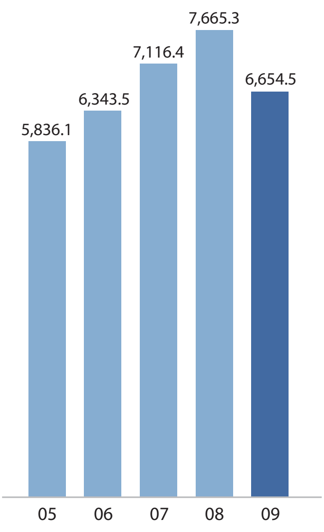
Per share of common stock:			
Net income (loss) *(Note 2)*			
—basic	**¥ (106.18)**	¥ 39.46	¥ 42.76
—diluted	**(106.18)**	36.59	39.45
Cash dividends	**5.00**	12.00	11.00
Number of employees (Thousands)	**199**	198	191

Notes: 1) Operating income (loss) has been determined under financial reporting practices generally accepted in Japan and is defined as net sales less cost of sales and selling, general and administrative expenses.

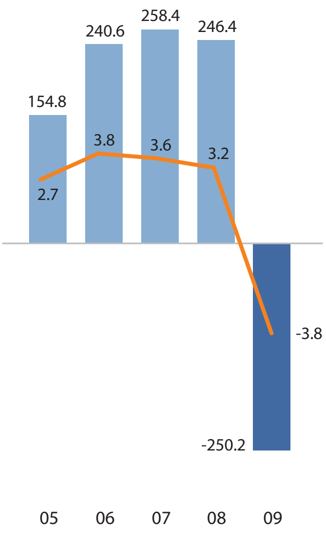
2) Basic net income per share (EPS) is computed based on the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the dilution that could occur if stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

3) Beginning with the fiscal year ended March 31, 2009, operating results of the Mobile Broadcasting business are accounted for in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" where the business is reclassified as a discontinued operation in the consolidated financial statements. Prior-period data for the fiscal years up to March 31, 2008 has been reclassified to conform with the current classification.

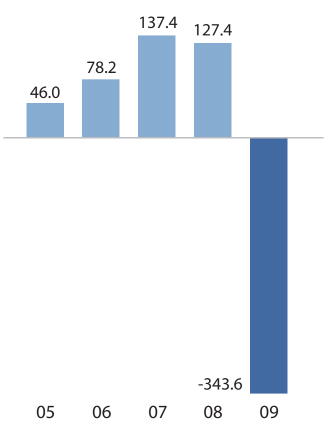
Net sales *(Billions of yen)*



Operating income (loss) *(Billions of yen)*
Operating income ratio *(%)*



Net income (loss) *(Billions of yen)*



TOSHIBA
Leading Innovation >>>

Toshiba delivers technology and products remarkable for their innovation and artistry—contributing to a safer, more comfortable, more productive life.

We bring together the spirit of innovation with our passion and conviction to shape the future and help protect the global environment—our shared heritage.

We foster close relationships, rooted in trust and respect, with our customers, business partners and communities around the world.

Contents

To Our Shareholders

After the June 2009 annual shareholders' meeting, Norio Sasaki succeeded Atsutoshi Nishida as President & CEO. Under our new leadership, Toshiba Group will pursue an early recovery in business performance through determined implementation of the "Action Programs to Improve Profitability" that we announced at the end of January 2009. At the same time, we are positioning ourselves today to successfully meet the challenges of tomorrow.

In fiscal year 2008, consolidated net sales were ¥6,654.5 billion, a decrease of ¥1,010.8 billion from FY2007. Consolidated operating income (loss) declined by ¥496.6 billion to -¥250.2 billion, and consolidated net income (loss) dropped by ¥471.0 billion to -¥343.6 billion. Our business results became very severe due to such factors as the shrinkage of the overall market as a result of the rapid worsening of the world economy and the steeper than expected decline in prices of semiconductors, mainly of NAND flash memory. As a result, Toshiba, with regret, reduced its annual dividend to ¥5 per share, a ¥7 decrease from FY2007. We can assure you it was a very difficult decision for us to take.

Toshiba is making all-out Group-wide efforts to speedily and effectively carry out its "Action Programs to Improve Profitability." These "Action Programs" were set up with the key objectives of transforming Toshiba Group into a Group with a strongly profitable business structure, one that can generate profit in FY2009 even if the level of sales is not expanding, and building a strong business foundation that will enable us to quickly seize business opportunities when the market begins to recover.

Toshiba will continue to strive to enhance corporate value by promoting four basic management policies: returning to the path of sustained growth with steadily higher profit; setting up ambitious goals for innovation and speed its pace; continuing to accelerate our globalization; and further strengthening CSR management.

We will make it our first priority to achieve the earliest possible business recovery and a return to the path of sustained growth with steadily higher profit. We are confident that we will emerge from the world economic crisis as an even stronger Group than before.

As we follow through on our plans of action, we would like to ask our shareholders for their continued strong support and understanding.

Atsutoshi Nishida
Chairman of the Board and Director

Norio Sasaki
Director
President and CEO

Norio Sasaki Director, President and CEO

"My first priority on becoming president is to improve the profitability of Toshiba Group and return it to the path of sustained growth with steadily higher profit."

Q. On becoming President and CEO, what are your aspirations for Toshiba?

A. I am determined to work hard to fulfill everyone's expectations for the growth and development of Toshiba Group. The synchronized global economic downturn has created a turbulent business environment. To overcome the adverse impacts of the present global economic crisis, my first priority on becoming president is to improve the profitability of Toshiba Group and return it to the path of sustained growth with steadily higher profit. To accomplish these objectives, I will adopt three central strategic policy approaches. First, I will vigorously promote the "Action Programs to Improve Profitability" that we introduced in January 2009. Second, I intend to continue pursuing key basic strategic policy goals such as accelerating the strategic allocation of resources to growth businesses, carrying out management with Corporate Social Responsibility, and speeding up our globalization. Third, I will strive to assure that we react with sensitivity and speed in responding to changes in the business environment. I firmly believe that these three strategic approaches will result in the enhancement of corporate value and lead us to take a giant leap ahead into the next economic era, making Toshiba Group into an even more formidable global competitor. At the same time, with regard to business strategy for the mid- to long-term, I will promote the restructuring of our businesses based on an intensive analysis of the future directions of our businesses and quickly respond to the changing business era by shifting management resources so as to create a more highly profitable business structure.

Q. What is your assessment of the serious decline in Toshiba's business performance in FY2008 and what measures are you planning to carry out to improve business results in FY2009?

A. The rapidly deteriorating world economy that developed into a deep global recession had powerful adverse impacts on our FY2008 business results. During FY2008, we were hit by major shrinkages in demand due to the rapid worsening of the world economy, steep price declines and the significant strengthening of the Japanese yen.

With regard to our business segments, the Social Infrastructure business segment was steady, though its profit declined. The Electronic Devices segment, particularly the Semiconductor and LCD businesses, fell deeply into the red. The Digital Products segment and the Home Appliances segment also moved into the red.

I expect the current tough business environment will continue into FY2009, so we have to carry out management based on the assumption that rapid recovery of the economy cannot be expected in the short-term. To achieve an early turnaround in the business situation of Toshiba Group, we are currently aggressively implementing our "Action Programs to Improve Profitability."

Q. Could you explain the essential points about the "Action Programs"?

A. The core objective of the "Action Programs" is to bring about an early return to strong profitability by carrying out a shift to a business structure that can generate high profit even if the level of sales is not increasing. At the same time, we need to set up a business foundation that will position us to immediately and effectively respond by taking advantage of business opportunities when the market environment starts to recover.

Toward this end, we are promoting three key policies. The first of these policies is fundamental restructuring of businesses adversely affected by the severe downturn, particularly the Semiconductor and LCD businesses in the Electronic Devices segment. In the Digital Products segment, we are reevaluating production systems for the TV and Mobile Phone business, and in the Home Appliances segment, we are consolidating production and development bases.

Second is the carrying out of Group-wide measures to strengthen our business structure. To increase profitability, we are making deep cuts in fixed costs, and strengthening our cost competitiveness through innovation and expanding global businesses outside of Japan. Lastly, we are accelerating allocation of strategic resources to growth businesses.

We are strengthening our Social Infrastructure business segment, which is expected to grow significantly in the coming years. The nuclear energy business is particularly promising, and global demand is growing, spurred by awareness of how it contributes to energy security and diversity while countering global warming.

As digital products evolve and diversify, the data storage market will greatly expand, so we are bolstering our capabilities in the SSD (solid state drive) and HDD (hard disk drive) businesses.

From the long-term perspective, we are shifting management resources to new businesses that will create a new era of strong growth and profitability for Toshiba Group.

Q. Could you outline the details of the Semiconductor business restructuring?

A. Our Semiconductor business has been severely impacted by the sharp worldwide drop in demand and also steep and continuing price declines. Based on a careful assessment of the market situation, restructuring of the Semiconductor business will be implemented in line with the characteristics of each business – discrete, system LSI and NAND flash memory. We are also reducing fixed costs across the business, as well as greatly reducing capital expenditures and improving the qualitative efficiency of R&D activities through expenditure reduction and focusing more on rigorous selection of key R&D themes. In addition, we are reorganizing production facilities, and we have implemented such personnel measures as reassigning personnel to focus areas and making other necessary workforce adjustments.

In anticipation of future demand recovery in NAND flash memory, we acquired needed production equipment from SanDisk Corporation. We are also promoting finer line-width lithography technology. SSD is a highly promising data storage business area where strong expansion in future demand is expected, and we are promoting the growth of our data storage business by maximizing synergies with the HDD business.

In the discrete and system LSI businesses, to secure competitive leadership and improve profitability, we are accelerating the shift of assembly operations to overseas facilities. We are also studying more fundamental restructuring from the perspective of reorganization trends in the industry.

Q. What measures have you taken to beef up Toshiba Group’s financial strength?

A. At the end of FY2008, our financial conditions had deteriorated, reflecting the significant downturn in our performance, growth of interest-bearing debt and reduction in our capital base. In addition to reinforcing the Group-wide efforts to shorten the cash-conversion cycle which we started in FY2008, and aggressively implementing our “Action Programs,” in June 2009, we successfully improved our financial position and secured capital for investment in future growth fields by means of a public offering that raised ¥319.2 billion. As a result of this move and other factors, as of the end of June, 2009, the total equity ratio was 19.9%, a 6-point improvement from the end of March 2009, and the debt-to-equity ratio was 133%, a 105-point improvement from the end of March 2009. We further reinforced our financial base by issuing subordinated bonds with a value of ¥180.0 billion.

All these measures will support us in establishing Toshiba Group's business base in the medium- to long-term and achieving a good balance between growth capabilities and the strengthening of our financial structure.

Q. What is your view of the role that Toshiba Group's core competency in promoting continuous innovation will play going forward?

A. We are continually seeking ways to promote and accelerate innovation, a pillar of Group management and a key source of our growth. Our Group's creative powers of imagination backed up by our prowess in sensitively reading the trends affecting our businesses will allow us to anticipate and clearly understand the coming changes in the global business environment, and in turn, this thinking process will advance our ability to innovate.

We will passionately focus on the promotion of continuous innovations of great value to society by mobilizing Toshiba's powers of imagination to create the new technologies, products and services that will help meet the central needs of tomorrow's society. The use of our powers of imagination to create continuous innovation will become an even more critical factor in turning Toshiba Group into the most competitive global company in its business segments.

Q. What vision do you have for Toshiba Group's CSR activities?

A. Toshiba Group promotes CSR-oriented management motivated by its deep convictions about its responsibilities as a "corporate citizen of planet Earth." We place utmost importance on constantly acting with complete integrity in all of our business activities. As we reinforce our global presence, I will ensure that the worldwide Toshiba Group always acts to place its highest priorities on human life, safety and compliance.

The most urgent issues facing mankind are stable energy supply and protecting the global environment. We aim to help people achieve a better quality-of-life lived in harmony with planet Earth through promoting "Toshiba Group Environmental Vision 2050," which states our aggressive goal of raising the eco-efficiency of our products and business processes 10 times by 2050, with 2000 as the benchmark year. For Toshiba, developing sustainable products and technologies is the next frontier of innovation. We aim to become one of the foremost eco-companies in the world.

As a significant step toward global CSR-oriented management in each region around the world, Toshiba Group signed the United Nations Global Compact in 2004. At the same time, in all our business activities, we are committed to a strong policy in support of cultural diversity. We seek to understand and respect the different cultures and ways of thinking, histories and customs as well as the laws and regulations in the communities around the world in which we do business.

Action Programs to Improve Profitability

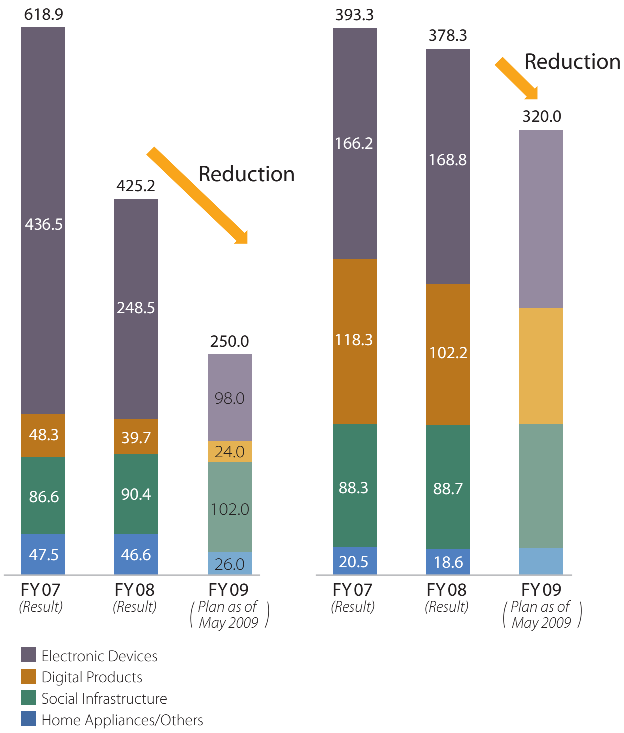
In FY2008, market deterioration of an unprecedented scope and severity resulted in Toshiba Group recording very disappointing business results. Market conditions will continue to remain tough in FY2009, and we need to manage our business without anticipating any fast turnaround.

Toshiba Group announced its "Action Programs to Improve Profitability" in January, with the goals of developing a robust profit-making structure that would allow the Group to generate profit even if the level of sales in FY2009 is not increasing, and establishing a strong foundation for making the most of opportunities offered when the market moves towards recovery.

Reduction of capital expenditures and R&D expenditures

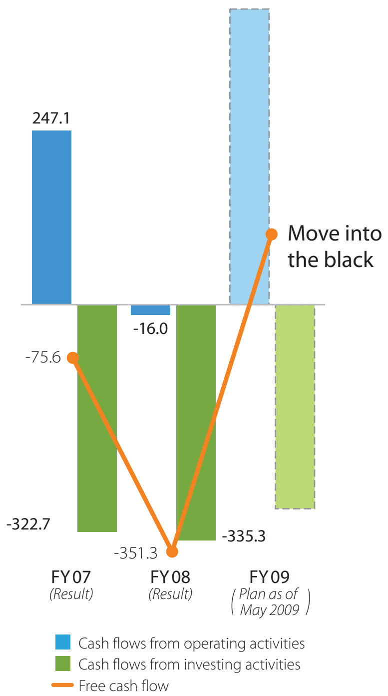
Capital expenditures (order basis)
(Billions of yen)

R&D expenditures
(Billions of yen)



Improvement in cash flow

Free cash flow
(Billions of yen)



Business environment deteriorated rapidly in FY2008

Business environment remains severe in FY2009

- Implement strategic policies to generate profit, even if the level of sales is not increasing
- Build a strong business foundation that can quickly seize business opportunities when the market recovers

Complete Full Implementation of "Action Programs to Improve Profitability"

1. Restructuring of Businesses Most Affected by the Severe Downturn

- Semiconductor business
  - Continue focused investment in our key NAND flash memory business
  - Promote a flexible production structure for discrete and system LSI products by reorganizing assembly facilities in Japan and shifting production to overseas operations with lower operating costs
- LCD business
  - Concentrate resources on high-value-added products
- Home Appliances business
  - Reorganize manufacturing facilities and consolidate R&D functions in Japan
- Digital Products business
  - Accelerate business expansion in emerging countries and enhance cost-competitiveness by reshaping manufacturing

2. Execute Toshiba Group-wide Actions to Strengthen Business Structure

- Comprehensive reduction of fixed costs:
  Original target: cut fixed costs to ¥300 billion below FY2008 level --- Stretch target is ¥330 billion plus
  - Comprehensive reduction of total fixed costs by more rigorous selection of R&D themes, prudently curtailing capital expenditure, consolidation of facilities and adjusting personnel costs. Channel major resources into developing promising growth businesses in such areas as environment, energy and data storage.
- Measures to generate profit
  - Strengthen cost competitiveness through cost reduction
  - Expand businesses outside Japan

3. Accelerate Strategic Allocation of Resources to Growth Businesses

- Shift managerial resources to Social Infrastructure business segment
- Focus on new businesses for a new economic era
  - CCS (Carbon dioxide Capture and Storage)
  - Innovative SCiB™ rechargeable battery
  - Next-generation network devices
  - Vital public facilities and Healthcare
  - Solar photovoltaic systems
  - Direct methanol fuel cell
  - Storage
  - Smart grid
  - New lighting systems

Improve financial position by procuring funds

- ¥319.2 billion public offering for the purpose of capital expenditure, mainly for strategic investments
- Issue of ¥180.0 billion in unsecured, interest deferrable and early redeemable subordinated bonds

Return to profitability

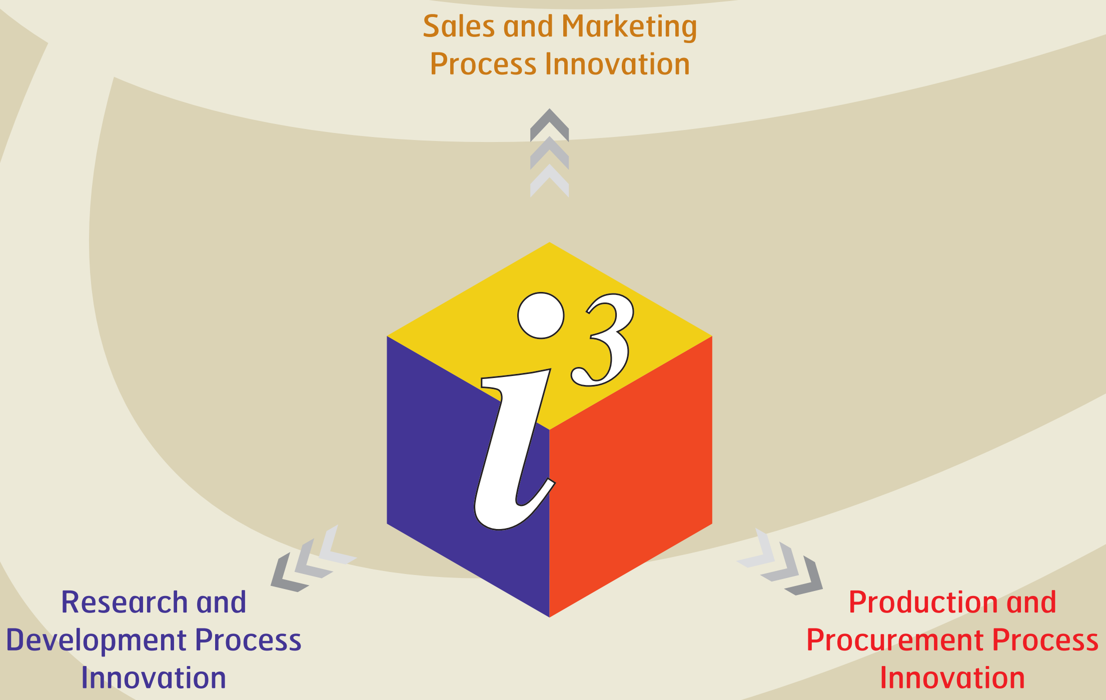
Special Feature:

Toshiba Group –
Leading the Way to the Future

As it strives to strengthen its global business presence, Toshiba Group is developing new businesses that will accelerate its future growth.

To further strengthen its core competency in generating continuous innovation, Toshiba Group is aiming to build an organization that harnesses the full power potential of its business structure and the creative power of its employees in order to reap the full benefits of the multiplier effects of innovation and attain sustained growth with steadily higher profit.

Capitalizing on the many strengths of the Group, Toshiba Group is creating new businesses based on innovative products developed at the right time to meet the emerging needs of society. For this reason, in our innovation activities, while giving full consideration to market needs, technology development, and manufacturing systems, we create new value for our customers by bringing the multiplier effect of innovation to the key processes of research & development, production & procurement, and sales & marketing.



Innovation Process and the Creation of New Businesses

Toshiba Group's innovation processes allow us to transform ourselves so that we can agilely respond to the constantly changing business environment.

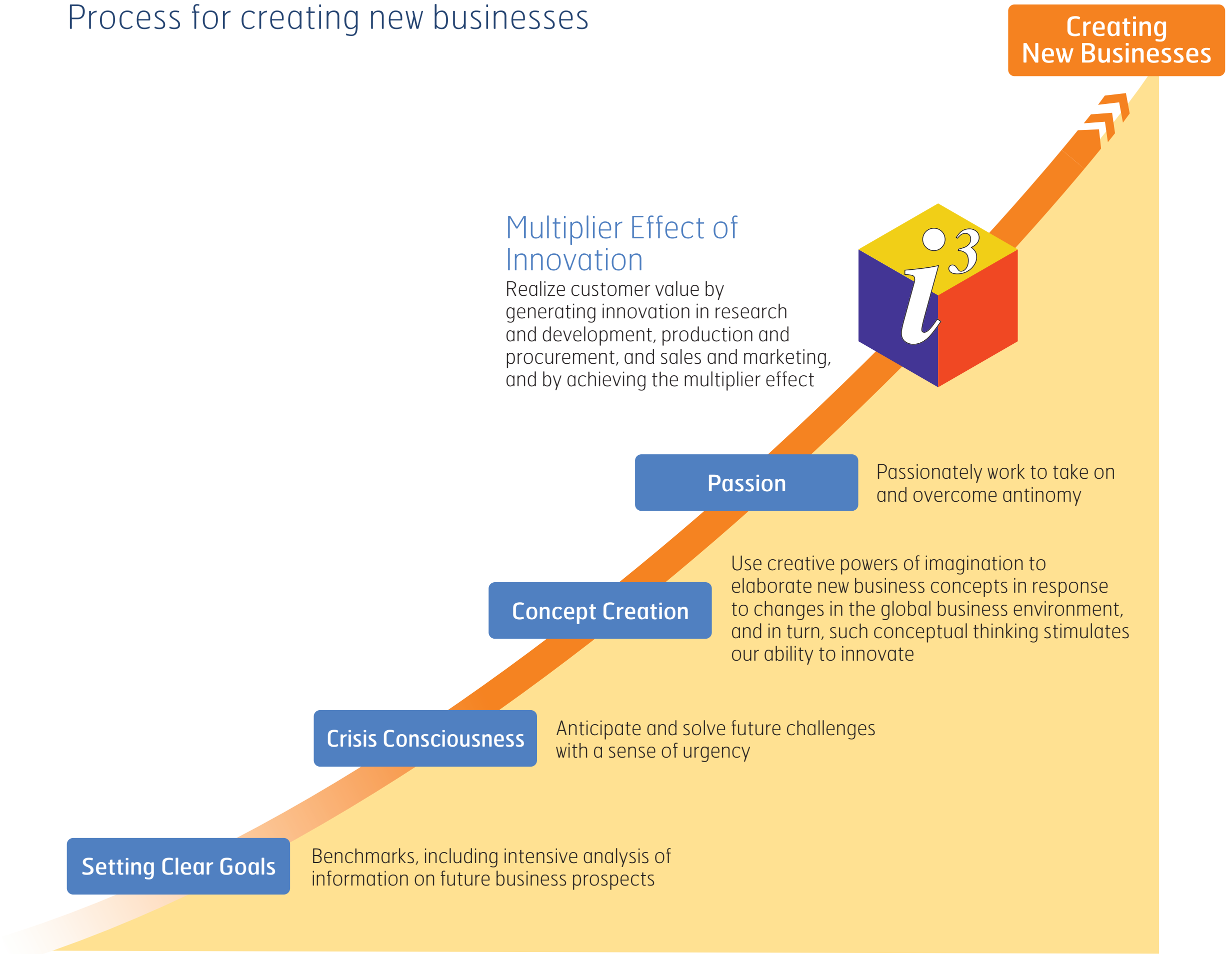
The process of creating new businesses starts from imaginative acts of goal-setting, including setting benchmarks and ambitious goals, which leads to a "sense of urgency" in seeking solutions to business challenges.

After elaboration of new strategic business concepts, ones that take into consideration various risk scenarios, business decisions leading to the commercialization of new products will be made with speed and sensitivity in response to changes in the global business environment.

Toward this end, it is essential to recognize the need to overcome antinomy—the tension between "cost and quality" or "growth and profit"—and to do this through using the powers of imagination to create new ideas that lead to continuous innovation.

To create new businesses and achieve results that drive these new businesses forward, it is necessary to simultaneously generate innovation in research & development, production & procurement, and sales & marketing processes.

Process for creating new businesses



Through innovation activities, new innovative products are continually created. This special feature shines a spotlight on new businesses and new products generated as a result of Toshiba's innovation activities.

"REGZA" LCD TV with Super Resolution Technology, "Resolution+"

Towards Realizing "CELL REGZA"

With the innovative "REGZA" series, Toshiba became the first company to bring super resolution technology, "Resolution+"* to LCD TVs, achieving market-building, high-definition (HD) images highly appreciated by customers.

In order to further pursue real "surprise and sensation" with our TVs, we have continued research and development toward bringing to market the "CELL REGZA." The top of the "REGZA" line, this integrates a high-performance Cell platform, able to transfer huge amounts of data at high speed.

*Super resolution technology, "Resolution+" — technology to improve input image resolution by restoring picture signal data lost during the digitization and compression process.

The "REGZA" series continues to evolve features to meet customers' needs, such as "enjoy HD images," "enjoy viewing without time constraints," and "use network functions."

Toshiba takes HD seriously. Our "metabrain premium," HD image processing system, and our expert know-how in image creation, have all won excellent reputations in the market. But we went beyond them to lead the industry in commercializing LCD TVs supporting super resolution technology. Moving on, we freed viewers from "time constraints" with TVs integrating high capacity HDD (Hard Disk Drive), and with a dedicated external HDD connected via the TV's USB port. In channeling "network" power, we led the industry in our work on HD video-on-demand services.

As we pioneer network technologies and services that will realize the digital home of tomorrow, we are also proposing new viewing experiences. At the cutting edge of our efforts here is the "CELL REGZA," scheduled for release in 2009. This breakthrough LCD TV integrates a high-performance Cell platform. Combining this high-performance CPU with super resolution technology realizes the most advanced image processing technology ever brought to a TV, while support for high-speed processing opens up the way to exciting new services.

Toshiba wants to launch products that define the future of what TVs can do, and where they can go. We will provide new TVs that convey a sense of excellence, of quality and of the essence of reality, and put heart and soul into "REGZA."

Super Resolution Technology, "Resolution+" Built-in

Comment from product development staff

"We created the "REGZA" brand because we really wanted to show 'true images.' The super resolution technology is the outcome of a long time spent researching basic technology, digital broadcasting, and image creation."

Digital High-Definition LCD TVs
"REGZA ZX8000" Series

SSD (Solid State Drive)

Realizing a Storage Device for the New Generation

Expectations are high for SSD (Solid State Drive), the next-generation data storage device based on NAND flash memory. And that's not surprising, as SSD offers high-speed data access and excellent shock resistance with low power consumption.

Toshiba positions SSD alongside HDD (Hard Disk Drive) as a high growth business, able to respond to diverse market needs for data storage.

With its high-speed data throughput, light weight, and excellent shock resistance, NAND flash memory has established a leading position in the market for data storage devices.

Toshiba is advancing its SDD business by making best use of its NAND flash memory technology and the extensive know-how accumulated in the PC and HDD business.

PCs with SSD offer a comfortable, reliable mobile computing environment delivering high-speed start-up, high-speed data access, and long battery life. There's also a much reduced risk of accidental data losses from shock or vibration. Toshiba is now enhancing its PC line-up by introducing SSD developed in-house to new product series. Toshiba's 512GB SSD, one of the industry's largest models, was integrated into the "Portégé R600," the world's lightest mobile notebook, while the "dynabook NX (Japanese model)" premium compact notebook PC sports a 128GB SSD, and the "NB100/HF (Japanese model)" mini notebook can boast a 64GB SSD.

Toshiba expects to expand its SSD business into the server market, and will develop SSD as a driving force for growth in the memory business.

(from left) 512GB, 256GB, 64GB SSD

High Speed, Light Weight
Low Power Consumption
Shock Resistance

Comment from product development staff

"Everybody with a portable PC wants 'speedy startup,' 'low power consumption and long battery life,' and 'improved shock resistance from no movable parts.' We saw SSD as the solution."

Innovative SCiB™ Rechargeable Battery

Developing New Fields for Rechargeable Batteries

Toshiba's SCiB™ is an innovative rechargeable battery* offering excellent safety, a long lifecycle and a rapid charge capability.

The SCiB™ offers superior operating characteristics and contributes to society as an environmentally conscious product.

*Rechargeable battery – a battery that stores electricity and that can be recharged and repeatedly used.

Schwinn's Tailwind, an electric bike equipped with the SCiB™

Toshiba has developed the SCiB™, an innovative rechargeable battery that offers higher levels of safety and performance than a conventional lithium-ion rechargeable battery, and is now promoting expansion of the business. SCiB™ achieves a high level of safety by adopting lithium titanate, a noncombustible material, for its negative electrode (lower potential electrode). This alone reduces the possibility of rupture or combustion under tough conditions of use. SCiB™ also has a long lifecycle, and can repeat the charge-discharge cycle over 6,000 times—while a rapid charge capability allows the battery to fully recharge in only five minutes. Excellent low-temperature characteristics enable use in cold climates, and output power performance is equivalent to that of a capacitor (an electronic device that can charge and discharge high current).

The lithium-ion battery market anticipates strong demand growth for industrial and automobile applications. Given this, Toshiba positions the environmentally conscious SCiB™ as a high growth business able to meet various needs.

Toshiba is drawing on the many and excellent characteristics of the SCiB™ to advance business development in various industrial fields, such as electric bicycles and forklifts, and also aims for applications that include automobiles and solar power generation systems. In anticipation of a future increase in demand, Toshiba plans to build a new mass production base to complement Saku Operations in Nagano Prefecture, Japan, the current manufacturing base.

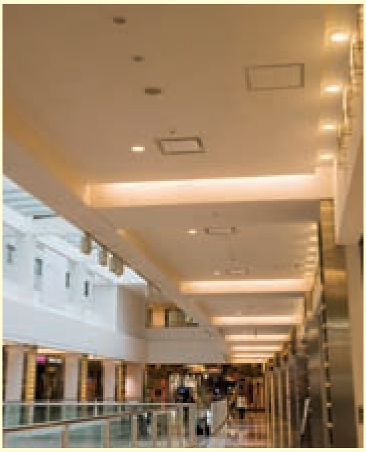
Excellent Safety and Long Lifecycle

Comment from product development staff

"When developing SCiB™, we focused on safety, high power, a rapid charge capability, and long lifecycle. We realized these outstanding characteristics by developing a high-level, thermally stable, microparticulate electrode material."

SCiB™, an innovative rechargeable battery

Japan and Europe are expected to switch from standard incandescent lighting to LED (Light Emitting Diode) lighting after 2010, as sales of incandescent bulbs will be discontinued by 2012, in consideration of environmental concerns. Toshiba Group will draw on its extensive capabilities to provide homes, offices, streets and roads with lighting systems that use environmentally conscious LEDs.



Delivered about 2,300 LED lighting devices to Lazona Kawasaki Plaza, a large commercial facility (February 2009)

Since developing Japan's very first incandescent lamps in 1890, Toshiba has constantly refined the meaning of "AKARI" or lighting. It is now doing so again by discontinuing production of standard incandescent lamps in 2010, to promote reduction of CO_2 with energy-saving products.

From now on, by shifting to LEDs and their higher luminous efficiency, Toshiba will offer more environmentally conscious products. And through those products, Toshiba aims to offer the value of "AKARI" that people truly need. Under the "E-CORE™" brand, Toshiba released its first LED downlight, with an integrated power unit equivalent to that of a 40W incandescent lamp, in July 2007. Since then, Toshiba has extended and enriched its lineup and improved luminance and efficiency.

Building on these efforts, Toshiba now positions a new lighting business based on LEDs as a business to be promoted by the Group as a whole, and in April 2008 established the New Lighting Systems Division to take the initiative in management and promotion.

In future, by drawing on the Group's power in such fields as semiconductors and social systems as well as standard lighting systems, Toshiba will develop new lighting systems, and take the business to the global level.

Exhibiting at "Milano Salone," the world's largest design exhibition, in Milan, Italy (April 2009)

Comment from product development staff

""E-CORE™" LED downlight realizes a brightness surpassing or equivalent to that of an incandescent lamp. Its lifecycle is 20 times that of an incandescent lamp, and power consumption is cut to about one-seventh."

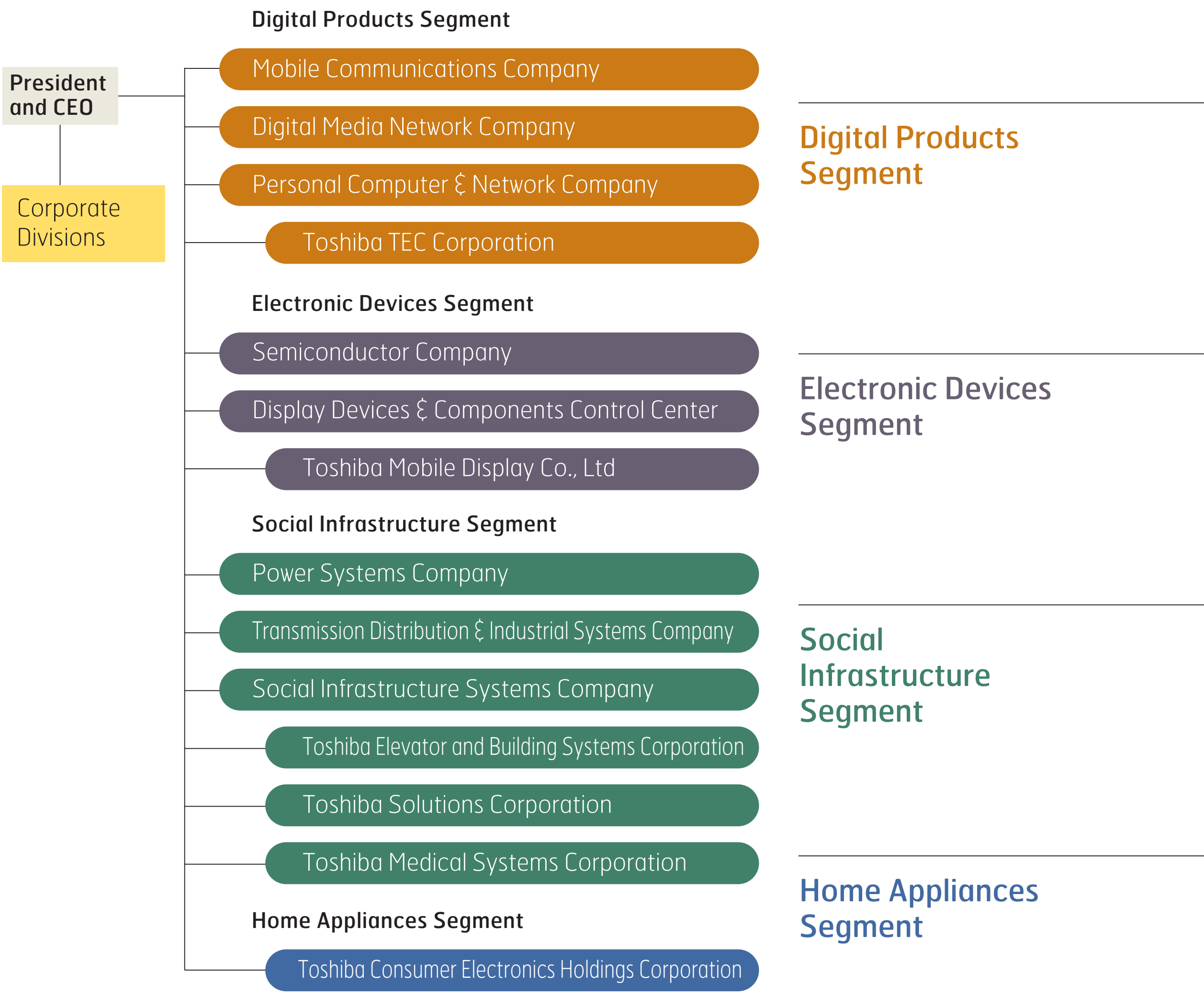
High Efficiency
Low Environmental Burdens

The standard-incandescent-lamp-shaped "E-CORE™" LED 4.3W model is interchangeable with standard incandescent lamps.

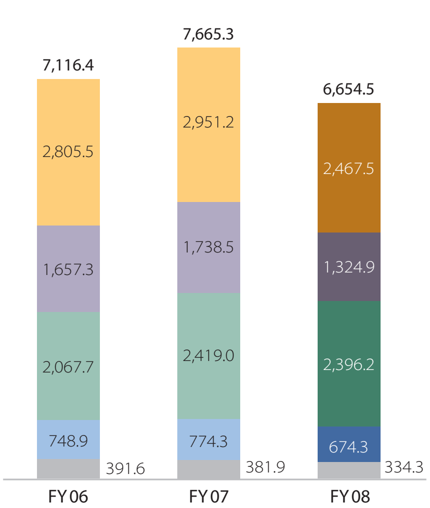
In FY2008, Toshiba Group addressed the need to secure profit on a company-wide basis. However, consolidated net sales in FY2008 were 6,654.5 billion yen, a decrease of 1,010.8 billion yen. This result was stongly influenced by shrinkage of the overall market caused by the fast-spreading global recession, steeper than expected declines in semiconductor prices, and the yen's sharp appreciation.

Consolidated operating income (loss) worsened by 496.6 billion yen to -250.2 billion yen. Electronic Devices, particularly the Semiconductor business, Digital Products and Home Appliances all saw significant income deterioration, although Social Infrastructure maintained a high level of profit.

Overseas sales decreased by 539.2 billion yen to 3,423.7 billion yen, resulting in an overseas sales ratio of 51%.



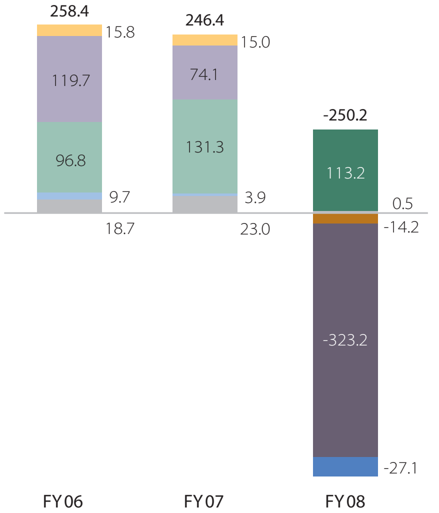
Sales by segment *(Billions of yen)*



Eliminations of sales among segments were -554.6 billion yen in FY2006, -599.6 billion yen in FY2007 and -542.7 billion yen in FY2008.

Digital Products
Electronic Devices
Social Infrastructure
Home Appliances
Others

Operating income (loss) by segment *(Billions of yen)*



Eliminations of operating income (loss) among segments were -2.3 billion yen in FY2006, -0.9 billion yen in FY2007 and +0.6 billion yen in FY2008.

Digital Products saw overall sales decline by 483.7 billion yen to 2,467.5 billion yen. The Digital Media business saw a significant sales decline, particularly in TVs and HDDs, the result of demand declines due to rapid decline into global recession and steeper than expected declines in market prices. The Mobile Phone business also saw notably lower sales due to fewer shipments. The PC business and the Retail Information Systems and Office Equipment business saw lower sales, due to the global recession.

Segment operating income (loss) declined by 29.2 billion yen to -14.2 billion yen. The Mobile Phone business saw a notable decline on lower sales. While the Digital Media business saw an improvement in TVs due to reductions in production costs and fixed costs, HDDs saw a significant worsening of profit. The PC business and the Retail Information Systems and Office Equipment business also saw notably decreased profit.

Electronic Devices saw sales decline by 413.6 billion yen to 1,324.9 billion yen. The Semiconductor business, primarily in memories and system LSIs, experienced a substantial sales slump, the result of steeper than expected price declines in NAND flash memory, yen appreciation, and weakened demand triggered by the rapid decline into global recession. The LCD business and the Materials & Components business also saw lower sales.

Segment operating income (loss) deteriorated by 397.3 billion yen to -323.2 billion yen, as the Semiconductor business fell substantially into the red on lower sales, and the LCD business also saw notably worsening profit.

Social Infrastructure saw sales fall by 22.8 billion yen to 2,396.2 billion yen. While the Power Generation Systems business, mainly in nuclear energy systems in overseas markets, and the Transmission Distribution & Industrial Systems businesses saw higher sales, the Social Infrastructure Systems business, the Medical Systems business and the IT Solution business all saw sales decrease.

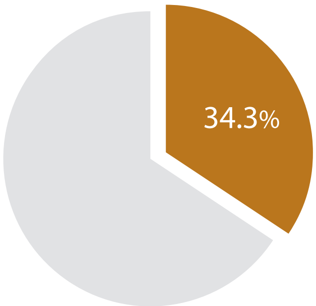
Segment operating income decreased by 18.1 billion yen to 113.2 billion yen. The Power Generation Systems business, the Transmission Distribution & Industrial Systems business, the Medical Systems business and the Elevator business maintained high profitability. However, the IT Solutions business saw substantially lower profit mainly on lower sales, influenced by rapid deterioration in the market environment.

Home Appliances saw sales decrease by 100.0 billion yen to 674.3 billion yen. The White Goods business, the Lighting business and the Air-conditioning business saw significantly lower sales, influenced by the rapid decline into global recession.

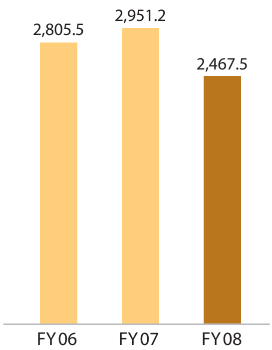
Segment operating income (loss) saw sales deteriorate by 31.0 billion yen to -27.1 billion yen. The White Goods business, the Lighting business and the Air-conditioning business all saw significantly lower profit on lower sales.

Digital Products Segment

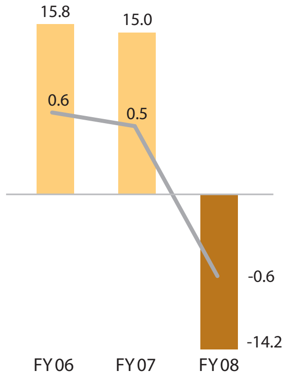
Percentage of sales in FY2008



Sales *(Billions of yen)*



Operating income (loss) *(Billions of yen)*
Operating income ratio *(%)*



Mobile Communications Company

Technological strengths in such areas as high-resolution imaging, wireless, and advanced devices support rich communications and total connectivity. The company fuses leading-edge technologies in the multimedia mobile phone terminals that it develops and brings to market.

In FY2008, concerted efforts to enhance product differentiation could be seen in the release of the small size, sport-oriented "Sportio" mobile phone for au, and the "830T" mobile phone, which allowed users to create original designs, developed for Softbank. However, sales fell in a contracting market, the result of a changed handset sales system in Japan, and a slump in global demand triggered by the recession also contributed to the sales decline. As a result, the company reported notably lower sales and fell into the red.

We will continue to release high value-added products that offer a fusion of our in-house technological strengths. We will also advance business restructuring by manufacturing outside of Japan and making use of outsourcing, as a means to reduce costs in the face of shrinking demand for mobile terminals.

Digital Media Network Company

In AV, we offer digital high-definition LCD TVs and video recorders. In data storage, we lead the world market with small form factor HDD. We develop and release leading-edge products offering unique technologies that differentiate them from competing products and enhance Toshiba's strength in the digital AV industry.

In FY2008, unit sales of LCD TVs rose, but we faced significant declines in sales prices. In the storage business, demand for HDD for PCs and portable music players weakened. As a result of lower sales, the company's operating income (loss) fell into the red.

The "TG01" mobile terminal brings innovation to the mobile internet.

The "TG01" is an unprecedented convergence of information terminal and mobile phone in a multifunctional product offering high-speed communication. At approx. 9.9mm deep, the TG01 sports an approx. 4.1 inch touch screen, and a high-speed CPU that delivers an enjoyable user experience and smooth moving images.

In the fast commoditizing LCD TV business, expansion of business scale is essential to improve profitability. We are also promoting other measures: cutting costs, including a reassessment of global production; and enhancing the brand value of our "REGZA" LCD TVs by maximizing application of our high-resolution imaging technologies. In the storage business, in April 2009, we entered into a definitive agreement with Fujitsu Limited on acquiring its HDD business. Moving forward, the company will maintain high market share and consolidate leadership in small form factor HDD for notebook PCs, automotive applications, mobile devices and other consumer electronics. We will integrate Fujitsu's enterprise HDD business into the overall business, and so expand market share in an area where continued growth in demand is expected.

The company will draw on the differentiated technologies of Toshiba Group to build a strong position and improve performance in an intensely competitive market.

Personal Computer & Network Company

As ubiquitous connectivity makes its way into the home, the office and the mobile domain, Toshiba Group's cutting-edge core technologies create notebook PCs, servers, business telephone systems, and other equipment that shape a comfortable computing and network environment.

In FY2008, unit sales of notebook PCs initially rose in Japan and overseas, but growth slowed significantly in the recession-hit second half. The notebook PC business saw sales and profits slide on price erosion and a weaker euro. In these circumstances, we met diversifying user needs with notebook PCs with sophisticated designs and by entering the fast growing mini notebook market. Product-line enhancement supported the release of the "Qosmio" series of AV notebook PCs equipped with the advanced Toshiba QUAD Core HD processor*, and allowed us to strengthen our notebook PC line-up with solid state drive (SSD).

As we further cultivate the high-growth notebook PC market, and promote further globalization, we will carefully monitor market needs and trends and use our leading-edge core technologies to deliver unsurpassed products.

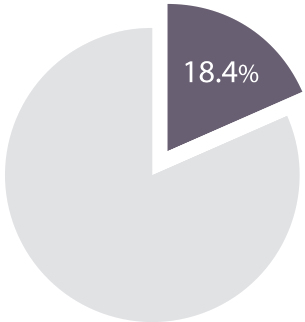
* Toshiba QUAD Core HD processor: Real-time, high-level image processing in digital equipment requires a powerful coprocessor. The processor is based on the multi-core technology of the high-performance Cell and runs Toshiba's advanced image processing technology.

The "Qosmio G50 series" realizes clear, smooth full-screen display of moving images on the Internet.

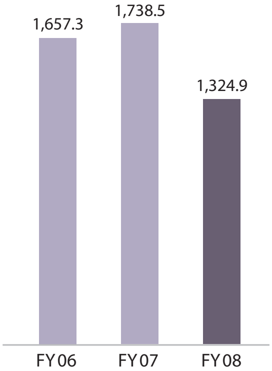
On-line video is poor by comparison with a standard DVD, as the images have fewer frames, less pixels and much more noise. "Qosmio G50" leads the industry in improving images with original algorithms that optimize frames and up-convert pixels.

Electronic Devices Segment

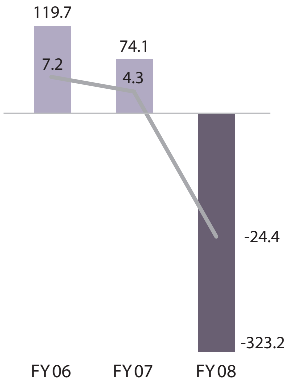
Percentage of sales in FY2008



Sales *(Billions of yen)*



Operating income (loss) *(Billions of yen)*
Operating income ratio *(%)*



Semiconductor Company

The company operates in the memory, system LSI and discrete semiconductor businesses. The main focus is on NAND flash memory, system LSIs for digital consumer products, and power devices for electric power supply.

In FY2008, demand for semiconductors for digital consumer electronics and automotive applications was undermined by the global recession. The company recorded significantly lower sales, and fell substantially into the red, on much steeper than anticipated declines in NAND prices, yen appreciation and weakened demand. In these circumstances, we postponed construction of a memory production facility scheduled to open in 2009. As medium- to long-term demand expansion is expected, the company acquired a part of the production facilities for 300mm wafer production owned by a joint venture between the company and US-based SanDisk.

In an extremely tough business environment, the company is implementing structural reforms in each business, to secure survival and readiness for market recovery. The discrete and the system LSI businesses are reinforcing marketing and reorganizing production facilities as strategic moves to strengthen cost competitiveness and enhance efficiency within the wider Toshiba Group. The memory business will continue to reduce costs through finer lithography, and plans to start shipment of products fabricated to the 32 nanometer (1/1,000 million meters) design rule in 2009. We will also intensify cross-functional business synergies, including collaboration with the HDD business to expand the SSD market.

Toshiba makes semiconductors to meet diversifying needs

Our wide line-up of semiconductors fabricated with fine technologies and expertise meet diversifying market needs, including semiconductors for digital consumer products and automotive applications.

Display Devices & Components Control Center

The Center supports society with key devices developed by the electron tube, materials, and solid-state device businesses. It also develops direct methanol fuel cells (DMFC) for mobile devices, DNA chips and photocatalysts.

In FY2008, the Center saw lower sales and profit as demand declined. On the plus side were commercialization of a DNA chip kit for experimental animals and of a compact automated DNA chip detection system. The DNA chip kit has been co-developed with the Central Institute for Experimental Animals. Another advance was the development of X-ray tubes supporting nano-level focus for next-generation non-destructive inspection.

We will boost competitiveness in current businesses and enlarge the scale of operations with new businesses, including DMFC and medical-use DNA chips.

Direct Methanol Fuel Cells (DMFC) for mobile devices

We exhibited a prototype of Toshiba's "TG01" mobile terminal integrating a DMFC at the "Mobile World Congress 2009" in Barcelona, Spain, in February 2009.

Toshiba Mobile Display Co., Ltd.

The company develops low-temperature polysilicon TFT technology and supplies small- to medium-sized, high value-added displays for applications that includes mobile phones, car navigation systems and mobile PCs.

In FY2008, the company recorded a major operating loss on significantly weakened demand and lower prices in the LCD panel market, and yen appreciation.

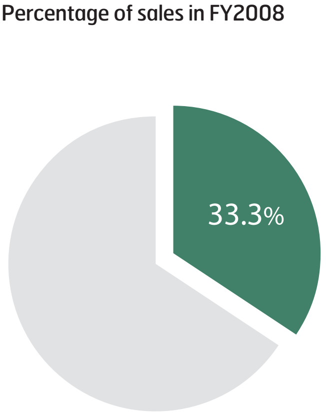
In this environment, we stopped or scaled back unprofitable lines at Uozu Works and Fukaya Operations in March 2009, toward improving profitability in and beyond FY2009. We recognize organic light-emitting diodes (OLED) as a promising business. We are preparing to build a mass production line for OLED panels at Ishikawa Works, and will introduce products in tandem with market growth.

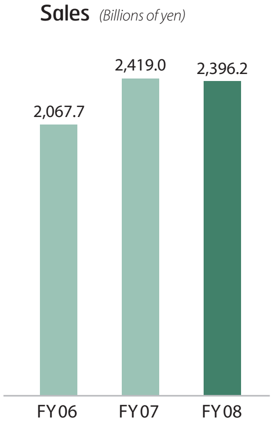
In April 2009, Toshiba Mobile Display Co., Ltd. became a wholly owned subsidiary of Toshiba Group, when Toshiba acquired all of Panasonic Corporation's interests in the company. This will allow Toshiba to further accelerate decision-making and to promote comprehensive restructuring of the display business.

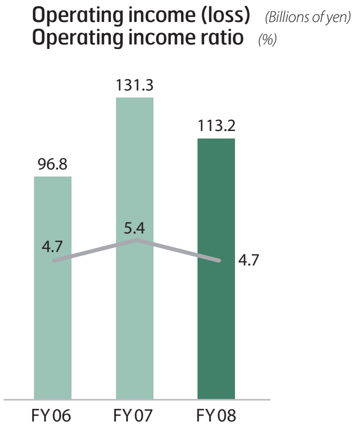
Small-Molecule OLED Panels for mobile devices

Toshiba Mobile Display and Idemitsu Kosan Co., Ltd. have together developed a small-molecule OLED panel for mobile equipment that achieves the world's highest level of performance for a 2.2-inch OLED panel supporting the QVGA format, with power consumption of 100mW and a luminosity half-life of 60,000 hours.

Social Infrastructure Segment







Power Systems Company

Expertise in nuclear, thermal and hydroelectric power generation supports comprehensive, highly reliable electric power solutions, and drives overseas expansion and a reinforced presence in the power plant services business in Japan.

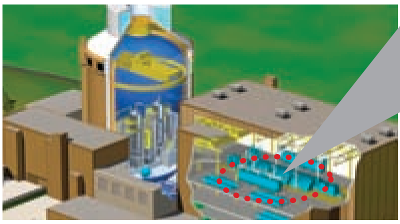
In FY2008, the company saw higher sales, led by the nuclear energy business, mainly in services for operating plants, and maintained profit at the level of the previous year. The nuclear energy business has received orders for six pressurized water reactors and two advanced boiling water reactors in the U.S.

The thermal and hydroelectric power business established a joint venture to manufacture and market steam turbines and generators for thermal power plants in India, and also enhanced production capacity at a hydroelectric power manufacturing and marketing operation in China.

We will bolster competitiveness toward meeting Japanese demand for plant refurbishment and overseas demand for power generation equipment, and continue to develop products that cut environmental loads, including a CO_2 capture and storage system.

Steam Turbines for AP1000™ Pressurized Water Reactor (PWR)

Nuclear power offers a solution to global warming and growing global electricity demand. We have already won orders for six PWRs in the U.S., and are developing highly efficient steam turbines for Westinghouse's AP1000™ PWR, which is expected to see adoption around the world.



AP1000™ type Nuclear Power Generation System (artist's image)

Transmission Distribution & Industrial Systems Company

The company provides power transmission and distribution systems, transportation systems and industrial systems in Japan and the world market.

In FY2008, higher sales and profit from strong performances in the transmission and distribution (T&D) and the transportation systems businesses, in Japan and overseas, compensated for lower demand in the industrial systems business due to yen appreciation and the recession.

The T&D business promoted globalization by acquiring a Brazilian switchgear company and establishing a protection relays manufacturing and marketing operation in Vietnam. The industrial systems business, anticipating demand expansion, established a manufacturing and marketing company for high-efficiency industrial motors in Vietnam.

In enhancing its environmental businesses, the company is promoting the SCiB™, an innovative rechargeable battery, and will boost production with a second factory to complement the current Saku Operations. A dedicated division, established in January 2009, now controls all aspects of the photovoltaic systems business, drawing on the company's expertise in power electronics, power control systems, and system engineering.

The company will boost demand in Japan, strengthen overseas business and promote and expand new ventures.

Social Infrastructure Systems Company

The company delivers essential social infrastructure, and facilities management systems for buildings, airports, roads and rivers. It also provides water and sewer services and environmental systems, broadcasting and network systems, radio application systems, and security and automation systems.

FY2008 saw lower sales and profits in a tough environment for broadcasting and network systems, despite steady progress in the infrastructure systems business.

Moving forward, the company will promote its facility solutions business, which delivers total systems supporting energy saving and high-level functionality. Expansion in the environmental systems business includes reinforcing remediation technology for the purification of PCB-contaminated soil and a Clean Development Mechanism (CDM) business in Vietnam for emission trading.

We will contribute to society with high-quality infrastructure and diverse solutions and develop new growth businesses that increase profit.

Toshiba Elevator and Building Systems Corporation

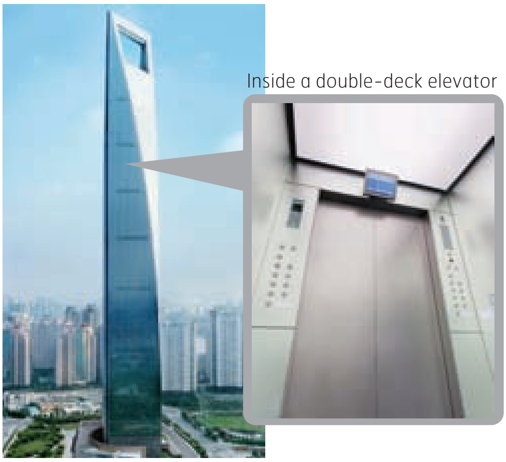
We develop, produce and maintain highly efficient, safe, state-of-the-art elevators and escalators, offer upgrades to replace installed equipment, and deliver integrated building management services.

FY2008 saw steady progress in the maintenance and renewal businesses in Japan, with operating income at approximately the same level as in the previous fiscal year, but overall sales decreased on fewer new building starts in Japan and slower sales growth in the

Chinese market.

In October 2008, we received an order from "Tokyo Sky Tree," a 610m high digital broadcasting tower, for the installation of elevators that will be Japan's fastest, large-capacity cars, with the longest travel distance. A December 2008 equity partnership with Hong Kong's Chevalier International Holdings Ltd. is allowing us to strengthen marketing and further expand the elevator business, especially in China and Southeast Asia.

Going forward, we will reinforce business in Japan and expand overseas, with a primary focus on China and Asia.



High-Speed Elevator for 'the Shanghai World Financial Center'

In August 2008, an ultra high-speed elevator, top speed 600m/minute, and a high-speed double-deck elevator with a floor-height adjustment function, started operation in the 492m high Shanghai World Financial Center in Shanghai, China. (Photo credit: Mori Building Co., Ltd.)

Toshiba Solutions Corporation

From consulting to outsourcing, for industry and for business, we offer clients a full range of optimized solutions.

FY2008 saw lower sales and operating income, on lower demand for business solutions and embedded software from manufacturers and distributors in Japan. We launched 'Manufacturing Solution Template' in November 2008, a tool created by analysing common functions and procedures at manufacturing companies introducing new systems. We will continue to bring competitive products to market.

We will improve our sales promotion system from the customer's standpoint, create new growth businesses and reinforce manufacturing as means to provide high-quality solutions for customers in the IT market. This approach will support us in growing sales and strengthening our operating base.

Toshiba Medical Systems Corporation

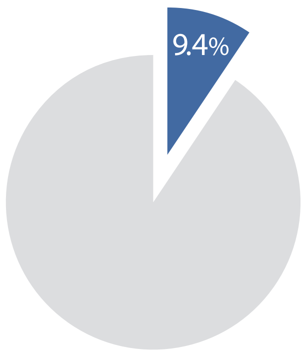
Advanced diagnostic imaging modalities, including CT systems, MRI, ultrasound and X-ray, and medical information systems contribute to global healthcare.

In FY2008, new products, such as the 320 slice Area Detector CT (Aquilion ONE™), recorded sales growth, but overall sales and profit were pulled down by initiatives to control medical costs in advanced countries, the recession, and yen appreciation. The November 2008 acquisition of the 3D imaging processing business from Barco reinforced our R&D activities and global expansion. The January 2009 opening of a 'Customer Support & Training Center' strengthened our global service operations.

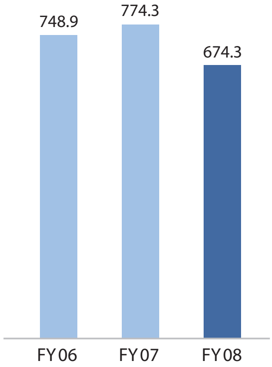
Looking ahead, we will provide medical institutions worldwide with high-quality, reliable products and all required services, and continue to strengthen our competitiveness by developing new technologies.

Home Appliances Segment

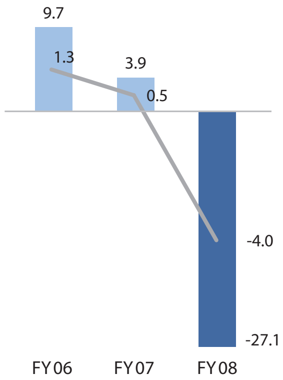
Percentage of sales in FY2008



Sales *(Billions of yen)*



Operating income (loss) *(Billions of yen)*
Operating income ratio *(%)*



Toshiba Consumer Electronics Holdings Corporation

We promote the White Goods, Lighting and Air-conditioning businesses.

Sales in the White Goods and Air-conditioning businesses were undermined by lower consumer spending, while a fall-off in new housing starts and demand for industrial light sources brought down sales in the lighting business. As a result, FY2008 results saw a significant operating loss.

We are now promoting all-out reduction of fixed cost and structural reform, reinforcing manufacturing and expanding overseas. With "eco style" concept, we are creating eco-products that contribute to environmental preservation.

White Goods Business

In FY2008, we continued to market energy-saving white goods with enhanced basic functions. To reinforce global competitiveness we are promoting structural reform. Facility reorganization in Japan will consolidate two manufacturing bases into one and three development centers into two by the end of December 2009. These moves will reinforce our global competitiveness.

Marugoto Sendo Meijin – a high capacity refrigerator that keeps food fresh

Lighting Business

In FY2008 we expanded our 'E-CORE™' series of LED lights that use less power and offer a much longer life. High value-added products include Neoball-Z Real Pride, a compact self-ballasted fluorescent lamp that offers enhanced energy saving performance.

Air-conditioning Business

In FY2008's tough business environment, we promoted innovation and environmental preservation by developing power-conscious products. Our efforts won Japan's Energy Conservation Awards for industrial air-conditioners and home-use room air-conditioners.

Daiseikai RAS-PDR series – a high value-added, high-performance air-conditioner, and winner of the Energy Conservation Award

CSR Management

Toshiba Group positions CSR (Corporate Social Responsibility) as a cornerstone of management policy, and addresses issues related to the environment, customer satisfaction, human rights, corporate citizenship, and CSR-related requests to suppliers. We place particular emphasis on the following items.

1) We accord the highest priority to human life and safety and to compliance.
2) As a corporate citizen of planet Earth, we strive to play a significant role in contributing to a better global environment and respect the different cultures, histories, and customs of the communities where we operate around the world.
3) We recognize the importance of communication with stakeholders, including shareholders.

Major Evaluations of Toshiba Group's CSR Activities in FY2008

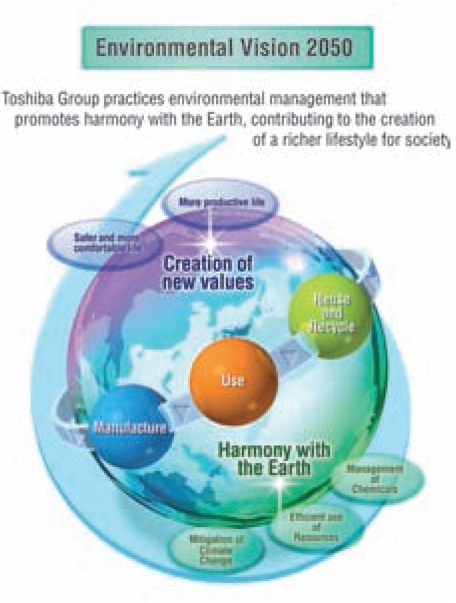
Ministry of the Environment, Japan	: Environmental Communication Awards	Environment Minister's Prize
Center for Public Resources Development (Japan)	: Survey of Corporate Social Performance	A (Highest rating)
Integrex (Japan)	: Corporate Integrity and Transparency	1st Place
SAM (Switzerland)	: Corporate Sustainability Assessment	Gold Class
Dow Jones (US)	: Dow Jones Sustainability Index (DJSI)	Selected for 9 consecutive years
Nihon Keizai Shimbun	: Environmental Management Level Survey	2nd Place

Contributing to a better global environment with energy and eco-products

"Environmental Vision 2050" guides Toshiba Group's efforts to ensure that "people lead richer lifestyles in harmony with the Earth" and promotes various measures for reducing CO_2 emissions.

Energy: In order to secure further development in manufacturing power generation equipment, Toshiba's core business, we are promoting safe, efficient nuclear power generation and enhancing the efficiency of thermal power generation with ultra-high temperature steam turbines. We are also promoting CO_2 capture and fixation, dispersed power generation, including fuel cells, and renewable energy, such as hydro, geothermal and photovoltaic power generation. By 2025 we aim to cut CO_2 emissions by 82 million tons.

Eco-products: Our target is high-end, energy-saving electronic devices such as LED lighting (with long life), air-conditioners, LCD TVs, etc. Through new innovative products, we aim to reduce CO_2 emissions by 35.7 million tons by



2025.

Our target is to cut total CO_2 emissions by about 120 million tons—around twice the annual emissions of a mega-city like Tokyo or Greater London.

Toward a significant reduction in total greenhouse gas emissions

Toshiba Group reduced greenhouse gas emissions from manufacturing and other activities by 50% between 1990 and 2000. However, subsequent expansion of the semiconductor business sent emissions up again, a trend that is expected to continue with construction of new semiconductor factories.

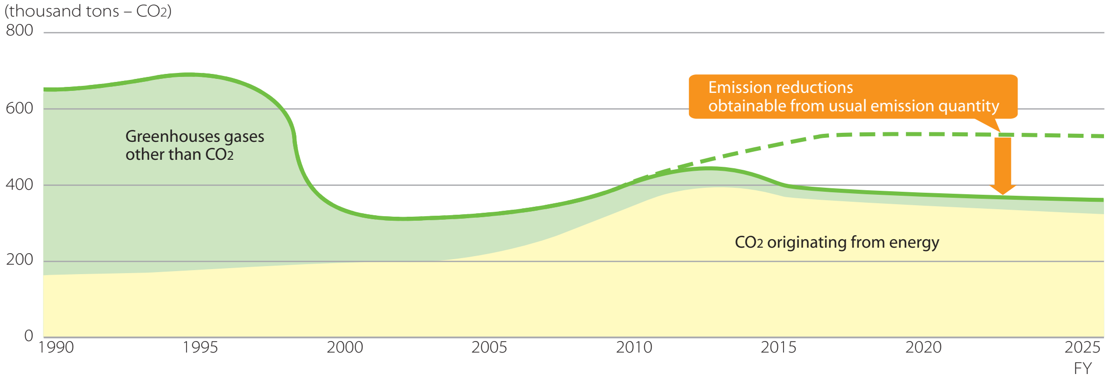
Our past approach was to try to reduce emissions relative to production. However, we aim to increase our efforts to cut emissions based on absolute targets. Priority goes to measures that mitigate global warming, such as building energy-efficient clean rooms and installing greenhouse gas processing equipment. Our goal is to significantly reduce emissions and achieve higher productivity. Toward this, by 2012, we are working to control the rate of increase in greenhouse gas emissions. Beyond that, we seek to achieve a reduction of nearly 40% by 2025, as compared to emissions in 1990.

Realizing the United Nations Global Compact

Toshiba Group signed the United Nations Global Compact (GC) in 2004 and adheres to universal principles on human rights, labor, the environment, and anti-corruption. We educate Toshiba Group employees worldwide on GC, and provide them with copies of the "Toshiba Group Standards of Conduct," now translated into 15 languages, and which reflects the contents of the GC. Further, Toshiba Group Procurement Policy, based on the GC, requires our suppliers to promote CSR. We regularly monitor our suppliers, and in November 2008 conducted CSR audits of suppliers in Thailand.

Going forward, as a "corporate citizen of planet Earth," we will seek to maintain the trust of the wider community.

Changes in total greenhouse gas emissions



* The report covers Toshiba Group companies in Japan and overseas, and business processes at production and non-production facilities. Values are actual up to FY2008 and projections for subsequent fiscal years. CO_2 emission coefficients of electricity up to 2020 are expected to decrease. (Based on the Japanese government's plan to increase the zero-emission power source rate, announced in the July 2008 "Action plan to achieve a low-carbon society.") Business as usual values represent levels of emissions where no reduction measures are deployed. Greenhouse gases excluding CO_2 include methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

Research & Development and Intellectual Property

Policies for enhancing global competitiveness focus on process innovation and value innovation, and we aim to provide environmentally conscious technologies and products that capture and convey 'surprise and sensation.' Corporate labs and the development centers of in-house companies collaborate in R&D ranging from fundamental research to product commercialization. Through this approach, we promote a Toshiba Group intellectual property strategy tightly interwoven with business strategy.

Research & Development

Activities in FY2008

"Toshiba Group Environmental Vision 2050" promotes various activities in environmental management. Eco Products Approach focuses on environmentally conscious products, such as RoHS-compliant PCs and the new SCiB™ rechargeable battery. Eco Process Approach promotes energy saving clean rooms. Energy Approach supports nuclear power plants free of CO_2 emissions during power generation and environmentally conscious thermal power generation.

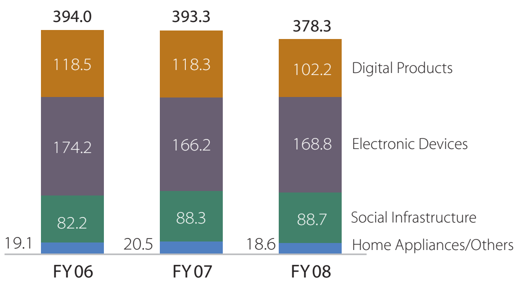
We are responding to the recession by channeling investments into such areas as the environment, energy and data storage, through the "Action Programs to Improve Profitability" announced in January 2009. By being more selective in development themes, we are reducing overall R&D costs. We will also enhance R&D efficiency by Group-wide sharing of intellectual property, promoting common platforms, and using overseas resources in system development.

Toshiba Group will create new value by promoting constant innovation, and continue to contribute to society with cutting-edge technologies.

Major achievements in Research & Development

- Commercialized the world's lightest personal computer, "dynabook SS RX2/WAJ," integrating a state-of-the-art CPU
- Development of one-segment receiver LSI offering excellent reception and 48% lower power than its predecessor
- Construction of pilot plant for carbon dioxide separation and capture technology
- Development of non-volatile RAM with the world's largest capacity and highest speed
- Development of mercury-free ceramic metal halide lamp

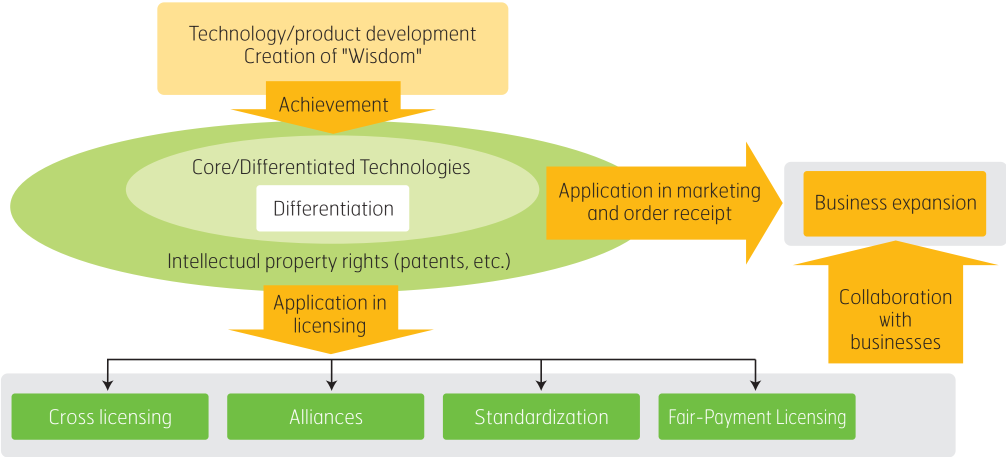
Research & development costs *(Billions of yen)*



Intellectual Property

Intellectual Property Strategy

Toshiba Group's intellectual property (IP) strategy interweaves with business growth and supports research & development, binding the three into one. It promotes sustained growth with high profit through measures resting on three pillars: patent applications, patent enforcement and IP management.



A strategy of selective patent application supports globalization by maintaining Japanese patent registrations, supporting efficiency, while increasing overseas registrations, reinforcing protection. In future, more applications in Asia will reflect accelerated global business development.

Our patent enforcement strategy secures our pioneering advantage in IP rights by enclosing our expertise in core and differentiated technologies, and generates operating income. We will also enforce IP rights in marketing and order receipt, as well as in licensing, depending on the business.

Toshiba's high-tech capabilities consistently earn positive evaluations. In FY2008, the Japan Institute of Invention and Innovation recognized the Group's achievements in contributing to the progress of science and technology and the development of industry with the following awards at the National Commendation for Invention.

The Prime Minister Prize	Patent No. 3281266	"High Quality and Small Footprint Speech Synthesis Method"
The Prize of the Chairman of the Japan Chamber of Commerce and Industry	Patent No. 2916780	"High-resolution Measuring Device for Time Difference"
The Invention Prize	Design Registration No. 1293616	"Design for Built-in Induction-Heating (IH) Stove"

Japanese patent registrations
(2008)

Ranking	Name	No. of registrations
1	Panasonic	4,776
2	Toshiba	3,255
3	Ricoh	3,168
4	Sony	3,126
5	Toyota Motor	3,049
6	Denso	2,703
7	Seiko Epson	2,625
8	Sharp	2,573
9	Canon	2,550
10	Mitsubishi Electric	2,542

Results shown above are based on survey made using PATOLIS

U.S. patent registrations
(2008)

Ranking	Name	No. of registrations
1	IBM	4,186
2	Samsung Electronics	3,515
3	Canon	2,114
4	Microsoft	2,030
5	Intel	1,776
6	Panasonic	1,745
7	Toshiba	1,609
8	Fujitsu	1,494
9	Sony	1,485
10	Hewlett-Packard	1,424

Source: U.S. IFI Co., Inc.

Chinese patent applications
(foreign enterprises: 2008)

Ranking	Name	No. of registrations
1	Samsung Electronics	2,404
2	Panasonic	1,937
3	Philips	1,569
4	Sony	1,537
5	IBM	1,112
6	Toshiba	1,041
7	LG Electronics	994
8	Toyota Motor	978
9	GM Global Technology	959
10	Qualcomm	948

Source: State Intellectual Property Office of the People's Republic of China, 2008 Annual Report

Number of Patent Applications by Business Segment (FY2008)

		Corporate Laboratories	Digital Products	Electronic Devices	Social Infrastructure	Home Appliances	Total
Number of Patent Applications	Japan	1,603	1,637	2,090	2,620	366	**8,316**
	U.S.	896	1,130	1,080	385	4	**3,495**
	China	312	357	51	238	47	**1,005**

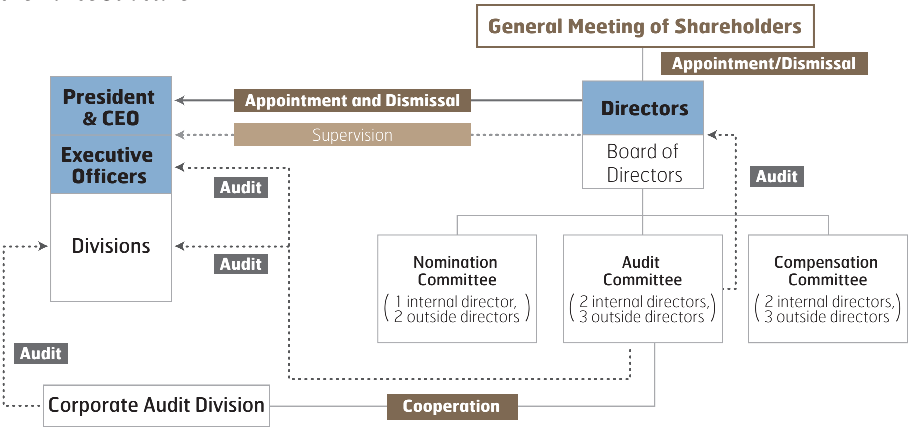
Corporate Governance

Toshiba promotes corporate governance based on the fundamental policy and objectives of enhancing management efficiency, increasing transparency, and seeking to maximize corporate value from the shareholders' perspective.

Toshiba's Governance System

For the purpose of improving management mobility, enhancing the management supervisory function, and increasing transparency, Toshiba made the transition to a Company with Committees system in June 2003. The board now has 14 directors, seven of them non-executive officers. Each of the three committees has a majority of outside directors, and the Nomination Committee and Compensation Committee are both chaired by outside directors.

Corporate Governance Structure



TOSHIBA'S CORPORATE GOVERNANCE INITIATIVES

Q. Please explain Toshiba's attitude toward corporate governance, and areas where you think you can make a contribution as an outside director.

A. Toshiba focuses on CSR management, including environmental measures, and has earned high evaluations from many independent organizations. Compliance forms the foundations of the Company's CSR management, and from what I have seen they make constant efforts to assure proper operation of its internal control systems, and to make sure that a law-abiding spirit permeates the Group. Through my work at the Ministry of Foreign Affairs and overseas missions, I have long experience in diplomacy, and I was always aware of compliance when I carried out my work. As an outside director, I consider the recent growth in overseas business, and express opinions towards ensuring that all employees understand Toshiba as a global corporation, and thoroughly understand and observe compliance. I make proposals to assure that everyone in the group gives first priority to compliance in promoting business.

Outside Director
Hiroshi Hirabayashi

Toshiba's Internal Control Systems

Toshiba established the Toshiba Group Standards of Conduct in May 1990, based on the Basic Commitment of the Toshiba Group. Toshiba prioritizes respect for life and safety and compliance with laws and regulations. Education programs assure that all employees thoroughly understand and observe the Standards.

Toshiba's board resolved basic policies on internal control systems in April 2006, in accordance with Companies Act of Japan, effective May 2006. Subsequently, Toshiba requested Group companies in Japan to adopt their own policies on internal control, and asked overseas group companies to adopt the Toshiba Group Standards of Conduct and to establish internal control systems, including introduction of their own audit and improvement programs, while taking into consideration the local circumstances and legal requirements faced by each company.

Most recently, Toshiba introduced a corporate-level organization to assess the effectiveness of internal controls on financial reporting, as required by the Financial Instruments and Exchange Law of Japan. Responding to this initiative, the in-house companies and their affiliates around the world established parallel systems. Toshiba will continue to operate appropriate internal control over financial reporting.

Compensation for Directors and Executive Officers

The compensation system for directors and executive officers is designed to assure the efficient execution of their duties.

Directors' compensation is based on their duties and full-time or part-time status.

Executive officers receive grade-based basic compensation, plus service compensation calculated according to their duties. 40% to 50% of service compensation is variable, from zero to double, depending on the year-end performance of the business for which the executive officer is responsible.

In June 2006, the Compensation Committee abolished the system for granting retirement benefits to directors and executive officers.

Takeover Defensive Measures

Toshiba's original countermeasures against large-scale acquisitions of shares in the Company expired in June 2009, and a partially revised three-year plan was approved at the June 24, 2009 ordinary general meeting of shareholders.

The plan protects the Company's corporate value and the common interests of its shareholders by defining procedures to be followed in the event of any large-scale acquisition of the Company's shares. It ensures that shareholders receive all necessary information and the time required to make appropriate decisions, and also secures for the Company the opportunity to negotiate with the acquirer. For more information visit:
www.toshiba.co.jp/about/ir/en/news/20090508_1.pdf

Directors

Atsutoshi Nishida
Chairman of the Board and Director

Norio Sasaki
Director

Masashi Muromachi
Director

Fumio Muraoka
Director

Masao Namiki
Director

Ichiro Tai
Director

Executive Officers

Representative Executive Officer
President and Chief Executive Officer
Norio Sasaki

Representative Executive Officers
Corporate Senior Executive Vice Presidents
Masashi Muromachi
Fumio Muraoka
Masao Namiki
Ichiro Tai
Yoshihiro Maeda

Executive Officers
Corporate Executive Vice Presidents
Kazuo Tanigawa
Yoshihide Fujii
Toshinori Moriyasu
Hidejiro Shimomitsu
Hisao Tanaka
Hideo Kitamura

Yoshihiro Maeda
Director

Kazuo Tanigawa
Director

Shigeo Koguchi
Director

Hiroshi Horioka
Director

Kiichiro Furusawa
Outside Director

Hiroshi Hirabayashi
Outside Director

Takeshi Sasaki
Outside Director

Takeo Kosugi
Outside Director

Executive Officers
Corporate Senior Vice Presidents

Shozo Saito
Toshiharu Watanabe
Ryuichi Nakata
Yasuharu Igarashi
Masahiko Fukakushi

Executive Officers
Corporate Vice Presidents

Koji Iwama
Satoshi Niikura
Keizo Tani
Hidemi Miura
Shoji Yoshioka
Kosei Okamoto
Kazuyoshi Yamamori
Shiro Kawashita
Tsutomu Sanada
Akira Sudo
Makoto Kubo
Hiroshi Saito
Atsuhiko Izumi
Kiyoshi Kobayashi
Masakazu Kakumu
Takaaki Tanaka
Toshio Masaki
Yasuhiro Shimura
Munehiko Tsuchiya
Masaaki Oosumi

(As of June 24, 2009)

Basic Commitment of the Toshiba Group

We, the Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community.

Commitment to People

We endeavor to serve the needs of all people, especially our customers, shareholders and employees, by implementing forward-looking corporate strategies while carrying out responsible and responsive business activities. As good corporate citizens, we actively contribute to further the goals of society.

Commitment to the Future

By continually developing innovative technologies centering on the fields of Electronics and Energy, we strive to create products and services that enhance human life, and which lead to a thriving, healthy society. We constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment.

Committed to People,
Committed to the Future. **TOSHIBA**

Data Section

Major indices of the Data Section have been compiled chronologically based on the fiscal years. For the details of financial information for the year ended March 31, 2009, please refer to the "Financial Review 2009."

Consolidated Financial Summary

Year ended March 31	1999	2000	2001	2002
Net Sales, Operating Income (Loss) and Net Income (Loss)				
Net sales	¥5,300.9	¥5,749.4	¥5,951.4	¥5,394.0
Cost of sales	3,890.6	4,254.4	4,323.5	4,070.1
Selling, general and administrative expenses	1,379.8	1,394.0	1,395.7	1,437.5
Operating income (loss)	30.5	101.0	232.1	(113.6)
Income (loss) from continuing operations, before income taxes and minority interest	13.2	(39.2)	197.5	(374.2)
Income taxes	20.9	(4.5)	96.1	(113.9)
Net income (loss)	(9.1)	(32.9)	96.2	(254.0)
EBITDA*1	378.3	352.9	578.4	(18.1)
Profitability Ratios				
Operating income ratio (%)	0.6	1.8	3.9	(2.1)
Return on sales (%)	(0.2)	(0.6)	1.6	(4.7)
Cost of sales ratio (%)	73.4	74.0	72.6	75.5
Selling, general and administrative expenses ratio (%)	26.0	24.2	23.5	26.6
Total Assets, Total Shareholders' Equity and Interest-bearing Debt				
Total assets	6,101.9	5,780.0	5,724.6	5,407.8
Total shareholders' equity	1,128.8	1,060.1	1,047.9	705.3
Interest-bearing debt	2,181.7	1,967.3	1,787.6	1,818.5
Long-term debt	1,178.4	1,121.9	990.3	888.7
Short-term debt	1,003.3	845.4	797.3	929.8
Shareholders' equity ratio (%)*2	18.5	18.3	18.3	13.0
Debt/equity ratio (Times)*3	1.9	1.9	1.7	2.6
R&D, Capital Expenditures, Depreciation				
R&D expenditures	316.7	334.4	327.9	326.2
Capital expenditures (Property, plant and equipment)	375.5	298.5	269.5	348.2
Depreciation (Property, plant and equipment)	309.8	329.6	308.3	311.2
Return Indicators				
Return on equity (ROE) (%)*4	(0.7)	(3.0)	9.1	(29.0)
Return on total assets (ROA) (%)*5	(0.1)	(0.6)	1.7	(4.6)
Efficiency Indicators				
Inventory turnover (Times)*6	5.30	6.27	7.18	7.13
Total assets turnover (Times)*7	0.86	0.97	1.03	0.97
Inventory turnover (Days)*8	66.85	58.25	50.81	51.19
Cash Flows				
Net cash provided by (used in) operating activities	264.9	435.9	453.6	149.2
Net cash used in investing activities	(280.1)	(293.2)	(176.7)	(325.6)
Net cash provided by (used in) financing activities	(94.3)	(158.7)	(285.6)	53.5
Effect of exchange rate changes on cash and cash equivalents	(8.7)	(16.6)	31.1	5.8
Net increase (decrease) in cash and cash equivalents	(118.2)	(32.5)	22.4	(117.2)
Cash and cash equivalents at end of year	497.8	465.2	487.6	370.4
Liquidity Indicators				
Debt/cash flow ratio (%)*9	13.68	15.23	23.22	4.01
Interest coverage ratio (Times)*10	1.0	2.8	6.1	(3.3)
Corporate Value				
Free cash flow*11	(15.1)	142.8	276.9	(176.4)
Market capitalization*12	2,604.2	3,367.1	2,356.3	1,815.5
Other Data				
Number of employees (Consolidated) (Thousands)	198	191	188	176
Number of employees (Non-Consolidated) (Thousands)	63	58	53	46
Ratios of Consolidated to Non-Consolidated Performance (Times) (Net sales)	1.6	1.6	1.6	1.7

• ¥48.9 billion, ¥4.8 billion and ¥4.1 billion of "Subsidy received on return of substitutional portion of Employees' Pension Fund Plan, net of settlement loss of ¥188.1 billion in 2004, ¥8.0 billion in 2005, ¥5.0 billion in 2006" are classified as a reduction of selling, general and administrative expenses for the years ended March 31, 2004, 2005 and 2006, respectively.

• Operating income (loss) has been determined under financial reporting practices generally accepted in Japan and is defined as net sales less cost of sales and selling, general and administrative expenses.

• Beginning with the fiscal year ended March 31, 2001, Toshiba has adopted Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Prior-period data for the fiscal years ended March 31, 1999 and 2000, has been restated to conform with SFAS No. 115.

• Beginning with the fiscal year ended March 31, 2006, equity in earnings (losses) of affiliates has been included in income (loss) from continuing operations, before income taxes and minority interest. Prior-period data for the fiscal years ended March 31, 1999 through 2005 has been reclassified to conform with the current classification.

• Beginning with the fiscal year ended March 31, 2009, operating results of The Mobile Broadcasting business are accounted for in accordance with SFAS No.144 "Accounting for the Impairment or Disposal of Long-Lived Assets" where the business is reclassified as a discontinued operation in the consolidated financial statements. Prior-period data for the fiscal years up to March 31, 2008 has been reclassified to conform with the current classification.

(Billions of yen)

2003	2004	2005	2006	2007	2008	**2009**
¥5,655.8	¥5,579.5	¥5,836.1	¥6,343.5	¥7,116.4	¥7,665.3	**¥6,654.5**
4,146.5	4,075.3	4,296.6	4,659.8	5,312.2	5,756.6	**5,366.1**
1,393.8	1,329.6	1,384.8	1,443.1	1,545.8	1,662.3	**1,538.6**
115.5	174.6	154.8	240.6	258.4	246.4	**(250.2)**
56.6	137.3	115.0	182.3	327.1	265.0	**(279.3)**
48.9	102.8	57.5	91.8	157.0	113.4	**54.3**
18.5	28.8	46.0	78.2	137.4	127.4	**(343.6)**
341.7	406.9	378.1	461.1	651.9	685.0	**104.2**
2.0	3.1	2.7	3.8	3.6	3.2	**(3.8)**
0.3	0.5	0.8	1.2	1.9	1.7	**(5.2)**
73.3	73.0	73.6	73.5	74.6	75.1	**80.6**
24.6	24.6	23.7	22.7	21.7	21.7	**23.1**
5,238.9	4,462.2	4,571.4	4,727.1	5,932.0	5,935.6	**5,453.2**
571.1	755.0	815.5	1,002.2	1,108.3	1,022.3	**447.3**
1,653.4	1,199.5	1,111.4	917.5	1,158.5	1,261.0	**1,810.7**
882.0	701.9	683.4	611.4	956.2	740.7	**776.8**
771.4	497.6	428.0	306.1	202.3	520.3	**1,033.9**
10.9	16.9	17.8	21.2	18.7	17.2	**8.2**
2.9	1.6	1.4	0.9	1.0	1.2	**4.0**
331.5	336.7	348.0	372.4	394.0	393.3	**378.3**
230.5	227.3	318.4	338.8	375.3	465.0	**357.1**
237.9	223.9	215.8	228.6	259.9	340.9	**308.7**
2.9	4.3	5.9	8.6	13.0	12.0	**(46.8)**
0.3	0.6	1.0	1.7	2.6	2.1	**(6.0)**
8.55	8.87	9.13	9.65	9.71	9.28	**8.27**
1.06	1.15	1.29	1.36	1.34	1.29	**1.17**
42.69	41.17	40.00	37.83	37.61	39.35	**44.15**
271.6	322.7	305.5	501.4	561.5	247.1	**(16.0)**
(148.0)	(189.5)	(243.1)	(303.4)	(712.8)	(322.7)	**(335.3)**
(159.8)	(132.7)	(92.3)	(235.3)	154.8	46.6	**478.5**
(7.2)	(8.3)	5.6	13.2	34.9	(31.7)	**(32.0)**
(43.3)	(7.8)	(24.2)	(24.1)	38.4	(60.7)	**95.2**
327.1	319.3	295.0	270.9	309.3	248.6	**343.8**
16.09	19.47	24.87	32.77	41.46	41.96	**0.40**
5.3	8.9	7.6	10.3	8.9	6.9	**(6.8)**
123.6	133.2	62.4	198.0	(151.3)	(75.6)	**(351.3)**
1,007.6	1,519.4	1,442.1	2,201.8	2,533.4	2,155.9	**822.4**
166	161	165	172	191	198	**199**
40	32	31	32	32	33	**34**
1.7	1.9	2.1	1.9	2.0	2.1	**2.1**

*1. EBITDA = Income (loss) from continuing operations, before income taxes and minority interest + Interest + Depreciation

*2. Shareholders' equity ratio (%) = Total shareholders' equity / Total assets × 100

*3. Debt/equity ratio (Times) = Interest-bearing debt / Total shareholders' equity

*4. Return on equity (ROE) (%) = Net income (loss) / Average total shareholders' equity × 100

*5. Return on total assets (ROA) (%) = Net income (loss) / Average total assets × 100

*6. Inventory turnover (Times) = Net sales / Average inventory

*7. Total assets turnover (Times) = Net sales / Average total assets

*8. Inventory turnover (Days) = 365 / Inventory turnover

*9. Debt/cash flow ratio (%) = (Net income (loss) + Depreciation and amortization) / Average interest-bearing debt × 100

*10. Interest coverage ratio (Times) = (Operating income (loss) + Interest and dividends) / Interest expense

*11. Free cash flow = Net cash provided by operating activities + Net cash used in investing activities

*12. Market capitalization = Common stock price [Year-end/Yen/Close] × Total issued shares

Consolidated Balance Sheets

(Millions of yen)

March 31	2005	2006	2007	2008	2009
ASSETS					
Current Assets:					
Cash and cash equivalents	¥ 295,003	¥ 270,921	¥ 309,312	¥ 248,649	**¥ 343,793**
Notes and accounts receivable, trade					
Notes	95,207	101,208	106,395	80,312	**64,260**
Accounts	1,052,288	1,181,943	1,295,808	1,253,108	**1,038,396**
Allowance for doubtful notes and accounts	(26,599)	(28,671)	(30,599)	(21,417)	**(19,270)**
Inventories	649,998	664,922	801,513	851,452	**758,305**
Deferred tax assets	131,144	146,655	138,714	148,531	**141,008**
Prepaid expenses and other current assets	277,278	309,638	370,064	368,747	**394,139**
	2,474,319	2,646,616	2,991,207	2,929,382	**2,720,631**
Long-term Receivables and Investments:					
Long-term receivables	19,090	18,883	19,329	7,423	**3,987**
Investments in and advances to affiliates	193,266	228,402	240,249	321,166	**340,756**
Marketable securities and other investments	194,191	240,456	250,536	264,149	**190,110**
	406,547	487,741	510,114	592,738	**534,853**
Property, Plant and Equipment:					
Land	169,464	161,503	156,445	128,210	**98,116**
Buildings	1,064,760	1,084,433	1,146,350	1,160,549	**996,709**
Machinery and equipment	2,349,258	2,402,752	2,594,284	2,598,042	**2,698,626**
Construction in progress	60,547	64,345	104,612	215,937	**114,617**
	3,644,029	3,713,033	4,001,691	4,102,738	**3,908,068**
Less—Accumulated depreciation	(2,479,846)	(2,536,483)	(2,681,489)	(2,770,560)	**(2,818,489)**
	1,164,183	1,176,550	1,320,202	1,332,178	**1,089,579**
Other Assets:					
Deferred tax assets	348,713	237,334	211,336	285,757	**352,948**
Other	177,650	178,872	899,103	795,582	**755,214**
	526,363	416,206	1,110,439	1,081,339	**1,108,162**
	¥4,571,412	¥4,727,113	¥5,931,962	¥5,935,637	**¥5,453,225**

For more information, please visit our IR web site at http://www.toshiba.co.jp/about/ir/en/finance/index.htm

(Millions of yen)

March 31	2005	2006	2007	2008	2009
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Short-term borrowings	¥ 197,765	¥ 142,530	¥ 71,626	¥ 257,831	**¥ 747,971**
Current portion of long-term debt	230,285	163,558	130,703	262,422	**285,913**
Notes payable, trade	67,291	63,574	59,592	55,870	**40,291**
Accounts payable, trade	906,248	1,037,048	1,305,639	1,168,389	**963,573**
Accounts payable, other and accrued expenses	349,009	411,220	508,888	516,046	**366,219**
Accrued income and other taxes	46,561	48,725	77,625	89,763	**38,418**
Advance payments received	134,326	144,362	229,635	248,280	**268,083**
Other current liabilities	335,358	397,953	427,583	387,386	**357,305**
	2,266,843	2,408,970	2,811,291	2,985,987	**3,067,773**
Long-Term Liabilities:					
Long-term debt	683,396	611,430	956,156	740,710	**776,768**
Accrued pension and severance costs	581,598	474,198	540,216	634,589	**719,396**
Other liabilities	79,361	72,025	191,263	182,175	**130,007**
	1,344,355	1,157,653	1,687,635	1,557,474	**1,626,171**
Minority Interest in Consolidated Subsidiaries	144,707	158,325	324,715	369,911	**311,935**
Shareholders' Equity:					
Common stock	274,926	274,926	274,926	280,126	**280,281**
Additional paid-in capital	285,736	285,743	285,765	290,936	**291,137**
Retained earnings	511,185	570,080	681,795	774,461	**395,134**
Accumulated other comprehensive loss	(254,753)	(126,509)	(131,228)	(322,214)	**(517,996)**
Treasury stock, at cost	(1,587)	(2,075)	(2,937)	(1,044)	**(1,210)**
	815,507	1,002,165	1,108,321	1,022,265	**447,346**
Commitments and contingent liabilities					
	¥4,571,412	¥4,727,113	¥5,931,962	¥5,935,637	**¥5,453,225**

(Millions of yen)

March 31	2005	2006	2007	2008	2009
Accumulated Other Comprehensive Loss:					
Unrealized gains on securities	¥ 33,479	¥ 57,246	¥ 80,801	¥ 53,461	**¥ 21,639**
Foreign currency translation adjustments	(68,849)	(32,019)	(21,938)	(117,552)	**(222,773)**
Minimum pension liability adjustment	(219,315)	(151,351)	—	—	**—**
Pension liability adjustment	—	—	(190,118)	(256,839)	**(314,578)**
Unrealized gains (losses) on derivative instruments	(68)	(385)	27	(1,284)	**(2,284)**

Consolidated Statements of Operations

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	**2009**
Sales and Other Income:					
Net sales	¥5,836,139	¥6,343,506	¥7,116,350	¥7,665,332	**¥6,654,518**
Subsidy received on return of substitutional portion of Employees' Pension Fund Plan, (net of settlement loss of ¥7,992 million in 2005 and ¥5,045 million in 2006)	4,836	4,085	—	—	**—**
Interest and dividends	10,564	13,485	24,375	26,863	**19,432**
Equity in earnings of affiliates	4,440	—	39,300	28,023	**9,596**
Other income	58,156	49,605	155,270	212,827	**146,923**
	5,914,135	6,410,681	7,335,295	7,933,045	**6,830,469**
Costs and Expenses:					
Cost of sales	4,296,572	4,659,795	5,312,179	5,756,603	**5,366,087**
Selling, general and administrative	1,389,596	1,447,186	1,545,807	1,662,336	**1,538,617**
Interest	21,749	24,601	31,934	39,825	**33,693**
Equity in losses of affiliates	—	300	—	—	**—**
Other expense	91,211	96,470	118,244	209,232	**171,324**
	5,799,128	6,228,352	7,008,164	7,667,996	**7,109,721**
Income (loss) from continuing operations, before income taxes and minority interest	115,007	182,329	327,131	265,049	**(279,252)**
Income Taxes:					
Current	50,419	57,051	88,911	102,740	**52,308**
Deferred	7,061	34,781	68,113	10,635	**2,015**
Income (loss) from continuing operations, before minority interest	57,527	90,497	170,107	151,674	**(333,575)**
Minority interest in income (loss) of consolidated subsidiaries	9,247	9,849	15,676	14,765	**(3,795)**
Income (loss) from continuing operations	48,280	80,648	154,431	136,909	**(329,780)**
Loss from discontinued operations, net of taxes	(2,239)	(2,462)	(17,002)	(9,496)	**(13,779)**
Net income (loss)	¥ 46,041	¥ 78,186	¥ 137,429	¥ 127,413	**¥ (343,559)**

Quarterly Performance Highlights

(Millions of yen)

	1st quarter		2nd quarter		3rd quarter		4th quarter	
Year ended March 31	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**
Net sales	¥1,663,839	**¥1,618,101**	¥2,024,699	**¥1,876,601**	¥1,877,862	**¥1,488,305**	¥2,098,932	**¥1,671,511**
Operating income (loss)	23,144	**(22,875)**	63,842	**4,384**	43,694	**(157,676)**	115,713	**(74,019)**
Net income (loss)	20,632	**(11,605)**	25,025	**(26,849)**	80,505	**(121,143)**	1,251	**(183,962)**
Earnings per share (Basic) (¥)	6.42	**(3.59)**	7.75	**(8.30)**	24.88	**(37.44)**	0.39	**(56.85)**

For more information, please visit our IR web site at http://www.toshiba.co.jp/about/ir/en/finance/index.htm

Consolidated Statements of Cash Flows

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	**2009**
Cash Flows from Operating Activities:					
Net income (loss)	¥ 46,041	¥ 78,186	¥137,429	¥127,413	**¥(343,559)**
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	241,362	254,217	292,875	380,160	**349,764**
Provisions for pension and severance costs, less payments	2,641	4,809	(22,720)	(19,035)	**(13,733)**
Deferred income tax provision (benefit)	5,525	33,091	56,444	10,635	**(7,843)**
Equity in (earnings) losses of affiliates	5,816	20,023	(12,579)	(13,340)	**1,215**
(Gain) loss from sales, disposal and impairment of property and securities, net	3,351	18,070	(79,416)	(146,369)	**(34,587)**
Minority interest in income (loss) of consolidated subsidiaries	9,247	9,849	15,676	14,765	**(3,795)**
(Increase) decrease in notes and accounts receivable, trade	(63,750)	(86,420)	(51,620)	29,138	**186,676**
(Increase) decrease in finance receivables, net	(3,927)	0	0	0	**0**
(Increase) decrease in inventories	(10,107)	31,927	(82,926)	(64,688)	**60,517**
Increase (decrease) in notes and accounts payable, trade	82,427	90,482	220,619	(115,047)	**(182,501)**
Increase (decrease) in accrued income and other taxes	9,722	816	23,353	18,283	**(51,647)**
Increase (decrease) in advance payments received	(51,263)	(7,121)	29,459	47,617	**27,018**
Other	28,448	53,497	34,880	(22,404)	**(3,536)**
Net cash provided by (used in) operating activities	305,533	501,426	561,474	247,128	**(16,011)**
Cash Flows from Investing Activities:					
Proceeds from sale of property, plant and equipment	42,094	81,503	112,015	212,064	**210,653**
Proceeds from sale of securities	34,138	12,379	9,586	2,805	**4,035**
Acquisition of property, plant and equipment	(271,635)	(316,702)	(376,707)	(407,692)	**(477,720)**
Purchase of securities	(12,397)	(14,940)	(13,508)	(82,898)	**(29,609)**
(Increase) decrease in investments in affiliates	(7,051)	(20,872)	51,044	(41,367)	**(43,399)**
Other	(28,255)	(44,753)	(495,212)*	(5,614)	**732**
Net cash used in investing activities	(243,106)	(303,385)	(712,782)	(322,702)	**(335,308)**
Cash Flows from Financing Activities:					
Proceeds from long-term debt	251,563	108,393	467,717	190,524	**337,415**
Repayment of long-term debt	(211,280)	(250,884)	(199,570)	(283,013)	**(275,976)**
Increase (decrease) in short-term borrowings, net	(105,416)	(60,638)	(81,305)	187,321	**469,026**
Dividends paid	(17,104)	(22,808)	(30,431)	(46,406)	**(50,350)**
Repurchase of subsidiary common stock	(634)	(86)	(829)	(715)	**(1,318)**
Purchase of treasury stock, net	(586)	(481)	(841)	(1,138)	**(345)**
Other	(8,867)	(8,794)	55	—	**—**
Net cash provided by (used in) financing activities	(92,324)	(235,298)	154,796	46,573	**478,452**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	5,623	13,175	34,903	(31,662)	**(31,989)**
Net Increase (Decrease) in Cash and Cash Equivalents	(24,274)	(24,082)	38,391	(60,663)	**95,144**
Cash and Cash Equivalents at Beginning of Year	319,277	295,003	270,921	309,312	**248,649**
Cash and Cash Equivalents at End of Year	¥295,003	¥270,921	¥309,312	¥248,649	**¥343,793**
Supplemental Disclosure of Cash Flow Information:					
Cash paid during the year for—					
Interest	¥ 21,761	¥ 24,538	¥ 30,892	¥ 40,356	**¥ 35,004**
Income taxes	¥ 38,539	¥ 62,925	¥ 59,272	¥107,431	**¥140,923**

*Includes the acquisition of Westinghouse Group in the amount of ¥461,338 million.

Industry Segment Performance

(Billions of yen)

Year ended March 31	2005	Change (%)	2006	Change (%)	2007	Change (%)	2008	Change (%)	2009	Change (%)
Digital Products										
Net sales	¥2,224.2	10.7	¥2,536.5	14.0	¥2,805.5	10.6	¥2,951.2	5.2	**¥2,467.5**	**(16.4)**
Share of net sales (%)	35.1	—	36.9	—	36.6	—	35.7	—	**34.3**	**—**
Operating income (loss)	7.3	—	20.9	187.1	15.8	(24.3)	15.0	(4.6)	**(14.2)**	**—**
Operating income ratio (%)	0.3	—	0.8	—	0.6	—	0.5	—	**(0.6)**	**—**
Number of employees (Thousands)	43	2.4	45	4.7	46	2.2	49	6.5	**48**	**(2.0)**
R&D expenditures	101.7	7.4	108.3	6.5	118.5	9.4	118.3	(0.2)	**102.2**	**(13.6)**
Depreciation	32.6	(8.3)	32.1	(1.5)	42.5	32.5	38.5	(9.5)	**33.3**	**(13.5)**
Capital expenditures	36.5	(24.9)	44.2	21.2	40.5	(8.3)	37.5	(7.4)	**39.4**	**5.0**
Total assets	966.1	10.7	1,092.1	13.0	1,242.6	13.8	1,290.4	3.9	**954.9**	**(26.0)**
Electronic Devices										
Net sales	1,307.2	1.8	1,388.1	6.2	1,657.3	19.4	1,738.5	4.9	**1,324.9**	**(23.8)**
Share of net sales (%)	20.7	—	20.2	—	21.6	—	21.0	—	**18.4**	**—**
Operating income (loss)	92.5	(20.9)	123.3	33.3	119.7	(2.9)	74.1	(38.1)	**(323.2)**	**—**
Operating income ratio (%)	7.1	—	8.9	—	7.2	—	4.3	—	**(24.4)**	**—**
Number of employees (Thousands)	33	(5.7)	33	0.0	35	6.1	35	0.0	**35**	**0.0**
R&D expenditures	164.5	4.9	174.5	6.1	174.2	(0.2)	166.2	(4.6)	**168.8**	**1.6**
Depreciation	132.7	18.0	148.0	11.6	169.1	14.3	229.5	35.7	**210.0**	**(8.5)**
Capital expenditures	239.3	75.8	239.5	0.0	269.7	12.6	367.4	36.2	**266.9**	**(27.3)**
Total assets	1,271.0	2.4	1,323.7	4.1	1,449.8	9.5	1,552.8	7.1	**1,437.9**	**(7.4)**
Social Infrastructure										
Net sales	1,765.3	3.0	1,882.3	6.6	2,067.7	9.9	2,419.0	17.0	**2,396.2**	**(0.9)**
Share of net sales (%)	27.9	—	27.4	—	27.0	—	29.3	—	**33.3**	**—**
Operating income	48.6	(17.1)	76.5	57.6	96.8	26.4	131.3	35.7	**113.2**	**(13.7)**
Operating income ratio (%)	2.8	—	4.1	—	4.7	—	5.4	—	**4.7**	**—**
Number of employees (Thousands)	54	50.0	57	5.6	67	17.5	70	4.5	**74**	**5.7**
R&D expenditures	61.7	(0.8)	70.9	14.9	82.2	16.0	88.3	7.4	**88.7**	**0.4**
Depreciation	34.6	(8.1)	35.0	1.1	41.8	19.4	59.9	43.3	**62.6**	**4.5**
Capital expenditures	36.6	32.4	44.1	20.4	58.8	33.4	67.7	15.2	**105.8**	**56.3**
Total assets	1,493.2	(2.4)	1,578.0	5.7	2,385.3	51.2	2,338.0	(2.0)	**2,427.5**	**3.8**
Home Appliances										
Net sales	661.0	3.7	687.5	4.0	748.9	8.9	774.3	3.4	**674.3**	**(12.9)**
Share of net sales (%)	10.4	—	10.0	—	9.8	—	9.4	—	**9.4**	**—**
Operating income (loss)	(3.3)	—	2.7	—	9.7	257.0	3.9	(59.6)	**(27.1)**	**—**
Operating income ratio (%)	(0.5)	—	0.4	—	1.3	—	0.5	—	**(4.0)**	**—**
Number of employees (Thousands)	22	22.2	25	13.6	27	8.0	28	3.7	**27**	**(3.6)**
R&D expenditures	19.0	3.0	17.7	(6.5)	18.7	5.5	19.2	2.7	**18.2**	**(5.4)**
Depreciation	18.0	(3.9)	16.6	(7.8)	18.3	9.9	22.7	24.1	**28.7**	**26.5**
Capital expenditures	22.0	13.9	27.4	24.5	24.7	(9.8)	20.0	(19.1)	**18.5**	**(7.6)**
Total assets	390.2	4.9	400.8	2.7	438.8	9.5	439.0	0.0	**385.2**	**(12.2)**
Others										
Net sales	371.6	(21.4)	379.8	2.2	391.6	3.1	381.9	(2.5)	**334.3**	**(12.5)**
Share of net sales (%)	5.9	—	5.5	—	5.1	—	4.6	—	**4.6**	**—**
Operating income	9.8	(47.7)	18.0	82.1	18.7	4.2	23.0	22.7	**0.5**	**(97.7)**
Operating income ratio (%)	2.7	—	4.7	—	4.8	—	6.0	—	**0.2**	**—**
Number of employees (Thousands)	13	(56.7)	12	(7.7)	16	33.3	16	0.0	**15**	**(6.3)**
R&D expenditures	1.1	(75.0)	1.0	(12.2)	0.4	(66.1)	1.3	370.1	**0.4**	**(70.2)**
Depreciation	23.5	(47.1)	22.5	(4.3)	21.2	(5.8)	29.6	39.7	**15.2**	**(48.7)**
Capital expenditures	8.1	(64.9)	7.7	(4.2)	16.1	108.5	9.4	(41.5)	**22.2**	**135.0**
Total assets	515.4	7.5	442.4	(14.2)	479.2	8.3	379.3	(20.8)	**321.6**	**(15.2)**

Geographic Segment Performance

(Billions of yen)

Year ended March 31	2005	2006	2007	2008	**2009**
Net Sales					
Japan	¥5,015.3	¥5,464.4	¥5,993.1	¥6,141.8	**¥5,346.3**
Overseas	2,783.6	3,147.9	3,680.0	4,216.5	**3,703.6**
Asia	1,355.2	1,521.4	1,724.1	1,855.3	**1,582.0**
North America	765.3	888.5	1,028.4	1,208.2	**1,112.0**
Europe	596.9	658.7	830.2	1,039.5	**894.1**
Other	66.2	79.3	97.3	113.5	**115.5**
Eliminations	(1,962.8)	(2,268.8)	(2,556.7)	(2,693.0)	**(2,395.4)**
Consolidated	5,836.1	6,343.5	7,116.4	7,665.3	**6,654.5**
Operating Income (Loss)					
Japan	112.8	191.9	204.1	161.2	**(315.5)**
Overseas	42.1	48.4	44.4	74.6	**49.7**
Asia	20.5	22.1	26.1	37.6	**21.3**
North America	15.6	18.1	7.8	7.6	**17.8**
Europe	5.1	6.1	7.2	25.6	**6.1**
Other	0.9	2.1	3.3	3.8	**4.5**
Eliminations	(0.1)	0.3	9.9	10.6	**15.6**
Consolidated	154.8	240.6	258.4	246.4	**(250.2)**

Long-term Debt

(Millions of yen)

March 31	2008	**2009**
Loans, principally from banks and insurance companies, due 2008 to 2029 with weighted-average interest rate of 1.29% at March 31, 2008 and due 2009 to 2029 with weighted-average interest rate of 1.40% at March 31, 2009	Secured ¥ 4,268 Unsecured ¥532,352	Secured **¥ 254** Unsecured **¥715,577**
Unsecured yen bonds, due 2008 to 2016 with interest ranging from 1.08% to 2.30% at March 31, 2008 and due 2010 to 2016 with interest ranging from 1.20% to 2.20% at March 31, 2009	213,307	**130,000**
Zero Coupon Convertible Bonds with stock acquisition rights:		
Due 2009 convertible at ¥587 per share at March 31, 2009	41,430	**41,420**
Due 2011 convertible at ¥542 per share at March 31, 2009	95,310	**95,010**
Euro yen medium-term notes, due 2008 with interest rate of 2.34% at March 31, 2008	1,000	—
Euro yen medium-term notes of subsidiaries, due 2008 to 2015 with interest ranging from 0.77% to 2.60% at March 31, 2008 and due 2009 to 2014 with interest ranging from 0.60% to 2.60% at March 31, 2009	58,881	**23,586**
Euro medium-term note of a subsidiary, due 2008 with interest rate of 4.41% at March 31, 2008	7,938	—
Capital lease obligations	48,646	**56,834**
	1,003,132	**1,062,681**
Less-Portion due within one year	(262,422)	**(285,913)**
	¥740,710	**¥776,768**

The aggregate annual maturities of long-term debt, excluding those of capital lease obligations, are as follows:

(As of March 31) (Millions of yen)

Year ending March 31	2008	**2009**
2009	¥ 246,675	¥ —
2010	227,674	**273,189**
2011	177,452	**187,114**
2012	116,731	**193,210**
2013	126,051	**127,390**
2014 and thereafter	59,903	—
2014	—	**133,379**
2015 and thereafter	—	**91,565**
Total	¥ 954,486	**¥1,005,847**

For more information on corporate bonds and ratings, please visit our IR web site at
http://www.toshiba.co.jp/about/ir/en/stock/bond.htm

Board of Directors

- Nomination Committee
- Audit Committee
- Compensation Committee

Audit Committee Office

President & Chief Executive Officer

- **Innovation Div.**
- **Quality Div.**
  - Quality Promotion Office
- **Corporate Social Responsibility Div.**
  - CSR Implementation Office
  - External Relations Div.
- **Information & Security Group**
  - Information Systems Center
  - Information Security Center
- **Legal Affairs Group**
  - Legal Affairs Div.
  - Corporate Alliances & Legal Div.
- **Export Control Group**
  - Export Control Div.
- **Human Resources Group**
  - Human Resources & Administration Div.
  - Employee Wellness Div.
  - Diversity Development Div.
  - Toshiba General Hospital
- **Finance & Accounting Group**
  - Finance & Accounting Div.
  - Internal Control Promotion Div.

(In-house Companies)

Digital Products Group

- **Mobile Communications Company**
  - Hino Operations
- **Digital Media Network Company**
  - Storage Device Div.
  - TV & Visual Media Equipment Div.
  - Optical Imaging System Div.
  - Digital AV Div.
  - Core Technology Center
  - Ome Operations - Digital Media Network
  - Fukaya Operations
- **Personal Computer & Network Company**
  - Personal Computer Div. - Japan & Asia Operations
  - Personal Computer Div. - America, EMEA & Oceania Operations
  - Server & Network Div.
  - PC Development Center
  - Global Production & Logistics Management Center
  - Ome Complex

Electronic Devices & Components Group

- **Semiconductor Company**
  - Discrete Semiconductor Div.
    - Himeji Operations - Semiconductor
    - Kitakyushu Operations
  - System LSI Div.
    - Oita Operations
    - Microelectronics Center
  - Memory Div.
    - Yokkaichi Operations
  - Electronic Devices Sales & Marketing Div.
  - Process & Manufacturing Engineering Center
  - Center For Semiconductor Research & Development
- **Display Devices & Components Control Center**

- Corporate Audit Div.
- Strategic Planning & Communications Group
  - Corporate Representatives
    - America, Europe, Asia, China
  - Corporate Strategic Planning Div.
  - Regional Business Strategy Div.
  - Corporate Communications Office

- Procurement & Logistics Group
  - Corporate Procurement Div.
  - Logistics Planning Office
- Productivity & Environment Group
  - Corporate Productivity Planning Div.
  - Corporate Environment Management Div.
  - Corporate Manufacturing Engineering Center
  - Yokohama Complex
  - Himeji Operations
- Technology & Intellectual Property Group
  - Technology Planning Div.
  - Intellectual Property Div.
  - Corporate Research & Development Center
  - Corporate Software Engineering Center
- Marketing Group
  - Marketing Planning Div.
  - Customer Satisfaction Div.
  - Corporate Sales & Marketing Div.
  - Global Marketing Div.
  - [Overseas Offices]
    - Moscow
    - Johannesburg
    - Baghdad
  - Advertising Div.
  - Design Center
- Automotive Systems Div.
- Network Services Div.
- New Lighting Systems Div.

Infrastructure Systems Group

- Power Systems Company
  - Nuclear Energy Systems & Services Div.
    - Isogo Nuclear Engineering Center
  - WEC Coordination Div.
  - Thermal & Hydro Power Systems & Services Div.
  - Power and Industrial Systems Research and Development Center
  - Keihin Product Operations
- Transmission Distribution & Industrial Systems Company
  - Transmission & Distribution Systems Div.
  - Industrial Systems Div.
  - Transportation Systems Div.
  - Fuchu Complex
  - Hamakawasaki Operations
  - Mie Operations
- Social Infrastructure Systems Company
  - Infrastructure Systems Div.
  - Environmental Systems Div.
  - Broadcasting & Network Systems Div.
  - Defense & Electronic Systems Div.
  - Security & Automation Systems Div.
  - Komukai Operations

(As of July 1, 2009)

Consolidated Subsidiaries/Affiliated Companies Accounted for by the Equity Method

Consolidated Subsidiaries

DOMESTIC

- Harison Toshiba Lighting Corporation
- Iwate Toshiba Electronics Co., Ltd.
- Joint Fuel Co., Ltd.
- Kaga Toshiba Electronics Corporation
- Mobile Broadcasting Corporation
- Nishishiba Electric Co., Ltd.*
- NuFlare Technology, Inc.*
- Toshiba Capital Corporation
- Toshiba Carrier Corporation
- Toshiba Consumer Electronics Holdings Corporation
- Toshiba Consumer Marketing Corporation
- Toshiba Denzai Marketing Co., Ltd.
- Toshiba Device Corporation
- Toshiba Elevator and Building Systems Corporation
- Toshiba Home Appliances Corporation
- Toshiba Home Technology Corporation
- Toshiba Industrial Products Sales Corporation
- Toshiba Information Equipments Co., Ltd.
- Toshiba Lighting & Technology Corporation
- Toshiba Logistics Corporation
- Toshiba Matsushita Display Technology Co., Ltd.
- Toshiba Medical Systems Corporation
- Toshiba Plant Systems & Services Corporation*
- Toshiba Solutions Corporation
- Toshiba TEC Corporation*
- Toshiba Trading Inc.
- A&T Battery Corporation

239 companies in total including the above 27.
*Listed company in stock markets

OVERSEAS

- AFPD Pte., Ltd.
- Changzhou Toshiba Transformer Co., Ltd.
- Dalian Toshiba Television Co., Ltd.
- Harison Toshiba Lighting (Kunshan) Co., Ltd.
- Northern Virginia Semiconductor L.L.C.
- Taiwan Toshiba International Procurement Corporation
- TBR
- Toshiba (China) Co., Ltd.
- Toshiba America Business Solutions, Inc.
- Toshiba America Capital Corporation
- Toshiba America Consumer Products, L.L.C.
- Toshiba America Electronic Components, Inc.
- Toshiba America Information Systems, Inc.
- Toshiba America Medical Systems, Inc.
- Toshiba America MRI, Inc.
- Toshiba America Nuclear Energy Corp
- Toshiba America, Inc.
- Toshiba Capital (Asia) Ltd.
- Toshiba Consumer Products (Thailand) Co., Ltd.
- Toshiba Dalian Co., Ltd.
- Toshiba Electronics Asia, Ltd.
- Toshiba Europe GmbH
- Toshiba HA Manufacturing (Nanhai) Co., Ltd.
- Toshiba Hydro Power (Hangzhou) Co., Ltd.
- Toshiba Information Equipment (Philippines), Inc.
- Toshiba Information Systems (UK) Ltd.
- Toshiba Information, Industrial and Power Systems Taiwan Corporation
- Toshiba International Corporation
- Toshiba International Finance (UK) Plc.
- Toshiba JSW Turbine and Generator Private Ltd.
- Toshiba Medical Systems Europe B.V.
- Toshiba Nuclear Energy Holdings (UK) Ltd.
- Toshiba Nuclear Energy Holdings (US) Inc.
- Toshiba Samsung Storage Technology Korea Corporation
- Toshiba Semiconductor (Wuxi) Co., Ltd.
- Toshiba Systèmes (France) S.A.
- Toshiba TEC Europe Imaging Systems S.A.
- Toshiba TEC France Imaging Systems S.A.
- Toshiba TEC U.K. Imaging Systems Ltd.
- Toshiba Television Central Europe Sp. z o. o.
- Toshiba Transmission and Distribution Brazil Ltd.
- TSB Nuclear Energy Investment UK Ltd.
- TSB Nuclear Energy Investment US Inc.
- Westinghouse Electric Company L.L.C.

298 companies in total including the above 44.

Affiliated Companies Accounted for by the Equity Method

DOMESTIC

- Flash Alliance, Ltd.
- Flash Partners, Ltd.
- Ikegami Tsushinki Co., Ltd.*
- NEC Toshiba Space Systems, Ltd.
- NREG Toshiba Building Co., Ltd.
- Shibaura Mechatronics Corporation*
- Topcon Corporation*
- Toshiba Finance Corporation
- Toshiba Housing Loan Service Corporation
- Toshiba Machine Co., Ltd. *
- Toshiba Medical Finance Co., Ltd.
- Toshiba Mitsubishi-Electric Industrial Systems Corporation

79 companies in total including the above 12.
*Listed company in stock markets

OVERSEAS

- Guangdong Midea Air-Conditioning Equipment Co., Ltd.
- Guangdong Midea Group Wuhu Air-Conditioning Epuipment Co., Ltd
- Guangdong Meizhi Compressor Ltd.
- Henan Pinggao Toshiba High-voltage Switchgear Co., Ltd.
- MOD Systems Incorporated
- Semp Toshiba Amazonas S.A.
- TM GE Automation Systems L.L.C.
- Toshiba Carrier (Thailand) Co., Ltd.

120 companies in total including the above 8.

(As of March 31, 2009)

Stock/Shareholders Information

Common Stock Price Trends

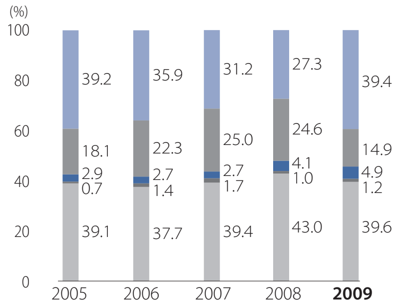
Year ended March 31	2005	2006	2007	2008	**2009**
Common stock price (¥, fiscal year)					
High	576	815	842	1,185	**953**
Low	379	416	652	649	**204**
Nikkei average (¥)	11,668.95	17,059.66	17,287.65	12,525.54	**8,109.53**
Number of shares issued (Millions of shares)	3,219	3,219	3,219	3,237	**3,238**
Market capitalization (¥ Billion)	1,442.1	2,201.8	2,533.4	2,155.9	**822.4**
Earnings per share—Basic (EPS) (¥)	14.32	24.32	42.76	39.46	**(106.18)**
Earnings per share—Diluted (EPS) (¥)	13.52	22.44	39.45	36.59	**(106.18)**
Annual dividends per share (¥)	5	6.5	11	12	**5**
Payout ratio (%) (Consolidated)	34.9	26.7	25.7	30.4	**—**
Number of shareholders	479,808	454,849	411,723	375,115	**462,649**
Price-to-earnings ratio (PER) (Times)	31.3	28.13	18.41	16.88	**—**
Price-to-cash flows ratio (PCFR) (Times)	5.0	6.6	5.9	4.2	**132.5**
Price-to-book value ratio (PBR) (Times)	1.8	2.2	2.3	2.1	**1.8**

Note: Common stock price is based on the Tokyo Stock Exchange, Inc. market quotation.

Distribution of Shareholders

(Percentage of total voting rights)

March 31	2005	2006	2007	2008	**2009**
Individuals and others in Japan	39.2%	35.9%	31.2%	27.3%	**39.4%**
Overseas investors	18.1	22.3	25.0	24.6	**14.9**
Companies in Japan	2.9	2.7	2.7	4.1	**4.9**
Securities companies in Japan	0.7	1.4	1.7	1.0	**1.2**
Financial institutions in Japan	39.1	37.7	39.4	43.0	**39.6**



Major Shareholders

(As of March 31, 2009)

	Percentage of total voting rights
Japan Trustee Service Bank, Limited (trust accounts No. 4G)	5.5%
The Master Trust Bank of Japan, Limited (trust accounts)	5.5
The Dai-ichi Mutual Life Insurance Company	3.6
Nippon Life Insurance Company	3.4
Japan Trustee Service Bank, Limited (trust accounts)	3.1
Toshiba Employees Stocks Ownership Plan	1.7
NIPPONKOA Insurance Company, Limited	1.6
Japan Trustee Service Bank, Limited (trust accounts 4)	1.6
Sumitomo Mitsui Banking Corporation	1.6
Mizuho Corporate Bank, Limited	1.6

Corporate History

Governance structure	Year	Significant events
	1875	Hisashige Tanaka opened a telegraph equipment factory (later Shibaura Engineering Works Co., Ltd.) in Shinbashi, Tokyo.
	1890	Ichisuke Fujioka and Shoichi Miyoshi established Hakunetsusha & Co., Ltd. (later Tokyo Electric Company), in Kyobashi, Tokyo.
	1939	Tokyo Electric Company merged with Shibaura Engineering Works Co., Ltd. and established Tokyo Shibaura Electric Co., Ltd.
	1978	Released the first Japanese word processor. Changed name to Toshiba Corporation.
	1985	Developed 1Mb DRAM. Introduced the world's first laptop PC.
	1991	Developed 4Mb NAND flash EEPROM.
	1995	Developed the DVD high-density optical disc.
Introduced corporate executive officer system.	1998	
Introduced in-house company system.	1999	
	2000	Released SD Card and 1.8-inch HDD.
	2001	Released "01 Action Plan." Commercialized the world's first HDD/DVD video recorder. Commenced joint development of Cell, the next-generation processor, with Sony Computer Entertainment Inc. and IBM Corporation.
	2002	Withdrew from commodity DRAM business. Formed a company for LCDs.
Adopted the Company with Committees system and introduced Corporate Social Responsibility Division.	2003	Home Appliances, IT-Solutions and Medical Systems businesses transferred and integrated with subsidiaries.
	2004	Joined the United Nations' Global Compact. Developed the world's smallest direct methanol fuel cell (DMFC). Released a 64 multi-slice CT system.
Introduced Takeover Defensive Measures.	2006	Westinghouse Group joined the Toshiba Group.
	2007	Shipped steam turbines with cumulative total output of 150GW. Developed 320 slices Dynamic Volume CT system which can capture complete image of the heart or brain in only one rotation. Achieved cumulative output of 200 million HDDs.
	2008	Developed 32Gb NAND flash memory. Achieved cumulative sales of 70 million notebook PCs. Announced "Action Programs to Improve Profitability."

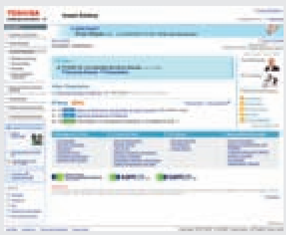
TOSHIBA CORPORATION

As of March 31, 2009

Headquarters:	1-1, Shibaura 1-chome, Minato-ku, Tokyo, Japan
Founded:	July 1875
Number of Employees:	Approx. 199,000 (consolidated)
Fiscal Year:	April 1 to March 31
Authorized Number of Shares:	10 billion shares
Number of Shares Issued:	3,237,602,026 shares
Number of Shareholders:	462,649
Stock Exchange Listings:	Tokyo, Osaka, Nagoya, London
ISIN:	JP359 2200004
Ticker Code on the Tokyo Stock Exchange:	6502
Shareholder Registration Agent:	The Chuo Mitsui Trust and Banking Company, Limited
For further information, please contact:	Investor Relations Group Corporate Communications Office Toshiba Corporation 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan Phone: +81-3-3457-2096 Facsimile: +81-3-5444-9202 E-mail: ir@toshiba.co.jp http://www.toshiba.co.jp/about/ir/index.htm

INVESTOR RELATIONS

http://www.toshiba.co.jp/about/ir/index.htm



Toshiba Corporation makes every effort to provide shareholders and investors with reliable information in a timely manner, and toward this we make full and proactive use of the Internet in our IR activities. On our investor relations site we publish a wide range of resources, including news releases, information for shareholders, our statements of accounts, and explanations of our business results, as well as videos and other materials related to business information meetings. The site also supports interactive communication, allowing investors to ask questions and offer opinions that will help us to improve the quality of our IR activities.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements concerning Toshiba's future plans, strategies, and performance. These forward-looking statements are not historical facts, rather they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Furthermore, they are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide megacompetition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations, and other factors. Toshiba therefore wishes to caution readers that actual results may differ materially from our expectations.

Product names may be trademarks of their respective companies.

TOSHIBA CORPORATION

TOSHIBA
Leading Innovation

TOSHIBA CORPORATION

2009

FINANCIAL REVIEW

Annual Report 2009 • Financial Review

Five-year Summary

Toshiba Corporation and Subsidiaries
Years ended March 31

	Millions of yen, except per share amounts				
	2009	2008	2007	2006	2005
Net sales	**¥6,654,518**	¥7,665,332	¥7,116,350	¥6,343,506	¥5,836,139
Cost of sales	**5,366,087**	5,756,603	5,312,179	4,659,795	4,296,572
Selling, general and administrative expenses (Note 1)	**1,538,617**	1,662,336	1,545,807	1,443,101	1,384,760
Operating income (loss) (Note 2)	**(250,186)**	246,393	258,364	240,610	154,807
Income (loss) from continuing operations, before income taxes and minority interest	**(279,252)**	265,049	327,131	182,329	115,007
Income taxes	**54,323**	113,375	157,024	91,832	57,480
Net income (loss)	**(343,559)**	127,413	137,429	78,186	46,041
Per share of common stock:					
Net income (loss) (Note 3)					
—Basic	**¥ (106.18)**	¥ 39.46	¥ 42.76	¥ 24.32	¥ 14.32
—Diluted	**(106.18)**	36.59	39.45	22.44	13.53
Cash dividends	**5.00**	12.00	11.00	6.50	5.00
Total assets	**¥5,453,225**	¥5,935,637	¥5,931,962	¥4,727,113	¥4,571,412
Shareholders' equity	**447,346**	1,022,265	1,108,321	1,002,165	815,507
Capital expenditures (Property, plant and equipment)	**357,111**	465,044	375,335	338,800	318,394
Depreciation (Property, plant and equipment)	**308,737**	340,852	259,882	228,637	215,844
R&D expenditures	**378,261**	393,293	393,987	372,447	348,010
Number of employees	**199,000**	198,000	191,000	172,000	165,000

Notes:
1) ¥4,085 million and ¥4,836 million of "Subsidy received on return of substitutional portion of Employees' Pension Fund Plan, net of settlement loss of ¥5,045 million in 2006 and ¥7,992 million in 2005" are classified as a reduction of selling, general and administrative expenses for the fiscal years ended March 31, 2006 and 2005, respectively.
2) Operating income (loss) presented hereinafter is, in accordance with accounting practices in Japan, derived from a value that deducts the cost of sales and selling, general and administrative from net sales, allowing comparison with that of other companies in Japan. Some items which are classified as operating income (loss) under U.S.GAAP may be presented as non-operating income (loss).
3) Basic net income (loss) per share (EPS) is computed based on the weighted-average number of shares of common stock outstanding during each period.
Diluted EPS assumes the dilution that could occur if convertible bonds were converted or stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.
4) Beginning with the fiscal year ended March 31, 2006, equity in earnings (losses) of affiliates has been included in income (loss) before income taxes and minority interest. Prior-period data for the fiscal years ended March 31, 2005 has been reclassified to conform with the current classification.
5) Beginning with the fiscal year ended March 31, 2009, operating results of The Mobile Broadcasting business are accounted for in accordance with SFAS No.144 "Accounting for the Impairment or Disposal of Long-Lived Assets" where the business is reclassified as discontinued operation in the consolidated financial statements. Prior-period data for the fiscal years ended from March 31, 2005 through 2008 has been reclassified to conform with the current classification.

SCOPE OF CONSOLIDATION

As of the end of March 2009, Toshiba Group comprised Toshiba Corporation and 537 consolidated subsidiaries and its operating segments were in the Digital Products, Electronic Devices, Social Infrastructure, Home Appliances and Others.

122 consolidated subsidiaries were involved in Digital Products, 59 in Electronic Devices, 217 in Social Infrastructure, 71 in Home Appliances and 68 in Others.

The number of consolidated subsidiaries was 13 less than at the end of March 2008.

199 affiliates were accounted for by the equity method as of the end of March 2009.

RESULTS OF OPERATIONS

NET SALES AND NET INCOME (LOSS)

In the latter half of FY2008, the global economy worsened rapidly as the subprime loan crisis in the United States became a full-blown global financial crisis that started to impact significantly on the real economy from the third quarter. Europe, which had been relatively healthy, joined the United States by falling into recession, and the economies of China and other parts of Asia, which had enjoyed continuing expansion, also slowed dramatically. As a result, the global economy is caught in an extensive recession.

The Japanese economy also went into recession, and is in an extremely severe condition characterized by substantial declines in exports and capital spending, a sharp downturn incorporate profits, rapidly worsening employment and shrunken consumer spending.

In these circumstances, Toshiba Group addressed the need to secure profit on acompany-wide basis. However, consolidated sales in FY2008 were 6,654.5 billion yen, a decrease of 1,010.8 billion yen. This result was strongly influenced by the shrinkage of the overall market caused by the fast-spreading global recession, steeper than expected declines in semiconductor prices, and by yen's sharp appreciation.

Consolidated operating income (loss) worsened by 496.6 billion yen to -250.2 billion yen. Electronic Devices, particularly in the Semiconductor business, Digital Products, Home Appliances and Others, all saw significant income deterioration, although Social Infrastructure maintained a high level of profit. Income (loss) from continuing operations, before income taxes and minority interest worsened by 544.3 billion yen to -279.3 billion yen. This difference resulted mainly from a decrease in non-operating profit plus a loss from a write-down of securities. Net income (loss) worsened by 471.0 billion yen to -343.6 billion yen, which reflected such factors as a drawdown in deferred tax assets.

Taking these situations into consideration, we have raised 319.2 billion yen through issuance of new shares by way of public offering and third-party allotment accompanying secondary offering for over-allotment and issued 180.0 billion yen unsecured subordinated bonds in order to raise funds for future capital expenditures and improve our financial position.

KEY PERFORMANCE INDICATORS

Following are the key performance indicators ("KPIs") that the Management of the Group uses in managing its business.

The Company executes proactive managements, including strategic allocation of resources grounded in the Group strategy of achieving sustained growth with profit. For such perspective, growth of sales is indispensable and accordingly net sales is one such KPI. Another KPI is operating income ratio (ratio of operating income to net sales) because growth is not sustainable without adequate profit. Also, return on equity (ROE) is KPI.

Active capital investment and R&D activity is indispensable for growth of the Group and accordingly capital expenditure and R&D expenditure are KPIs. Also, it is important to maintain a stable financial base for active capital expenditure and R&D, and accordingly shareholders' equity ratio (ratio of total shareholders' equity to total assets) and debt-to-equity ratio are other KPIs for the Company.

	Billions of yen	
Year ended March 31	**2009**	2008
Net sales	**6,654.5**	7,665.3
Operating income ratio (%)	**(3.8)**	3.2
Return on equity (ROE) (%)	**(46.8)**	12.0
Shareholders' equity ratio (%)	**8.2**	17.2
Debt/equity ratio (%)	**405**	123
Capital expenditures (Note)	**425.2**	618.9
R&D expenditures	**378.3**	393.3

(Note) Capital expenditure is on an ordering amount basis.

As described in NET SALES AND NET INCOME (LOSS) above, consolidated sales, consolidated operating income (loss) and Net income (loss) worsened, and this resulted in negative operating income ratio and ROE, -3.8% and -46.8% respectively.

Total assets decreased by ¥482.4 billion from the end of March 2008 to ¥5,453.2 billion. Shareholders' equity decreased by ¥575.0 billion to ¥447.3 billion from the end of March 2008, largely reflecting the net loss of ¥343.6 billion, and the ¥195.8 billion decrease in accumulated other comprehensive income (loss) resulting from a reduction in the pension liability adjustment in a sluggish stock market, and foreign currency translation adjustment due to appreciation of the yen, etc. As a result, shareholders' equity ratio decreased by 9-points to 8.2%. Total debt increased by ¥549.7 billion from the end of March 2008 to ¥1,810.7 billion, mainly as a result of negative free cash flow. As a result of the foregoing, the debt-to-equity ratio as of the end of March 2009 was 405%, a 282-point worsening from the end of March 2008.

In June 2009, Toshiba increases its capital through a public offering of one billion shares. Mainly as a result of forgoing, total equity ratio at the end of June 2009 is 19.9% and the debt-to-equity ratio at the end of June 2009 is 133%.

	June 30, 2009
Total equity ratio (%)	**19.9**
Debt/equity ratio (%)	**133**

(Note) Following the adoption of SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51" effective April 1, 2009, total equity presents the aggregate sum of equity attributable to shareholders of the Company and equity attributable to noncontrolling interests (previously presented as "minority interest in consolidated subsidiaries"). Total equity ratio and the debt-to-equity ratio at the end of June 2009 are derived from the abovementioned aggregate sum of total equity. If same method is applied, total equity ratio and the debt-to-equity ratio at the end of March 2009 will be 13.9% and 238%, respectively.
Shareholders' equity ratio at the end of June 2009 is 13.8%.

Due to rapid global economic recession, initial plan of capital investments were reduced by more rigorous selection of investments projects. As a result, capital investments in FY2008 were ¥425.2 billion, which was reduced by ¥230.8 billion from initial plan. In the Electronic Devices segment, capital investments were reduced by ¥164.5 billion as investment plans for manufacturing facilities and new manufacture's building for NAND flash memories and manufacturing facilities for LCDs were partly revised. The above capital expenditure amount is on an ordering amount basis and includes ¥26.7 billion, representing the Group's portion in the investments made by Flash Alliance, Ltd. etc., which are companies accounted for by the equity method. R&D expenditure also has been reduced by about ¥50.0 billion to ¥378.3 billion against initial budget.

NET SALES BY REGION

	Millions of yen		
Year ended March 31	**2009**	2008	2007
Japan	**¥3,230,840**	¥3,702,474	¥3,599,385
Asia	**1,188,048**	1,498,045	1,412,446
North America	**1,082,798**	1,151,932	1,057,810
Europe	**921,097**	1,079,485	863,224
Others	**231,735**	233,396	183,485
Net Sales	**¥6,654,518**	¥7,665,332	¥7,116,350

(Note) These figures are based on geographic location of the market in which sales were recorded, and therefore differ from the segment sales reported on p8, which are based on the location of the distribution source.

DIVIDEND

The Company, while giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, seeks to achieve continuous increases in its actual dividend payments, in line with a payout ratio in the region of 30 percent, on a consolidated basis.

The Company paid a dividend of 5.0 yen per share to shareholders recorded in the shareholders register as of September 30, 2008. However, in light of the current business environment, the company will forgo payment of a year-end dividend.

Projections indicate that the business environment will remain in severe condition throughout FY2009. Toshiba will announce the dividend for FY2009 as soon as it is determined, in light of various factors, including the recovery trend in business performance during FY2009.

RESULTS BY INDUSTRY SEGMENT

	Billions of yen			
	Net Sales		Operating Income (loss)	
Year ended March 31	—	Change (%)	—	Change
Digital Products	2,467.5	−16%	(14.2)	−29.2
Electronic Devices	1,324.9	−24%	(323.2)	−397.3
Social Infrastructure	2,396.2	−1%	113.2	−18.1
Home Appliances	674.3	−13%	(27.1)	−31.0
Others	334.3	−12%	0.5	−22.5
Eliminations	−542.7	—	0.6	—
Total	6,654.5	−13%	(250.2)	−496.6

DIGITAL PRODUCTS

Digital Products saw overall sales decline by 483.7 billion yen to 2,467.5 billion yen. The Digital Media business saw a significant sales decline, mainly in TVs, HDDs and optical disc devices, the result of demand declines due to the rapid decline into global recession and steeper than expected declines in market prices. The Mobile Phone business also saw notably lower sales due to fewer shipments, the result of the changed handset sales system in Japan. The PC business and the Retail Information Systems and Office Equipment business also saw lower sales, due to the global recession.

The segment's operating income (loss) declined by 29.2 billion yen to -14.2 billion yen. While HDDs saw a significant worsening of profit on lower sales, the Digital Media business saw an improvement in TVs due to reductions in production costs and fixed costs. The Mobile Phone business saw a notable decline on lower sales. The PC business and the Retail Information Systems and Office Equipment business also saw notably decreased profit on lower sales.

ELECTRONIC DEVICES

Electronic Devices saw sales decline by 413.6 billion yen to 1,324.9 billion yen. The Semiconductor business, primarily in memories and system LSIs, experienced a substantial sales slump, the result of steeper than expected price declines in NAND flash memory, yen appreciation, and weakened demand triggered by the rapid decline into global recession. The LCD business and the Materials & Components business also saw lower sales.

Segment operating income (loss) deteriorated by 397.3 billion yen to -323.2 billion yen, as the Semiconductor business fell substantially into the red on lower sales, and the LCD business also saw notably worsening profit from the third quarter on lower sales.

SOCIAL INFRASTRUCTURE

Social Infrastructure saw sales fall back by 22.8 billion yen to 2,396.2 billion yen. While the Power Systems & Industrial Systems business increased sales, mainly in nuclear energy systems in overseas markets and in transmission & distribution systems, the Social Infrastructure Systems business, the Medical Systems business and the IT Solution business all saw sales decline.

Segment operating income decreased by 18.1 billion yen to 113.2 billion yen. The Power Systems & Industrial Systems business, the Medical Systems business and the Elevator business maintained high profitability. However, the IT Solutions business saw substantially lower profit mainly on lower sales, influenced by rapid deterioration in the market environment.

HOME APPLIANCES

Home Appliances saw sales decrease by 100.0 billion yen to 674.3 billion yen. The White Goods business, the Lighting business and the Air-conditioning business saw significantly lower sales, influenced by the rapid decline into global recession.

Segment operating income (loss) saw sales deteriorate by 31.0 billion yen to -27.1 billion yen. The White Goods business, the Lighting business and the Air-conditioning business all saw significantly lower profit on lower sales.

OTHERS

Others saw sales fall by 47.6 billion yen to 334.3 billion yen, and operating income fell by 22.5 billion yen to 0.5 billion yen.

The consolidated segment information has been prepared based on Article 15-2 of the Regulations for Consolidated Financial Statements instead of Statement of Financial Accounting Standards ("SFAS") No. 131.

Beginning with the fiscal year ended March 31, 2009, operating results of The Mobile Broadcasting business are accounted for in accordance with SFAS No.144 "Accounting for the Impairment or Disposal of Long-Lived Assets" where the business is reclassified as discontinued operation in the consolidated financial statements. Prior-period data for the fiscal years ended from March 31, 2008 and 2007 has been reclassified to conform with the current classification.

INDUSTRY SEGMENTS

	Millions of yen			Thousands of U.S. dollars
Year ended March 31	**2009**	2008	2007	**2009**
Sales:				
Digital Products				
Unaffiliated customers	**¥2,376,084**	¥2,845,843	¥2,720,522	**$24,245,755**
Intersegment	**91,440**	105,343	84,968	**933,061**
Total	**2,467,524**	2,951,186	2,805,490	**25,178,816**
Electronic Devices				
Unaffiliated customers	**1,264,675**	1,654,842	1,572,967	**12,904,847**
Intersegment	**60,239**	83,704	84,334	**614,684**
Total	**1,324,914**	1,738,546	1,657,301	**13,519,531**
Social Infrastructure				
Unaffiliated customers	**2,285,596**	2,305,984	1,991,083	**23,322,408**
Intersegment	**110,613**	113,007	76,583	**1,128,704**
Total	**2,396,209**	2,418,991	2,067,666	**24,451,112**
Home Appliances				
Unaffiliated customers	**651,411**	754,091	726,878	**6,647,051**
Intersegment	**22,834**	20,203	22,052	**233,000**
Total	**674,245**	774,294	748,930	**6,880,051**
Others				
Unaffiliated customers	**76,752**	104,572	104,900	**783,184**
Intersegment	**257,546**	277,314	286,736	**2,628,020**
Total	**334,298**	381,886	391,636	**3,411,204**
Eliminations	**(542,672)**	(599,571)	(554,673)	**(5,537,469)**
Consolidated	**¥6,654,518**	¥7,665,332	¥7,116,350	**$67,903,245**

Year ended March 31	Millions of yen 2009	2008	2007	Thousands of U.S. dollars 2009
Operating income (loss):				
Digital Products	**¥ (14,202)**	¥ 15,059	¥ 15,784	**$ (144,918)**
Electronic Devices	**(323,216)**	74,130	119,750	**(3,298,123)**
Social Infrastructure	**113,247**	131,274	96,760	**1,155,582**
Home Appliances	**(27,144)**	3,912	9,676	**(276,980)**
Others	**528**	22,963	18,721	**5,388**
Eliminations	**601**	(945)	(2,327)	**6,133**
Consolidated	**¥ (250,186)**	¥ 246,393	¥ 258,364	**$ (2,552,918)**
Identifiable assets:				
Digital Products	**¥ 954,909**	¥1,290,442	¥1,242,567	**$ 9,743,969**
Electronic Devices	**1,437,943**	1,552,752	1,449,764	**14,672,888**
Social Infrastructure	**2,427,465**	2,337,972	2,385,297	**24,770,051**
Home Appliances	**385,240**	438,989	438,793	**3,931,020**
Others	**321,551**	379,305	479,155	**3,281,133**
Corporate and Eliminations	**(73,883)**	(63,823)	(63,614)	**(753,908)**
Consolidated	**¥5,453,225**	¥5,935,637	¥5,931,962	**$55,645,153**
Depreciation and amortization:				
Digital Products	**¥ 33,249**	¥ 38,459	¥ 42,493	**$ 339,276**
Electronic Devices	**210,016**	229,539	169,113	**2,143,020**
Social Infrastructure	**62,575**	59,864	41,782	**638,520**
Home Appliances	**28,748**	22,717	18,307	**293,347**
Others	**15,176**	29,581	21,180	**154,857**
Corporate	**—**	—	—	**—**
Consolidated	**¥ 349,764**	¥ 380,160	¥ 292,875	**$ 3,569,020**
Impairment of long-lived assets:				
Digital Products	**¥ —**	¥ 16,708	¥ 7,921	**$ —**
Electronic Devices	**385**	63	1	**3,929**
Social Infrastructure	**17**	134	6	**173**
Home Appliances	**165**	—	216	**1,684**
Others	**167**	54	472	**1,704**
Corporate	**—**	—	—	**—**
Consolidated	**¥ 734**	¥ 16,959	¥ 8,616	**$ 7,490**
Capital expenditures:				
Digital Products	**¥ 39,387**	¥ 37,513	¥ 40,526	**$ 401,908**
Electronic Devices	**266,904**	367,368	269,654	**2,723,510**
Social Infrastructure	**105,822**	67,696	58,750	**1,079,817**
Home Appliances	**18,497**	20,019	24,744	**188,745**
Others	**22,169**	9,432	16,123	**226,214**
Corporate	**—**	—	—	**—**
Consolidated	**¥ 452,779**	¥ 502,028	¥ 409,797	**$ 4,620,194**

GEOGRAPHIC SEGMENTS

Year ended March 31	Millions of yen 2009	2008	2007	Thousands of U.S. dollars 2009
Sales:				
Japan				
Unaffiliated customers	**¥3,582,690**	¥4,100,557	¥4,070,662	**$36,558,061**
Intersegment	**1,763,589**	2,041,284	1,922,480	**17,995,806**
Total	**5,346,279**	6,141,841	5,993,142	**54,553,867**
Asia				
Unaffiliated customers	**1,004,980**	1,260,522	1,143,500	**10,254,898**
Intersegment	**577,003**	594,820	580,604	**5,887,786**
Total	**1,581,983**	1,855,342	1,724,104	**16,142,684**
North America				
Unaffiliated customers	**1,088,520**	1,187,279	1,002,117	**11,107,347**
Intersegment	**23,534**	20,958	26,230	**240,143**
Total	**1,112,054**	1,208,237	1,028,347	**11,347,490**
Europe				
Unaffiliated customers	**879,464**	1,016,175	809,031	**8,974,122**
Intersegment	**14,595**	23,297	21,200	**148,929**
Total	**894,059**	1,039,472	830,231	**9,123,051**
Others				
Unaffiliated customers	**98,864**	100,799	91,040	**1,008,817**
Intersegment	**16,637**	12,654	6,203	**169,765**
Total	**115,501**	113,453	97,243	**1,178,582**
Eliminations	**(2,395,358)**	(2,693,013)	(2,556,717)	**(24,442,429)**
Consolidated	**¥6,654,518**	¥7,665,332	¥7,116,350	**$67,903,245**
Operating income (loss):				
Japan	**¥ (315,500)**	¥ 161,186	¥ 204,089	**$ (3,219,388)**
Asia	**21,267**	37,579	26,080	**217,010**
North America	**17,761**	7,619	7,816	**181,235**
Europe	**6,137**	25,625	7,248	**62,623**
Others	**4,549**	3,799	3,304	**46,418**
Eliminations	**15,600**	10,585	9,827	**159,184**
Consolidated	**¥ (250,186)**	¥ 246,393	¥ 258,364	**$ (2,552,918)**
Identifiable assets:				
Japan	**¥3,906,116**	¥4,263,120	¥4,010,563	**$39,858,326**
Asia	**699,372**	762,011	835,668	**7,136,449**
North America	**751,503**	737,911	789,392	**7,668,398**
Europe	**478,574**	589,932	661,853	**4,883,408**
Others	**49,724**	42,621	77,116	**507,388**
Corporate and Eliminations	**(432,064)**	(459,958)	(442,630)	**(4,408,816)**
Consolidated	**¥5,453,225**	¥5,935,637	¥5,931,962	**$55,645,153**

RESEARCH AND DEVELOPMENT

The Group, based on the policy of enhancing its competitive advantage in the global market through "Process Innovation" and "Value Innovation," aims to provide eco-friendly technologies and products that deliver surprises and sensations, and to promote R&D activities, from fundamental research to product commercialization, through collaboration between Company-wide staff division for R&D and the R&D facilities of the in-house companies and Group companies. In the fiscal year ended March 31, 2009, the Group promoted R&D activities for environmental management, based on "Toshiba Group Environmental Vision 2050."

Following the rapid deterioration of the business environment triggered by the subprime loan crisis in the United States, the Group is implementing the "Action Programs to Improve Profitability" that were publicly announced on January 29, 2009. Under the Programs, the Group will restrain R&D expenditure by promoting more rigorous selection of R&D themes and strategic resource allocation, in order to develop promising growth businesses in such areas as the environment, energy and data storage. Furthermore, in order to enhance the efficiency of R&D activities, the Group will share intellectual property by promoting common platforms and use overseas resources in system development. The Group will create new value through continuous innovation and contribute to society with cutting-edge technologies.

The Group's overall R&D expenditure reached ¥378.3 billion in the fiscal year ended March 31, 2009, a reduction of approximately ¥50.0 billion from the initial plan. Expenditures for each business segment were as follows:

	Billions of yen
Digital Products	102.2
Electronic Devices	168.8
Social Infrastructure	88.7
Home Appliances	18.2
Others	0.4

CAPITAL EXPENDITURES

CAPITAL EXPENDITURE OVERVIEW

The Group's basis strategy stresses proactive managements including the strategic allocation of resources in growing fields grounded in achieving sustained growth with profit, one pillar of corporate management of the Group. In the term under review, initial plan of overall capital investments (based on the value of orders placed and including intangible assets; the same hereafter) were ¥656.0 billion, mainly for the Electronic Devices segment. But due to the rapid global economic recession, capital investments were reduced by more rigorous selection of investment projects. As a result, capital investments in FY 2008 are ¥425.2 billion, which was reduced by ¥230.8 billion from the initial plan. In the Electronic Devices segment, capital investments were reduced by ¥164.5 billion as investments plan of manufacturing facilities and new manufacture's building for NAND flash memories and manufacturing facilities for LCDs were partly revised.

This capital investment amount includes ¥26.7 billion, which is the Group's portion of the investments made by Flash Alliance, Ltd., etc., which are companies accounted for by the equity method. The Group's capital investments (consolidated basis) excluding abovementioned investment by Flash Alliance, Ltd., etc., are ¥398.5 billion.

In the Digital Products segment, capital investments totaling ¥39.7 billion were channeled into development and manufacturing for PCs, imaging products and HDDs. Major projects completed by the Group in this fiscal year included manufacturing facilities for HDDs (at the Ome Complex).

In the Electronic Devices segment, capital investments of ¥248.5 billion (including ¥26.7 billion, which is the Group's portion of the investments made by Flash Alliance, Ltd., etc., which are companies accounted for by the equity method) were mainly directed at manufacturing and development of semiconductor products and manufacturing of LCDs. Major projects completed by the Group in this fiscal year included manufacturing building equipment and power equipment for NAND flash memories (at the Yokkaichi Operations). Major facilities acquired by the Group in this fiscal year included manufacturing facilities for system LSI (acquired from Sony Corporation, etc.,) and manufacturing facilities for NAND flash memories (acquired from Flash Alliance Ltd., etc.,).

In the Social Infrastructure segment, capital investments of ¥90.4 billion were made in areas that included enhancement and renewal of infrastructure for manufacturing. Major projects completed by the Group in this fiscal year included manufacturing for innovative rechargeable battery (SCiB™) (at the Saku Sub-Operations of Fuchu Complex).

In the Home Appliances segment, ¥21.4 billion was invested for to development of new models and manufacturing.

Capital expenditures in the Others segment totaled ¥25.2 billion.

In the LCD business, due to stopping or reducing operations of unprofitable lines of Uodu Operations and Fukaya

Operations (Toshiba Matsushita Display Technology Co., Ltd., whose trade name was changed to Toshiba Mobile Display Co., Ltd. on May 25, 2009), parts of its manufacturing facilities were retired and/or sold.

PLANS FOR CONSTRUCTING NEW FACILITIES AND RETIRING EXISTING FACILITIES

At the end of this fiscal year ending March 31, 2009, investment in new facilities and equipment upgrades, including intangible assets, in FY 2009 and FY 2010 are projected to total 250.0 billion yen and 450.0 billion yen, respectively (based on the value of orders placed and including intangible assets; hereinafter the same). This figure includes 32.8 billion yen (FY 2009) and 117.0 billion yen (FY 2010), which is the Toshiba's portion of the investment made by Flash Alliance, Ltd. and others, which are companies accounted for by the equity method. The funds for capital expenditures will be financed by the equity finance, internal funds and borrowings. The funds raised by the equity finance are the proceeds from the public offering on June 3, 2009 (including the sale of shares to international investors) and the capital increase by way of third-party allotment on June 23, 2009.

(As of March 31, 2009)

Business Segment	Planned Capital Investments for FY 2009 (billion yen)	Planned Capital Investments for FY 2010 (billion yen)	Major Contents and Purposes
Digital Products	24.0	39.0	Manufacturing facilities for HDDs, etc.
Electronic Devices	98.0	240.0	Manufacturing facilities for NAND flash memories, etc.
Social Infrastructures	102.0	105.0	Expansion of investment for nuclear power business, enhancement of overseas manufacturing bases of thermal power business and manufacturing facilities for new type rechargeable battery, etc.
Home Appliances	11.0	25.0	Manufacturing facilities for new lighting, etc.
Others	15.0	41.0	—
Total	250.0	450.0	—

(Notes) 1) Consumption taxes are not included in these capital investments.
2) Retiring material facilities is not planned except for routine renewal of facilities.
3) The major planned new facilities and equipment upgrades in FY 2009 are as follows:

(As of March 31, 2009)

Name of Company and Office	Place	Business Segment	Type of Facility	Planned Capital Investments (billion yen)	Planned Beginning and Completion of Construction: Beginning	Planned Beginning and Completion of Construction: Completion	Capacity Improvement after Completion of Construction
Yokkaichi Operations of Toshiba	Yokkaichi, Mie	Electronic Devices	Manufacturing facilities for semiconductors	22.0	April 2009	August 2010	300mm finer lithography, etc.
Flash Alliance, Ltd., etc.	Yokkaichi, Mie	Electronic Devices	Manufacturing facilities for semiconductors	32.8	April 2009	October 2010	300mm finer lithography, etc.
Keihin Product Operations of Toshiba	Tsurumi, Yokohama	Social Infrastructures	Manufacturing facilities for devices for nuclear, thermal and hydroelectric power	12.7	July 2009	March 2012	Improvement of manufacturing capacity of devices for nuclear, thermal and hydroelectric power, etc.
Westinghouse Electric Company, etc.	Pennsylvania, United States, etc.	Social Infrastructures	Manufacturing facilities for nuclear power plants and fuel	14.2	April 2009	March 2010	Improvement of manufacturing capacity of nuclear power plants and fuel, etc.
New offices of Toshiba (undetermined)	—	Social Infrastructures	Manufacturing facilities for new type rechargeable battery	10.4	September 2009	September 2010	Manufacturing facilities for new type rechargeable battery, etc.

FINANCIAL POSITION AND CASH FLOWS

Total assets decreased by 482.4 billion yen from the end of March 2008 to 5,453.2 billion yen.

Shareholders' equity decreased by 575.0 billion yen to 447.3 billion yen from the end of March 2008, largely reflecting the net loss of 343.6 billion yen, and the 195.8 billion yen decrease in accumulated other comprehensive income (loss) resulting from a reduction in the pension liability adjustment in a sluggish stock market, and foreign currency translation adjustment due to appreciation of the yen, etc.

Total debt increased by 549.7 billion yen from the end of March 2008 to 1,810.7 billion yen, mainly as a result of negative free cash flow.

As a result of the foregoing, the debt-to-equity ratio as of the end of March 2009 was 405%, a 282-point worsening from the end of March 2008.

Free cash flow was minus 351.3 billion yen, a 275.7 billion yen worsening from the same period of the previous year, reflecting worsened cash flows from operating activities, mainly due to a deterioration in net income (loss).

CASH FLOWS

Cash flows from operating activities decreased by ¥263.1 billion from net cash provided by operating activities of ¥247.1 billion the previous fiscal year to net cash used in operating activities to ¥16.0 billion in the fiscal year under review.

Cash flows from investing activities increased by ¥12.6 billion from net cash used in investing activities of ¥322.7 billion the previous fiscal year to net cash used in investing activities of ¥335.3 billion.

Cash flows from financing activities increased by ¥431.9 billion from net cash provided by financing activities of ¥46.6 billion the previous fiscal year to net cash provided by financing activities of ¥478.5 billion.

The effect of exchange rate movements decreased cash by ¥32.0 billion. After accounting for the aforementioned and other factors, cash and cash equivalents at the fiscal year-end increased by ¥95.2 billion to ¥343.8 billion.

TREASURY STOCK

Shares held as of the closing date of last period:			1,442,645 (common stock)
Shares acquired during the period:	Demand for purchase of shares less than one unit from shareholders		1,104,915 (common stock)
		Aggregate amount of acquisition costs:	610 (million yen)
Shares disposed during the period:	Demand for sale of shares less than one unit from shareholders		636,708 (common stock)
		Aggregate amount of sales value:	265 (million yen)
Shares held as of the closing date of this period:			1,910,852 (common stock)

MAJOR SUBSIDIARIES AND AFFILIATED COMPANIES

As of March 31, 2009

Name of Company	Voting Rights Ratio (Percentage)	Location
Toshiba TEC Corporation	52.9	Shinagawa-ku, Tokyo
Toshiba America Business Solutions, Inc.	100.0	U.S.
Toshiba Matsushita Display Technology Co., Ltd.	60.0	Minato-ku, Tokyo
AFPD Pte., Ltd.	100.0	Singapore
Toshiba Plant Systems & Services Corporation	61.6	Ota-ku, Tokyo
Toshiba Elevator and Building Systems Corporation	80.0	Shinagawa-ku, Tokyo
Toshiba Solutions Corporation	100.0	Minato-ku, Tokyo
Toshiba Medical Systems Corporation	100.0	Otawara
Toshiba Nuclear Energy Holdings (US) Inc.	67.0	U.S.
Toshiba Nuclear Energy Holdings (UK) Ltd.	67.0	U.K.
Toshiba America Medical Systems, Inc.	100.0	U.S.
Toshiba Consumer Electronics Holdings Corporation	100.0	Chiyoda-ku, Tokyo
Toshiba America, Inc.	100.0	U.S.
Toshiba International Finance (UK) Plc.	100.0	U.K.
Toshiba Capital (Asia) Ltd.	100.0	Singapore
Taiwan Toshiba International Procurement Corporation	100.0	Taiwan

(Notes) 1. The Company has 537 consolidated subsidiaries (including the above 16 companies) in accordance with Generally Accepted Accounting Standards in the U.S., and 199 affiliated companies accounted for by the equity method. The main affiliated companies accounted for by the equity method are Ikegami Tsushinki Co., Ltd., Shibaura Mechatronics Corporation, Toshiba Machine Co., Ltd., and Topcon Corporation.

2. On 28 April, 2009, the Company acquired all of shares in Toshiba Matsushita Display Technology Co., Ltd. which was held by Panasonic Corporation and its trade name was changed to "Toshiba Mobile Display Co., Ltd."

3. Toshiba Nuclear Energy Holdings (US) Inc. substantially owns all of the equity of Westinghouse Electric Company L.L.C.

Main Places of Business and Facilities of the Company

As of March 31, 2009

Segment	Major Distribution	
Company-wide	Offices	Principal Office (Minato-ku, Tokyo), Hokkaido Branch Office (Sapporo), Tohoku Branch Office (Sendai), Shutoken Branch Office (Saitama), South-Shutoken Branch Office (Yokohama), Hokuriku Branch Office (Toyama), Chubu Branch Office (Nagoya), Kansai Branch Office (Osaka), Chugoku Branch Office (Hiroshima), Shikoku Branch Office (Takamatsu), Kyushu Branch Office (Fukuoka)
	Laboratories and others	Corporate Research & Development Center (Kawasaki), Software Engineering Center (Kawasaki), Corporate Manufacturing Engineering Center (Yokohama), Yokohama Complex (Yokohama), Himeji Operations (Himeji)
Digital Products	Laboratories	Core Technology Center (Ome), PC Development Center (Ome)
	Production Facilities	Fukaya Operations (Fukaya), Ome Complex (Ome), Hino Operations (Hino)
Electronic Devices	Laboratories	Center For Semiconductor Research & Development (Kawasaki), Process & Manufacturing Engineering Center (Yokohama)
	Production Facilities	Microelectronics Center (Kawasaki), Yokkaichi Operations (Yokkaichi), Kitakyushu Operations (Kitakyushu), Oita Operations (Oita)
Social Infrastructure	Laboratories	Power and Industrial Systems Research and Development Center (Yokohama), Isogo Nuclear Engineering Center (Yokohama)
	Production Facilities	Fuchu Complex (Fuchu, Tokyo), Komukai Operations (Kawasaki), Hamakawasaki Operations (Kawasaki), Keihin Product Operations (Yokohama), Mie Operations (Asahi-Cho, Mie)

RISK FACTORS RELATING TO THE TOSHIBA GROUP AND ITS BUSINESS

The business areas of energy and electronics, the Group's main business areas, require highly advanced technology for their operation. At the same time, the Group faces fierce global competition. Therefore, appropriate risk management is indispensable. Major risk factors related to the Group recognized by the Company are described below. The actual occurrence of any of those risk factors may materially adversely affect the Group's results of operation and financial condition.

The risks described below are identified by the Group based on information available to the Group as of the date of filing this document and involve uncertainties. Therefore the actual effects of such risks upon the Group's business may differ. Please note that the risk factors discussed below should not be regarded as a complete and comprehensive statement of risks relating to the Group's business. The Group recognizes these risks and makes effort to minimize any impact from them by maintaining the proper risk management and implementing various measures.

(1) Business environment of Digital Products business

The market for the Digital Products business is intensely competitive with many companies manufacturing and selling products similar to those offered by the Group. Additionally, this business is heavily affected by economic fluctuations and demand for these products is volatile. In times of decreases in demand for the Group's products in a market that is experiencing a downturn, prices may decline, while in times of rapid increases in demand, the Group's profit may be reduced due to the need to purchase costly parts and components, and a shortage of these parts and components may hinder the Group's ability to supply products to the market in a timely manner. While the Group makes effort to monitor demand as well as implement strategic allocation of resources in response to changes in the market situation and introduce products that meet market trends based on the forecast of future market trends, any rapid fluctuation in demand may result in price erosion or increases in component prices, which may adversely affect the Group's financial results with respect to this business.

Sales in the mobile phone business are decreasing as the entire domestic market shrinks due to changes in the marketing method adopted by the mobile network operators.

(2) Business environment of Electronic Devices business

The market for the Electronic Devices business is highly cyclical depending on demand and intensely competitive with companies manufacturing and selling products similar to those offered by the Group mainly in overseas markets. The Group makes effort to monitor shifts in the market, concentrate on areas in which the Group has competitive advantages by implementing drastic strategic allocation of resources as well as enhance its cost competitiveness and rebuild its profit base through restructuring. However, if the market faces a downturn, or if the Group fails to market new products in a timely manner, or if there is a rapid introduction of new technology, the Group's current products may become obsolete. Although the results of this business for the three months ended June 30, 2009 improved compared with the preceding three months mainly as a result of the implementation of "Action Programs to Improve Profitability", including the reduction of the fixed costs, the results of this business tend to be heavily affected by economic fluctuations. A rapid and large decline in product prices and sales volume may be caused by a decrease in demand. This, in turn, may materially affect the Group's operating income. In addition, Toshiba Mobile Display Co., Ltd., which engages in the LCD business, is in a situation in which its liabilities exceed its assets while its business results for the three months ended June 30, 2009 improved compared with the preceding three months mainly due to implementetion of "Action Programs to Improve Profitability". Furthermore, results of this business tend to be substantially affected by exchange rate fluctuations.

Economies of scale with respect to the manufacture of many products of this business are significant and there is intense competition to develop and market new products. Therefore, significant levels of capital expenditures are required to maintain and improve the competitiveness in prices and quality of products. In the year ending March 31, 2010, the Group plans to reinforce its competitiveness in the semiconductor business by focusing carefully on selected investments, namely investment in finer lithography for NAND flash memories, and to curb investments in new production facilities. In the LCD business, the Group will curb its investments for capacity increase. While, the Group makes effort to carefully monitor demand and invest in stages, however, unforeseen market changes and corresponding changes in demand may result in the mismatch between the production of particular products based on the sales volume expected at a time when production commenced and the actual demand for such products, or cause this business to be adversely affected by a decrease in product price due to oversupply.

As a strategic alliance concerning production of NAND flash memories, the Group has formed two production joint ventures (equity method affiliates) with a US company SanDisk Corporation ("SanDisk"). Under the joint venture agreement related to one of these production joint ventures, Flash Alliance, Ltd., SanDisk has an option to request the Company to purchase its ownership interests in such production joint venture at book value. In addition, the Company and SanDisk each provide a 50 percent guaranty in respect of the lease agreements of production facilities held by each production joint venture. Such lease agreements contain financial covenants of SanDisk. Noncompliance by SanDisk of any such covenant will constitute a cancellation event with respect to the relevant lease agreement unless SanDisk and the lessors agree otherwise. Upon the occurrence of such cancellation event, the Company may succeed to SanDisk's guaranty obligations or purchase SanDisk's ownership interests in the relevant production joint venture, in which case the relevant production joint venture may be treated as a consolidated subsidiary of the Company.

(3) Business environment of Social Infrastructure business

A significant portion of net sales in the Social Infrastructure business is attributable to governmental and local municipality expenditures on public works and to capital expenditures by the private sector. The Group monitors trends in such capital expenditures, and also makes best efforts to cultivate new business and customers, in order to avoid undue impact from any fluctuations. However, reductions and delays in public works spending, as well as low levels of private capital expenditures due to the economic recession may have a negative impact on this business.

Furthermore, this business involves the supply of products and services for large-scale projects on a worldwide basis. Post-order changes in specifications or other terms of a project, delays, changes in plans, stoppages, natural and other disasters, and other factors may adversely affect the progress of such projects in a substantial way. "The percentage of completion method" is applied for revenue recognition for long term construction work contracts. The Company reassesses expected costs and profits accordingly, and if the expected profits from such projects do not meet original expectations or if a project is delayed or cancelled, a loss may be recognized against prior accrued profits. While orders in the nuclear power systems business materially affect sales in this area, even if an order has been successfully received, profit from the relevant project may be affected by the above factors. To reduce such risk, the Group makes effort to ensure adequate and appropriate risk management in accepting and fulfilling orders for large-scale projects.

(4) Business environment of Home Appliances business

The Home Appliances business faces intense competition with many companies manufacturing and selling products similar to those offered by the Group. In addition, the results of this business tend to be strongly affected by consumer spending, demand for LCD displays using industrial light sources, one of the major products of this business, and trends in building and housing construction starts. Accordingly the impact of the current recession may lead to the deterioration of the results of this business.

(5) Action program to improve profitability

The Group is currently implementing "Action Programs to Improve Profitability" that was publicly announced on January 29, 2009. The program aims to develop the profit making system that enables the Group to generate profit without an increase in sales and to establish a strong business foundation that enables quick seizure of business opportunities during the future market recovery. The whole Group is taking measures to accelerate strategic allocation of resources to select growth businesses, to reform the structure of poorly performing businesses, and to strengthen the Group's profitability. Although these programs have successfully progressed and the Group has achieved an improvement more rapidly than initially planned, if, in the future, such programs do not proceed as scheduled, fail to produce the expected results or result in unexpected negative results, the Group's results of operation or financial condition may be affected. To reduce such risk, the Group makes effort, including following-up with the progress of these programs in the monthly meetings of management, to ensure steady implementation of these programs.

(6) Acquisitions and others

The Group acquired Westinghouse group in October 2006. The Company's ownership interest in Westinghouse group (including the holding company) is currently 67 percent. The remainder is held by The Shaw Group Inc. ("Shaw"), which holds 20 percent, National Atomic Company Kazatomprom JSC ("Kazatomprom"), which holds ten percent, and IHI Corporation ("IHI"), which holds three percent.

Under the shareholders' agreements related to Westinghouse group, Shaw, IHI and Kazatomprom are restricted from transferring their respective ownership interests in Westinghouse's holding company until October 1, 2012. Each of Shaw, IHI and Kazatomprom has been given an option to sell all or part of its ownership interests to the Company ("Put Options"). The Put Options will, in principle, be exercisable from March 31, 2010. We currently have not received any indications from Shaw, IHI or Kazatomprom with respect to a contemplated exercise of their Put Option. Shaw's Put Option may be exercised before the above date in certain circumstances which are beyond the control of Shaw, such as the passing of a special resolution at a meeting of the holders of certain bonds which were issued by Shaw upon making its investment in Westinghouse group. The terms of such bonds also provide that such Put Option will be exercised immediately prior to the maturity of such bonds in March 2013. Upon the exercise of the Put Option, the shareholders' agreement with Shaw will be terminated. However, such exercise may not occur if Shaw at its option took measures to redeem the bonds with its own funds before such bonds mature.

The Group also has an option to purchase from Shaw, IHI or Kazatomprom all or part of their respective ownership interests in Westinghouse's holding companies under certain conditions. These options are in place for the purpose of protecting the interests of the minority shareholders and preventing equity participation by a third party which may put the Group at disadvantage. In the event that Shaw, IHI or Kazatomprom exercise their respective Put Options, or the Group exercises its purchase option, the Group will seek investments from a new strategic partner. Before such investment is made, the Group may need to procure substantial funds in connection with the exercise of such Put Options or purchase option.

(7) Lawsuits and others

The Group undertakes global business operations and is involved from time to time in disputes, including lawsuits and other legal proceedings and investigations by relevant authorities. There is a possibility that such cases may arise in the future. Due to the differences in judicial systems and the uncertainties inherent in such proceedings, the Group may be subject to a ruling requiring payment of amounts far exceeding its expectations. Any judgment or decision unfavorable to the Group could also have a material adverse effect on the Group's business, results of operations or financial condition.

In January 2007, the European Commission (the "Commission") adopted a decision imposing fines on 19 companies, including the Company, for violating EU competition laws in the gas insulated switchgear market. The Company was individually fined EUR86.25 million and was also fined EUR4.65 million jointly and severally with Mitsubishi Electric Corporation. The Company contends that it did not violate EU competition laws and appealed the decision to the European Court of First Instance in April 2007.

The Group is also under investigation by the Commission for violating EU competition laws in the power transformer market and may be subject to an adverse ruling. However, the Group believes, according to its own investigations, that it did not violate EU competition laws and intends to contest any adverse ruling.

Furthermore, with regard to alleged anti-competitive behavior, the Group is under investigation by the US Department of Justice, the Commission, and other relevant authorities, for alleged violations of competition laws with respect to products, such as semiconductors, LCD products, cathode ray tubes (CRT) and heavy electrical equipment; and class action lawsuits have been filed in the United States against the Group and are currently pending with respect to alleged anti-competitive behavior.

The Group will continue to cooperate with the investigations by the relevant authorities, and make efforts to have its contentions admitted in the relevant investigations or litigation. However, if any ruling or judgment is rendered against the Group in such investigations or litigation, the Group's business, results of operations or financial condition may be adversely affected depending on the outcome of such ruling or judgment.

(8) Development of new products

It is critically important for the Group to offer the market viable and innovative new products and services. The Group identifies strategic product areas, which include products that are expected to drive future profits, and makes its best efforts to timely introduce new products in such areas. However, due to the rapid pace of technological innovation, the development of new technologies, products that replace current ones, and changes in technology standards, the optimum introduction of new products to the market may not be accomplished, or new products may be accepted by the market for a shorter period than anticipated. In addition, any failure on the part of the Group to obtain sufficient funding and resources for continuous product development may affect the Group's ability to develop new products and services and to introduce them to market.

From the viewpoint of enhancing concentration and selection of managerial resources, the Group selects development themes more rigorously in the research and development process seeking reduction of the research and development costs of the Group as compared with the year ended March 31, 2009. However, the Group's research and development costs may not decrease as anticipated. In addition, the reduction of research and development costs may impair the Group's technological superiority. In order to avoid these risks, the Group intends to enhance efficiency of research and development activities by sharing intellectual property through the promotion of common platforms and using overseas resources more efficiently in system development.

(9) Investments in new business

The Group invests in companies involved in new businesses, enters into alliances with other companies for new businesses, or actively develops its own new businesses. The Company is now actively promoting new, strong and promising businesses, including new rechargeable batteries (SciB™), direct methanol fuel cells (DMFC) (including fuel cell-packs for cellular phones and fuel cells for personal computers), solar photovoltaic systems, separation and capture of carbon dioxide emitted from thermal power plants and other facilities (CCS business), and new lighting systems, such as LEDs. The progress and success of new businesses entails substantial uncertainty, and if any new business in which the Group invests in or which the Group attempts to develop does not progress as planned, the Group may be adversely affected by the incurred investment expenses that have not led to the anticipated results or otherwise. However, in order to avoid these risks, in the process of developing new businesses, the Group makes efforts to resolve various technological issues, and develop and capture potential demand effectively.

(10) Success of strategic business alliances and acquisitions

The Group is actively promoting the formation of joint ventures and business alliances for growing new and other businesses in research, development, production, marketing and various other areas. If the Group faces any disagreement with its relevant partner in a joint venture or business alliance in respect of financing, technological management, product development, management strategies or otherwise, such joint venture or business alliance may be terminated. However, the Group will pay careful attention to optimise the business formation so that it corresponds to the relevant business nature.

(11) Global environment

The Group undertakes global business operations. Any changes in political, economic and social conditions, legal or regulatory changes and exchange rate fluctuations, in any region, may impact market demand and the Group's business operations.

(12) Natural disasters

Most of the Group's Japanese production facilities are located in the Keihin region of Japan, which includes Tokyo, Kawasaki city, Yokohama city and its respective surrounding areas, while the key semiconductor production facilities are located in Kyushu, Tokai, Hanshin and Tohoku. The Group is currently expanding its production facilities in Asia. As a result, any occurrence of terrorism or epidemic illness, such as a new type of flu, in these areas could have a significant adverse effect on the Group's results.

While the Group takes precautionary measures, such as the construction of earthquake-resistant buildings at production facilities, large-scale disasters, such as earthquakes or typhoons in regions where production sites are located, may damage or destroy production capabilities, and cause operational and transportation interruptions or other similar disruptions, which would affect production capabilities significantly.

In order to manage these risks, the Group established the "Business Continuity Plan (BCP)" in a continuing effort to avoid any impact from such disasters.

(13) Measures against counterfeit products

While the Group protects and seeks to enhance the value of the Toshiba brand, lesser-quality counterfeit products created by third parties are found worldwide, and may dilute the value of the Toshiba brand and decrease the Group's net sales.

(14) Product quality claims

While the Group has implemented measures to manufacture its products in accordance with appropriate quality-control standards, there can be no assurance that all products are free of defects that may result in a large-scale recall, lawsuits or other claims relating to product quality.

(15) Information security

The Group maintains and manages various personal information obtained through business operations as well as various trade secrets regarding the Group's technology, marketing and other business operations. While the Group makes effort to manage this information properly, an unanticipated leak of such information could occur, and such information could be obtained and used illegally by a third party. In such circumstances, the Group's business performance and financial situation may be subject to negative influences.

Additionally, the role of information systems in the Group is critical to carrying out business activities. While the Group makes effort to ensure stable operation of its information systems, it is possible that their functionality could be impaired or destroyed by computer viruses, software or hardware failures, disaster, terrorism, and other factors.

(16) Procurement of components and materials

It is important for the Group's business activities to procure materials, components and other goods in a timely and proper manner. However, such materials, components and goods, may only be obtainable from limited number of suppliers due to the particularity of such materials, components and goods and therefore may not be easily replaced if the need arises to do so. In cases of delay or other problems in receiving supply of such materials, components and other goods, shortages may occur or procurement costs may rise. It is necessary to procure materials, components and other goods at competitive costs and to optimize the entire supply chain, including suppliers, in order for the Group to bring competitive products to market. Any failure by the Group to achieve proper cooperation with key suppliers may impact the Group's competitiveness.

Furthermore, any case of defective materials, components or other goods, or any failure to meet required specifications with respect to such materials, components or other goods may also have an adverse effect on the reliability and reputation of the Group and Toshiba brand products.

(17) Securing human resources

A large part of the success of the Group's businesses depends on securing excellent human resources in every business area and process, including product development, production, marketing and business management. Competition to secure human resources is intensifying, as the number of qualified personnel in each area and process is limited, while demand for such personnel is increasing. As a result, the Group may fail to retain existing employees or to obtain new human resources.

In order to reduce fixed costs, the Group is implementing personnel measures, including the reallocation of human resources to focus on strong and promising businesses, reclaiming jobs that are outsourced to third parties or conducted by limited-term employees, reducing the number of limited-term workers, implementation of a leave system, and reducing overtime by a review of working systems. However, the fixed costs may not be reduced as anticipated and the implementation of such personnel measures may adversely affect the Group's employee morale, production efficiency or the securing of human resources.

(18) Compliance and internal control

The Group is active in various businesses in regions worldwide, and its business activities are subject to laws and regulations in each region. The Group has implemented, and operates appropriate internal control systems for a variety of purposes, including compliance with laws and regulations and strict reporting of business and financial matters. However, there can be no assurance that the Group will always be able to structure and operate effective internal control systems. Furthermore, such internal control systems may themselves, by their nature, have limitations, and it is not possible to guarantee that they will fully achieve their objectives. There is a possibility that the Group will unknowingly and unintentionally violate laws and regulations in future. Changes in laws and regulations or changes in interpretations of laws and regulations by the relevant authorities may also cause difficulty in achieving compliance with laws and regulations, or may result in increased compliance costs.

(19) Strategic concentrated investment

The Group makes strategic investments that concentrate on specific business areas, including nuclear and other power and industrial systems businesses, new, strong and promising businesses, such as a new type of rechargeable battery, compact fuel cells and new lighting systems, and NAND flash memory. While it is essential to allocate limited management resources to strategic, high growth areas and businesses in which the Group enjoys competitiveness in order to secure and maintain the Group's advantages, the businesses in which the Company has made concentrated investments may not grow as anticipated, and the Group may not maintain or strengthen its competitive power in such areas, or the relevant investments may not generate the anticipated level of profit. The Group achieves a good balance between investments and strengthening its financial basis by means of comprehensive selection and management toward investments that correspond to the relevant business nature.

(20) Protection of intellectual property rights

The Group makes effort to secure intellectual property rights. However, in some regions, it may not be possible to secure sufficient protection of such intellectual property rights.

The Group also uses the intellectual property of third parties pursuant to licenses to use. It is possible that the Group may fail to receive the necessary third-party licenses for new technology, or is unable to obtain the renewal of existing licenses or receives them on unfavourable terms.

It is also possible that any suit in respect of intellectual property rights may be brought against the Group or that the Group may have to file suit in order to protect its intellectual property rights. Such lawsuits may require time, costs and other management resources. As a result of the outcome of these rulings, the Group may not be able to use important technology, or the Group may be liable for significant damages.

(21) Environment

The Group is subject to various environmental laws, including laws on air pollution, water pollution, toxic substances, waste disposal, product recycling, prevention of global warming and energy policies, in its global business activities. While the Group pays careful attention to those laws and regulations, it may be possible that the Group will encounter legal or social liability for the environment, regardless of whether it is at fault or not, with respect to its past, present or future business activities. In particular, the Group has manufacturing and other bases throughout the world and may be held liable for the purification of land at such bases regardless of whether it is at fault or not. It may also be possible that, in the future, the Group will face more stringent requirements to remove environmental hazards, including toxic substances, or to further reduce emissions of greenhouse gases, as a result of the introduction of more demanding environmental regulations or in accordance with societal requirements.

The Group's operations involve use of various chemical compounds, radioactive materials, nuclear materials and other toxic materials. The Group operates with maximum attention to such matters, giving first priority to human life and safety. However, the Group may incur damages, or the Group's reputation may be affected, as a result of the occurrence or threatened occurrence of any natural disaster, terrorism, accident or other contingency (including those beyond the Group's control) that leads to environmental pollution.

(22) Parent company's guaranty

When a subsidiary of the Group, such as Westinghouse Electric Company, LLC or Toshiba International Corporation, accepts orders for large projects, the Company, as its parent company, may provide guaranties with respect to performance under the relevant contracts. Such guaranties of the Company are made, upon the request of the relevant customers, pursuant to business practice and in the ordinary course of business. If the relevant subsidiary fails to fulfil its obligations, the Company may be obliged to bear the resulting loss.

(23) Financial covenants

Loan agreements entered into between the Company and financial institutions provide for financial covenants. Therefore, if the Company records a consolidated operating loss in the year ending March 31, 2010 or if the Company's consolidated net assets or credit rating falls below the respective levels provided for in the financial covenants, the Company's obligations with respect to the relevant loan may be accelerated upon request from the relevant lending financial institutions. Furthermore, any breach by the Company of such financial covenants may also trigger acceleration of the bonds or other borrowings of the Company.

The Company intends to continuously take maximum measures to avoid breaches of the financial covenants in and after the year ending March 31, 2010 and consequent acceleration by improving its earnings through implementation of the Action Programs to Improve Profitability and making efforts to obtain understanding from the lending financial institutions. However, any acceleration of the Company's loan may materially affect the Company's business operation.

(24) Financial risk

Apart from being affected by the business operations of the Company or the Group, the Company's consolidated and non-consolidated results and financial condition may be affected by the following major financial factors:

(i) Deferred tax assets

The Company accounted for a substantial amount of deferred tax assets. The Group reduces deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Recording of valuation allowances includes estimates and therefore involves uncertainty.

The Group may also be required in FY2009 and thereafter to record further valuation allowances depending the judgment about the realizability of the related deferred tax assets, and the Group's future results and financial condition may be adversely affected thereby.

(ii) Exchange rate fluctuations

The Group conducts business in various regions worldwide using a variety of foreign currencies and is therefore substantially exposed to exchange rate fluctuations. Foreign currency denominated assets and liabilities held by the Group are translated into yen as the currency for reporting consolidated financial results. The effects of currency translation adjustments are included in "accumulated other comprehensive income (loss)" reported as a component of shareholders' equity. As a result, the Group's shareholders' equity may be materially affected by exchange rate fluctuations.

(iii) Accrued pension and severance costs

The Group recognizes the funded status (i.e., the difference between the fair value of plan assets and the benefit obligations) of its pension plan in the consolidated statements of income with a corresponding adjustment, net of tax, included in "accumulated other comprehensive income (loss)" reported as a component of shareholders' equity. Such adjustment to "accumulated other comprehensive income (loss)" represents the result of adjustment for the net unrecognized actuarial losses, unrecognized prior service costs, and unrecognized transition obligations. These amounts will be subsequently recognized as net periodic pension and severance costs pursuant to the applicable accounting standards. Funded status of the Group's pension plan may deteriorate due to declines in the fair value of plan assets caused by lower returns, increases of severance benefit obligations caused by changes in the discount rate, salary increase rates or other actuarial assumptions. As a result, the Group's shareholders' equity may be adversely affected, and the net periodic pension and severance costs to be recorded in "cost of sales" or "selling, general and administrative expenses" may increase.

(iv) Impairment of long-lived assets and goodwill

If events or changes in circumstances indicate that the carrying amount of any long-lived asset will not be recovered by the future undiscounted cash flow, the loss is recognized as an impairment, and impairment loss is recognized as the amount by which carrying value of the assets exceeds its fair value. A substantial amount of goodwill has been recorded in the Company's consolidated balance sheet in accordance with US generally accepted accounting principles. Goodwill is required to be tested for impairment annually. If an impairment test shows that the total of the carrying amounts, including goodwill, in relation to the business related to such goodwill exceeds its fair value, the relevant goodwill must be recalculated, and the balance of the current amount and the recalculated amount will be recognized as an impairment. Therefore, additional impairments may be recorded, depending on the valuation of long-lived assets and the estimate of future cash flow from business related to goodwill.

(25) Financing environment and others

The Group has substantial amounts of interest-bearing debt for financing that is highly susceptible to market environments, including interest rate movements and fund supply and demand. Thus, changes in these factors may have an adverse effect on the Group's funding activities. The Group also has loans from financial institutions. There can be no assurance that the Group will obtain refinancing loans or new loans in the future on similar terms. If the Group is unable to obtain loans for the necessary amount in a timely manner, the Group's financing may be materially adversely affected.

(26) Takeover defense measure

The Company introduced a plan for countermeasures to any large-scale acquisitions of the Company's shares (the "Takeover Defense Measure"). However, this Takeover Defense Measure ceased to be effective at the close of the ordinary general shareholders' meeting of the Company that was held in June 2009. In response to this situation, the Takeover Defense Measure, after partial amendment, was renewed for three more years subject to the shareholders' approval at the ordinary general shareholders' meeting. If a person making a large-scale acquisition of the Company's shares does not comply with the procedures under the Takeover Defense Measure, the Company will make a gratis allotment of stock acquisition rights (*shinkabu yoyakuken*) as a countermeasure under the Takeover Defense Measure. Although such Takeover Defense Measure was introduced for the purpose of protecting and enhancing the corporate value of the Company and the common interests of its shareholders, it may limit the opportunities for the shareholders of the Company to sell their shares to hostile acquirers.

Toshiba Corporation and Subsidiaries
As of March 31, 2009 and 2008

Assets	Millions of yen 2009	2008	Thousands of U.S. dollars (Note 3) 2009
Current assets:			
Cash and cash equivalents	**¥ 343,793**	¥ 248,649	**$ 3,508,092**
Notes and accounts receivable, trade:			
Notes (Note 7)	**64,260**	80,312	**655,714**
Accounts (Note 7)	**1,038,396**	1,253,108	**10,595,878**
Allowance for doubtful notes and accounts	**(19,270)**	(21,417)	**(196,633)**
Inventories (Note 8)	**758,305**	851,452	**7,737,806**
Deferred tax assets (Note 18)	**141,008**	148,531	**1,438,857**
Other receivables	**176,196**	166,622	**1,797,919**
Prepaid expenses and other current assets (Note 21)	**217,943**	202,125	**2,223,908**
Total current assets	**2,720,631**	2,929,382	**27,761,541**
Long-term receivables and investments:			
Long-term receivables (Note 7)	**3,987**	7,423	**40,684**
Investments in and advances to affiliates (Note 9)	**340,756**	321,166	**3,477,102**
Marketable securities and other investments (Note 6)	**190,110**	264,149	**1,939,898**
Total long-term receivables and investments	**534,853**	592,738	**5,457,684**
Property, plant and equipment (Notes 11, 17 and 22)**:**			
Land	**98,116**	128,210	**1,001,184**
Buildings	**996,709**	1,160,549	**10,170,500**
Machinery and equipment	**2,698,626**	2,598,042	**27,537,000**
Construction in progress	**114,617**	215,937	**1,169,561**
	3,908,068	4,102,738	**39,878,245**
Less—Accumulated depreciation	**(2,818,489)**	(2,770,560)	**(28,760,092)**
Total property, plant and equipment	**1,089,579**	1,332,178	**11,118,153**
Other assets:			
Goodwill and other intangible assets (Note 10)	**629,820**	653,910	**6,426,735**
Deferred tax assets (Note 18)	**352,948**	285,757	**3,601,510**
Other assets	**125,394**	141,672	**1,279,530**
Total other assets	**1,108,162**	1,081,339	**11,307,775**
Total assets	**¥5,453,225**	¥5,935,637	**$55,645,153**

The accompanying notes are an integral part of these statements.

Liabilities and shareholders' equity	Millions of yen 2009	2008	Thousands of U.S. dollars (Note 3) 2009
Current liabilities:			
Short-term borrowings (Note 11)	**¥ 747,971**	¥ 257,831	**$ 7,632,357**
Current portion of long-term debt (Notes 11 and 21)	**285,913**	262,422	**2,917,480**
Notes payable, trade	**40,291**	55,870	**411,133**
Accounts payable, trade	**963,573**	1,168,389	**9,832,377**
Accounts payable, other and accrued expenses (Note 26)	**366,219**	516,046	**3,736,929**
Accrued income and other taxes	**38,418**	89,763	**392,020**
Advance payments received	**268,083**	248,280	**2,735,541**
Other current liabilities (Notes 18, 21 and 24)	**357,305**	387,386	**3,645,969**
Total current liabilities	**3,067,773**	2,985,987	**31,303,806**
Long-term liabilities:			
Long-term debt (Notes 11, 12 and 21)	**776,768**	740,710	**7,926,204**
Accrued pension and severance costs (Note 13)	**719,396**	634,589	**7,340,776**
Other liabilities (Notes 18 and 21)	**130,007**	182,175	**1,326,602**
Total long-term liabilities	**1,626,171**	1,557,474	**16,593,582**
Minority interest in consolidated subsidiaries	**311,935**	369,911	**3,183,010**
Shareholders' equity (Notes 12 and 19)**:**			
Common stock:			
Authorized—10,000,000,000 shares			
Issued:			
2009—3,237,602,026 shares	**280,281**	—	**2,860,010**
2008—3,237,031,486 shares	**—**	280,126	**—**
Additional paid-in capital	**291,137**	290,936	**2,970,786**
Retained earnings	**395,134**	774,461	**4,031,979**
Accumulated other comprehensive loss	**(517,996)**	(322,214)	**(5,285,673)**
Treasury stock, at cost:			
2009—1,910,852 shares	**(1,210)**	—	**(12,347)**
2008—1,442,645 shares	**—**	(1,044)	**—**
Total shareholders' equity	**447,346**	1,022,265	**4,564,755**
Commitments and contingent liabilities (Notes 23, 24 and 25)			
Total liabilities and shareholders' equity	**¥5,453,225**	¥5,935,637	**$55,645,153**

Toshiba Corporation and Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2009	2008	**2009**
Sales and other income:			
Net sales	**¥6,654,518**	¥7,665,332	**$67,903,245**
Interest and dividends	**19,432**	26,863	**198,286**
Equity in earnings of affiliates (Note 9)	**9,596**	28,023	**97,918**
Other income (Notes 6, 7,16 and 21)	**146,923**	212,827	**1,499,214**
	6,830,469	7,933,045	**69,698,663**
Costs and expenses:			
Cost of sales (Notes 10, 14, 17, 22 and 26)	**5,366,087**	5,756,603	**54,755,990**
Selling, general and administrative (Notes 10, 14, 15 and 22)	**1,538,617**	1,662,336	**15,700,173**
Interest	**33,693**	39,825	**343,806**
Other expense (Notes 6, 7, 16, 17 and 21)	**171,324**	209,232	**1,748,204**
	7,109,721	7,667,996	**72,548,173**
Income (loss) from continuing operations, before income taxes and minority interest	**(279,252)**	265,049	**(2,849,510)**
Income taxes (Note 18)**:**			
Current	**52,308**	102,740	**533,755**
Deferred	**2,015**	10,635	**20,561**
	54,323	113,375	**554,316**
Income (loss) from continuing operations, before minority interest	**(333,575)**	151,674	**(3,403,826)**
Minority interest in income (loss) of consolidated subsidiaries	**(3,795)**	14,765	**(38,724)**
Income (loss) from continuing operations	**(329,780)**	136,909	**(3,365,102)**
Loss from discontinued operations, net of tax	**(13,779)**	(9,496)	**(140,602)**
Net income (loss)	**¥ (343,559)**	¥ 127,413	**$ (3,505,704)**

	Yen		U.S. dollars (Note 3)
Basic net income (loss) per share (Note 20)			
Income (loss) from continuing oparations	**¥ (101.92)**	¥ 42.40	**$ (1.04)**
Loss from discontinued operations	**¥ (4.26)**	¥ (2.94)	**$ (0.04)**
Net income (loss)	**¥ (106.18)**	¥ 39.46	**$ (1.08)**
Diluted net income (loss) per share (Note 20)			
Income (loss) from continuing oparations	**¥ (101.92)**	¥ 39.31	**$ (1.04)**
Loss from discontinued operations	**¥ (4.26)**	¥ (2.94)	**$ (0.04)**
Net income (loss)	**¥ (106.18)**	¥ 36.59	**$ (1.08)**
Cash dividends per share (Note 19)	**¥ 5.00**	¥ 12.00	**$ 0.05**

The accompanying notes are an integral part of these statements.

Toshiba Corporation and Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen					
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
Balance at March 31, 2007	¥ 274,926	¥ 285,765	¥ 681,795	¥ (131,228)	¥ (2,937)	¥ 1,108,321
Comprehensive income (loss):						
Net income			127,413			127,413
Other comprehensive income (loss), net of tax (Note 19):						
Net unrealized gains and losses on securities (Note 6)				(27,340)		(27,340)
Foreign currency translation adjustments				(95,614)		(95,614)
Pension liability adjustment (Note 13)				(66,721)		(66,721)
Net unrealized gains and losses on derivative instruments (Note 21)				(1,311)		(1,311)
Comprehensive loss						(63,573)
Adjustment to initially apply FIN 48 (Note 18)			5,555			5,555
Dividends			(40,302)			(40,302)
Conversion of convertible bonds (Note 12)	5,200	5,200				10,400
Purchase of treasury stock, net, at cost		(29)			1,893	1,864
Balance at March 31, 2008	280,126	290,936	774,461	(322,214)	(1,044)	1,022,265
Comprehensive income (loss):						
Net loss			**(343,559)**			**(343,559)**
Other comprehensive income (loss), net of tax (Note 19):						
Net unrealized gains and losses on securities (Note 6)				**(31,822)**		**(31,822)**
Foreign currency translation adjustments				**(105,221)**		**(105,221)**
Pension liability adjustment (Note 13)				**(57,739)**		**(57,739)**
Net unrealized gains and losses on derivative instruments (Note 21)				**(1,000)**		**(1,000)**
Comprehensive loss						**(539,341)**
Dividends			**(35,592)**			**(35,592)**
Conversion of convertible bonds and others (Note 12)	**155**	**201**				**356**
Purchase of treasury stock, net, at cost			**(176)**		**(166)**	**(342)**
Balance at March 31, 2009	**¥ 280,281**	**¥ 291,137**	**¥ 395,134**	**¥ (517,996)**	**¥ (1,210)**	**¥ 447,346**

	Thousands of U.S. dollars (Note 3)					
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
Balance at March 31, 2008	$2,858,428	$2,968,735	$7,902,663	$ (3,287,898)	$(10,653)	$10,431,275
Comprehensive income (loss):						
Net loss			**(3,505,704)**			**(3,505,704)**
Other comprehensive income (loss), net of tax (Note 19):						
Net unrealized gains and losses on securities (Note 6)				**(324,714)**		**(324,714)**
Foreign currency translation adjustments				**(1,073,684)**		**(1,073,684)**
Pension liability adjustment (Note 13)				**(589,173)**		**(589,173)**
Net unrealized gains and losses on derivative instruments (Note 21)				**(10,204)**		**(10,204)**
Comprehensive loss						**(5,503,479)**
Dividends			**(363,184)**			**(363,184)**
Conversion of convertible bonds and others (Note 12)	**1,582**	**2,051**				**3,633**
Purchase of treasury stock, net, at cost			**(1,796)**		**(1,694)**	**(3,490)**
Balance at March 31, 2009	**$2,860,010**	**$2,970,786**	**$4,031,979**	**$ (5,285,673)**	**$(12,347)**	**$ 4,564,755**

The accompanying notes are an integral part of these statements.

Toshiba Corporation and Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2009	2008	**2009**
Cash flows from operating activities			
Net income (loss)	**¥(343,559)**	¥ 127,413	**$(3,505,704)**
Adjustments to reconcile net income to net cash provided by (used in) operating activities—			
Depreciation and amortization	**349,764**	380,160	**3,569,020**
Provisions for pension and severance costs, less payments	**(13,733)**	(19,035)	**(140,133)**
Deferred income taxes	**(7,843)**	10,635	**(80,031)**
Equity in (earnings) losses of affiliates, net of dividends	**1,215**	(13,340)	**12,398**
(Gain) loss from sales, disposal and impairment of property, plant and equipment, net	**3,291**	(127,093)	**33,582**
Gain from sales and impairment of securities and other investments, net	**(37,878)**	(19,276)	**(386,510)**
Minority interest in income (loss) of consolidated subsidiaries	**(3,795)**	14,765	**(38,724)**
Decrease in notes and accounts receivable, trade	**186,676**	29,138	**1,904,857**
(Increase) decrease in inventories	**60,517**	(64,688)	**617,520**
Decrease in notes and accounts payable, trade	**(182,501)**	(115,047)	**(1,862,255)**
Increase (decrease) in accrued income and other taxes	**(51,647)**	18,283	**(527,010)**
Increase in advance payments received	**27,018**	47,617	**275,694**
Other	**(3,536)**	(22,404)	**(36,082)**
Net cash provided by (used in) operating activities	**(16,011)**	247,128	**(163,378)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	**210,653**	212,064	**2,149,520**
Proceeds from sale of securities	**4,035**	2,805	**41,174**
Acquisition of property, plant and equipment	**(477,720)**	(407,692)	**(4,874,694)**
Purchase of securities	**(29,609)**	(82,898)	**(302,133)**
Increase in investments in affiliates	**(43,399)**	(41,367)	**(442,847)**
Proceeds from sale of Toshiba Building Co., Ltd. stock	**79,800**	—	**814,286**
Other	**(79,068)**	(5,614)	**(806,816)**
Net cash used in investing activities	**(335,308)**	(322,702)	**(3,421,510)**
Cash flows from financing activities			
Proceeds from long-term debt	**337,415**	190,524	**3,443,010**
Repayment of long-term debt	**(275,976)**	(283,013)	**(2,816,082)**
Increase in short-term borrowings, net	**469,026**	187,321	**4,785,980**
Dividends paid	**(50,350)**	(46,406)	**(513,776)**
Repurchase of subsidiary common stock	**(1,318)**	(715)	**(13,449)**
Purchase of treasury stock, net	**(345)**	(1,138)	**(3,520)**
Net cash provided by financing activities	**478,452**	46,573	**4,882,163**
Effect of exchange rate changes on cash and cash equivalents	**(31,989)**	(31,662)	**(326,418)**
Net increase (decrease) in cash and cash equivalents	**95,144**	(60,663)	**970,857**
Cash and cash equivalents at beginning of year	**248,649**	309,312	**2,537,235**
Cash and cash equivalents at end of year	**¥ 343,793**	¥ 248,649	**$ 3,508,092**
Supplemental disclosure of cash flow information			
Cash paid during the year for—			
Interest	**¥ 35,004**	¥ 40,356	**$ 357,184**
Income taxes	**140,923**	107,431	**1,437,990**
Non-cash financing activities—			
Conversion of convertible bonds	**310**	13,260	**3,163**
Sale of Toshiba building Co., Ltd. stock—			
Assets sold	**173,353**	—	**1,768,908**
Liabilities relinquished	**151,434**	—	**1,545,245**

The accompanying notes are an integral part of these statements.

1. DESCRIPTION OF BUSINESS

Toshiba Corporation and its subsidiaries (hereinafter collectively, the "Company") are engaged in research and development, manufacturing and sales of high-technology electronic and energy products, which range (1)Digital Products, (2)Electronic Devices, (3)Social Infrastructure, (4)Home Appliances, and (5)Others. For the year ended March 31, 2009, sales of Digital Products represented the most significant portion of the Company's total sales or approximately 34 percent. Social Infrastructure represented approximately 33 percent, Electronic Devices approximately 19 percent, and Home Appliances approximately 9 percent of the Company's total sales. For the year ended March 31, 2008, sales of Digital Products represented the most significant portion of the Company's total sales or approximately 36 percent. Social Infrastructure represented approximately 29 percent, Electronic Devices approximately 21 percent, and Home Appliances approximately 9 percent of the Company's total sales. The Company's products were manufactured and marketed throughout the world with approximately 49 percent and 48 percent of its sales in Japan and the remainder in Asia, North America, Europe and other parts of the world, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PREPARATION OF FINANCIAL STATEMENTS

Toshiba Corporation and its domestic subsidiaries maintain their records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its foreign subsidiaries in conformity with those of the countries of their domicile.

Certain adjustments and reclassifications have been incorporated in the accompanying consolidated financial statements to conform with accounting principles generally accepted in the United States. These adjustments were not recorded in the statutory books of account.

BASIS OF CONSOLIDATION AND INVESTMENTS IN AFFILIATES

The consolidated financial statements of the Company include the accounts of Toshiba Corporation, its majority-owned subsidiaries and variable interest entities ("VIEs") for which the Company is the primary beneficiary under Financial Accounting Standards Board ("FASB") Interpretation No.46 as revised in December 2003, *Consolidation of Variable Interest Entities, an Interpretation of ARB No.51* ("FIN 46R"). All significant intercompany transactions and accounts are eliminated in consolidation.

Investments in affiliates in which the ability to exercise significant influence exists are accounted for under the equity method of accounting. The Company eliminates unrealized intercompany profits in determining its equity in the current net earnings (losses) of such companies.

USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company has identified significant areas where it believes assumptions and estimates are particularly critical to the consolidated financial statements. These are determination of impairment on long-lived tangible and intangible assets and goodwill, realization of deferred tax assets, uncertain tax positions, pension accounting assumptions, revenue recognition and other valuation allowances and reserves including contingencies for litigations. Actual results could differ from those estimates.

CASH EQUIVALENTS

All highly liquid investments with original maturities of 3 months or less at the date of purchase are considered to be cash equivalents.

FOREIGN CURRENCY TRANSLATION

The assets and liabilities of foreign consolidated subsidiaries and affiliates that operate in a local currency environment are translated into Japanese yen at applicable current exchange rates at year end. Income and expense items are translated at average exchange rates prevailing during the year. The effects of these translation adjustments are included in accumulated other comprehensive income (loss) and reported as a component of shareholders' equity. Exchange gains and losses resulting from foreign currency transactions and translation of assets and liabilities denominated in foreign currencies are included in other income or other expense in the consolidated statements of income.

ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

An allowance for uncollectible trade receivables is recorded based on a combination of the write-off history, aging analysis, and an evaluation of any specific known troubled accounts. When all collection options are exhausted including legal recourse, the accounts or portions thereof are deemed to be uncollectible and charged against the allowance.

MARKETABLE SECURITIES AND OTHER INVESTMENTS

The Company classifies all of its marketable securities as available-for-sale which are reported at fair value, with unrealized gains and losses included in accumulated other comprehensive income (loss), net of tax. Other investments without quoted market prices are stated at cost. Realized gains or losses on the sale of securities are based on the average cost of a particular security held at the time of sale.

Marketable securities and other investment securities are regularly reviewed for other-than-temporary declines in carrying amount based on criteria that include the length of time and the extent to which the market value has been less than cost, the financial condition and near-term prospects of the issuer and the Company's intent and ability to retain marketable securities and investment securities for a period of time sufficient to allow for any anticipated recovery in market value. When such a decline exists, the Company recognizes an impairment loss to the extent of such decline.

INVENTORIES

Raw materials, finished products and work in process for products are stated at the lower of cost or market, cost being determined principally by the average method. Finished products and work in process for contract items are stated at the lower of cost or estimated realizable value, cost being determined by accumulated production costs.

In accordance with general industry practice, items with long manufacturing periods are included among inventories even when not realizable within one year.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, including significant renewals and additions, are carried at cost. Depreciation for property, plant and equipment associated with domestic operations is computed generally by the 250% declining-balance method with estimated residual value reduced to a nominal value. Depreciation for property, plant and equipment for foreign subsidiaries is generally computed using the straight line method.

Effective April 1, 2007, Toshiba Corporation and its domestic subsidiaries changed the method of calculating depreciation of machinery, equipment and other fixed assets to the 250% declining-balance method with estimated residual value of a nominal value. Also effective April 1, 2008, the estimated useful lives of specific machinery, equipment and other fixed assets associated with the Semiconductor business have been shortened due to the escalated international competition over our products. This change is a change in accounting estimate in accordance with SFAS No.154, *Accounting Changes and Error Corrections - a replacement of APB Opinion No.20 and FASB Statement No.3.* Therefore, this change impacts on financial results on and after April 1, 2008. Loss from continuing operations before income taxes and minority interest and net loss increased by ¥6,024 million ($61,469 thousand) and by ¥3,953 million ($40,337 thousand), respectively compared with the figures under the previous estimated useful lives. Basic net loss per share also increased by ¥1.22 ($0.01).

The estimated useful lives of the buildings are 3 to 50 years, and those of the machinery and equipment are 2 to 20 years. Maintenance and repairs, including minor renewals and betterments, are expensed as incurred.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, other than goodwill and intangible assets with indefinite useful lives, are evaluated for impairment using an estimate of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of such asset may not be recoverable. If the estimate of undiscounted cash flow is less than the carrying amount of the asset, an impairment loss is recorded based on the fair value of the asset. Fair value is determined primarily by using the anticipated cash flows discounted at a rate commensurate with the risk involved. For assets held for sale, an impairment loss is further increased by costs to sell. Long-lived assets to be disposed of other than by sale are considered held and used until disposed of.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite useful lives, consisting primarily of core and current technology and software, are amortized using the straight-line method over their respective contractual periods or estimated useful lives.

ENVIRONMENTAL LIABILITIES

Liabilities for environmental remediation and other environmental costs are accrued when environmental assessments or remedial efforts are probable and the costs can be reasonably estimated, based on current law and existing technologies. Such liabilities are adjusted as further information develops or circumstances change. Costs of future obligations are not discounted to their present values.

INCOME TAXES

The provision for income taxes is computed based on the pre-tax income (losses) included in the consolidated statements of income. Deferred income taxes are recorded to reflect the expected future tax consequences of temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, and are measured by applying currently enacted tax laws. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the change is enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

The company recognizes the financial statement effects of tax positions when they are more likely than not, based on the technical merits, that the tax positions will be sustained upon examination by the tax authorities. Benefits from tax positions that meet the more-likely-than-not recognition threshold are measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement.

ACCRUED PENSION AND SEVERANCE COSTS

The Company has various retirement benefit plans covering substantially all employees. The unrecognized net obligation existing at initial application of Statement of Financial Accounting Standards ("SFAS") No. 87, *Employers' Accounting for*

Pensions, and prior service costs resulting from amendments to the plans are amortized over the average remaining service period of employees expected to receive benefits. Unrecognized actuarial gains and losses that exceed 10 percent of the greater of the projected benefit obligation or the fair value of plan assets are also amortized over the average remaining service period of employees expected to receive benefits.

NET EARNINGS (LOSS) PER SHARE

Basic net earnings (loss) per share ("EPS") is computed based on the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the dilution that could occur if stock acquisition rights were exercised to issue common stock, unless their inclusion would have an anti-dilutive effect.

REVENUE RECOGNITION

Revenue of mass-produced standard products, such as digital products and electronic devices, is recognized when there is persuasive evidence of an arrangement, the product has been delivered, the sales price is fixed or determinable, and collectibility is reasonably assured. Mass-produced standard products are considered delivered to customers once they have been shipped, and the title and risk of loss have transferred.

Revenue related to equipment that requires installation, such as social infrastructure business, is recognized when the installation of the equipment is completed, the equipment is accepted by the customer and other specific criteria of the equipment are demonstrated by the Company.

Revenue from services, such as maintenance service for plant and other systems, that are priced and sold separately from the equipment is recognized ratably over the contract term or as the services are provided.

Revenue on long-term contracts is recorded under the percentage of completion method. To measure the extent of progress toward completion, the Company generally compares the costs incurred to date to the estimated total costs to complete based upon the most recent available information. When estimates of the extent of progress toward completion and contract costs are reasonably dependable, revenue from the contract is recognized based on the percentage of completion. A provision for contract losses is recorded in its entirety when the loss first becomes evident.

Revenue from arrangements with multiple elements, which may include any combination of products, equipment, installment and maintenance, is allocated to each element based on its relative fair value if such element meets the criteria for treatment as a separate unit of accounting as prescribed in the Emerging Issues Task Force Issue 00-21, *Revenue Arrangements with Multiple Deliverables*. Otherwise, revenue is deferred until the undelivered elements are fulfilled as a single unit of accounting.

Revenue from the development of custom software products is recognized when there is persuasive evidence of an arrangement, the sales price is fixed or determinable, collectibility is probable, and the software product has been delivered and accepted by the customer.

SHIPPING AND HANDLING COSTS

The Company includes shipping and handling costs which totaled ¥89,405 million ($912,296 thousand) and ¥95,602 million for the years ended March 31, 2009 and 2008, respectively in selling, general and administrative expenses.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses a variety of derivative financial instruments, which include forward exchange contracts, interest rate swap agreements, currency swap agreements, and currency options for the purpose of currency exchange rate and interest rate risk management. Refer to Note 21 for descriptions of these financial instruments.

The Company recognizes all derivative financial instruments, such as forward exchange contracts, interest rate swap agreements, currency swap agreements, and currency options in the consolidated financial statements at fair value regardless of the purpose or intent for holding the derivative financial instruments. Changes in the fair value of derivative financial instruments are either recognized periodically in income or in shareholders' equity as a component of accumulated other comprehensive income (loss) depending on whether the derivative financial instruments qualify for hedge accounting, and if so, whether they qualify as a fair value hedge or a cash flow hedge. Changes in fair value of derivative financial instruments accounted for as fair value hedges are recorded in income along with the portion of the change in the fair value of the hedged item that relates to the hedged risk. Changes in fair value of derivative financial instruments accounted for as cash flow hedges, to the extent they are effective as a hedge, are recorded in accumulated other comprehensive income (loss), net of tax. Changes in the fair value of derivative financial instruments not qualifying as a hedge are reported in income.

SALES OF RECEIVABLES

The Company enters into transactions to sell certain trade notes receivable and trade accounts receivable. The Company may retain certain interests in these transactions. Gain or loss on the sale of receivables is computed based on the allocated carrying amount of the receivables sold. Retained interests are recorded at the allocated carrying amount of the assets based on their relative fair values at the date of sale. The Company estimates fair value based on the present value of future expected cash flows less credit losses.

GUARANTEES

The Company recognizes, at the inception of a guarantee, a liability for the fair value of the obligation it has undertaken in issuing guarantees for guarantees issued or modified after December 31, 2002.

ASSET RETIREMENT OBLIGATIONS

The Company records asset retirement obligations at fair value in the period incurred. The fair value of the liability is added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the life of the asset. The liability increases due to the passage of time based on the time value of money until the obligation is settled. Subsequent to the initial recognition, the liability is adjusted for any revisions to the expected value of the retirement obligation, and for accretion of the liability due to the passage of time.

RECENT PRONOUNCEMENTS

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS 141R"). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired in the business combination or a gain from a bargain purchase. SFAS 141R also requires to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141R is effective for fiscal years beginning on or after December 15, 2008, and the Company will adopt SFAS 141R effective April 1, 2009. The Company is currently evaluating the impact of adoption of SFAS 141R on the Company's financial position and results of operations.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51* ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary, and to measure at fair value of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also requires to disclose that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008, and the Company will adopt SFAS 160 effective April 1, 2009. The Company is currently evaluating the impact of adoption of SFAS 160 on the Company's financial position and results of operations.

In December 2008, the FASB issued Staff Position No. FAS132 (revised 2003)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* ("FSP FAS132R-1"). FSP FAS132R-1 provides companies with guidance on an disclosures about plan assets of a defined benefit pension or other postretirement plan including (a) how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies, (b) the major categories of plan assets, (c) the inputs and valuation techniques used to measure the fair value of plan assets, (d) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period and (e) significant concentrations of risk within plan assets. FSP FAS132R-1 shall be effective for fiscal years ending after December 15, 2009, and the Company will adopt FSP FAS132R-1 effective April 1, 2009. The Company is currently evaluating the impact of adoption of FSP FAS132R-1 on its footnote disclosures related to its combined results of operations and financial condition of the Company.

In April 2009, the FASB issued Staff Position No. FAS141R-1, *Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies* ("FSP FAS141R-1"). FSP FAS141R-1 amends and clarifies SFAS141R to address application issues raised on initial recognition and measurement, subsequent measurement and accounting as well as disclosure of assets and liabilities arising from contingencies in a business combination. FSP FAS141R-1 shall be effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and the Company will adopt FSP FAS141R-1 effective April 1, 2009. The Company is currently evaluating the impact of adoption of FSP FAS141R-1 on the Company's financial position and results of operations.

In April 2009, the FASB issued Staff Position No. FAS157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP FAS157-4"). FSP FAS157-4 provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased including guidance on identifying circumstances that indicate a transaction is not orderly. FSP FAS157-4 shall be effective for interim and annual reporting periods ending after June 15, 2009, and the Company will adopt FSP FAS157-4 effective April 1, 2009. The Company is currently evaluating the impact of adoption of FSP FAS157-4 on the Company's financial position and results of operations.

RECLASSIFICATIONS

Certain reclassifications to the prior year's consolidated financial statements and related footnote amounts have been made to conform to the presentation for the current year.

3. U.S. DOLLAR AMOUNTS

U.S. dollar amounts are included solely for convenience of readers. These translations should not be construed as a representation that the yen could be converted into U.S. dollars at this rate or any other rates. The amounts shown in U.S. dollars are not intended to be computed in accordance with generally accepted accounting principles in the United States for the translation of foreign currency amounts. The rate of ¥98=U.S.$1, the approximate current rate of exchange at March 31, 2009, has been used throughout for the purpose of presentation of the U.S. dollar amounts in the accompanying consolidated financial statements.

4. DISCONTINUED OPERATION

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

Discontinued operations of MBCO are accounted for in accordance with SFAS No.144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, where the business is reclassified as discontinued operation in the consolidated financial statements. However, the amount of the assets and liabilities of MBCO are included in the consolidated financial statements together with those from continuing operations, as the amount does not have a material impact on the consolidated financial statements of the Company.

The principal financial information in relation to MBCO is as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Sales and other income	**¥ 1,390**	¥ 2,758	**$ 14,184**
Costs and expenses	**25,024**	12,249	**255,347**
Loss from discontinued operations before income taxes and minority interest	**(23,634)**	(9,491)	**(241,163)**
Income taxes	**9,855**	(5)	**100,561**
Loss from discontinued operations, net of tax	**(13,779)**	(9,496)	**(140,602)**

	Millions of yen	Thousands of U.S. dollars
March 31	**2009**	**2009**
Cash and cash equivalents	**¥ 143**	**$ 1,459**
Other receivables	**470**	**4,796**
Other	**289**	**2,949**
Total	**¥ 902**	**$ 9,204**

	Millions of yen	Thousands of U.S. dollars
March 31	**2009**	**2009**
Other payables	**¥ 10,631**	**$108,480**
Other	**91**	**928**
Total	**¥ 10,722**	**$109,408**

Impairment charges of ¥10,409 million ($106,214 thousand) are included in costs and expenses for the year ended March 31, 2009.

5.FAIR VALUE MEASUREMENTS

The Company adopted SFAS No.157, *Fair Value Measurements* ("SFAS 157") effective April 1, 2008. The Company conforms to FASB Staff Position No.FAS157-1, *Application of FASB Statement No.157 to FASB Statement No.13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13* and No. FAS157-2, *Effective Date of FASB Statement No.157*, which partially delay the effective date of SFAS 157 for one year for certain nonfinancial assets and liabilities and remove certain leasing transactions from its scope.

SFAS157 defines that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels below;

Level 1 - Quoted prices for identical assets or liabilities in active markets.
Level 2 - Quoted prices for similar assets or liabilities in active markets.
Quoted prices for identical or similar instruments in markets that are not active.
Inputs other than quoted prices that are observable.
Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Instruments whose significant inputs are unobservable.

Assets and liabilities measured at fair value on a recurring basis

Assets and liabilities that are measured at fair value on a recurring basis at March 31, 2009 are as follows:

	Millions of yen			
March 31, 2009	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	¥ 135,283	¥ 1,499	¥ 3,045	¥ 139,827
Derivative assets	—	1,015	—	1,015
Subordinated retained interests	—	—	10,762	10,762
Total assets	¥ 135,283	¥ 2,514	¥ 13,807	¥ 151,604
Liabilities:				
Derivative liabilities	¥ —	¥ 12,947	¥ —	¥ 12,947
Total liabilities	¥ —	¥ 12,947	¥ —	¥ 12,947

	Thousands of U.S. dollars			
March 31, 2009	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	$ 1,380,439	$ 15,296	$ 31,071	$ 1,426,806
Derivative assets	—	10,357	—	10,357
Subordinated retained interests	—	—	109,816	109,816
Total assets	$ 1,380,439	$ 25,653	$140,887	$ 1,546,979
Liabilities:				
Derivative liabilities	$ —	$ 132,113	$ —	$ 132,113
Total liabilities	$ —	$ 132,113	$ —	$ 132,113

Marketable securities

Level 1 securities represent marketable equity securities listed in active markets, which are valued based on quoted market prices in active markets with sufficient volume and frequency of transactions. Level 2 securities represent marketable equity securities listed in less active markets, which are valued based on quoted market prices for identical assets in inactive markets. Level 3 securities represent corporate debt securities and valued based on unobservable inputs as the markets for the assets are not active at the measurement date.

Derivative instruments

Derivative instruments principally represent forward currency exchange contracts and interest rate swap agreement, which are classified within Level 2. They are valued based on inputs that can be corroborated with the observable inputs such as foreign currency exchange rate, LIBOR and others.

Subordinated retained interests

Subordinated retained interests are valued based on unobservable inputs and classified within Level 3. They are valued based on the internal valuation models and the Company's own assumptions.

An analysis of the changes in Level 3 assets measured at fair value on a recurring basis for the year ended March 31, 2009 is shown below:

	Millions of yen		
Year ended March 31, 2009	Marketable securities	Subordinated retained interests	Total
Balance at beginning of year	¥ 3,515	¥ 9,888	¥ 13,403
Total gain or losses (realized or unrealized):			
Included in earnings (losses)	—	—	—
Included in other comprehensive income (loss)	0	—	0
Purchases, issuances and settlements	(470)	874	404
Balance at end of year	¥ 3,045	¥ 10,762	¥ 13,807

Year ended March 31, 2009	Thousands of U.S. dollars Marketable securities	Subordinated retained interests	Total
Balance at beginning of year	**$ 35,867**	**$100,898**	**$136,765**
Total gain or losses (realized or unrealized):			
Included in earnings (losses)	**—**	**—**	**—**
Included in other comprehensive income (loss)	**0**	**—**	**0**
Purchases, issuances and settlements	**(4,796)**	**8,918**	**4,122**
Balance at end of year	**$ 31,071**	**$109,816**	**$140,887**

At March 31, 2009, Level 3 assets measured at fair value on a recurring basis consisted of corporate debt securities and subordinated retained interests.

Assets and liabilities measured at fair value on a non-recurring basis
Certain equity method investments were written down to their fair value of ¥8,364 million ($85,347 thousand), resulting in other-than-temporary impairment charges of ¥2,618 million ($26,714 thousand), which was included in earnings for the year ended March 31, 2009. The impaired investments were classified within Level 1 as they are valued based on quoted market prices in active markets.

In addition, certain non-marketable equity securities accounted for under the cost method were written down to their fair value of ¥701 million ($7,153 thousand), resulting in other-than-temporary impairment charges of ¥427 million ($4,357 thousand), which was included in earnings for the year ended March 31, 2009. The impaired securities were classified within level 3 as they are valued based on unobservable inputs.

6. MARKETABLE SECURITIES AND OTHER INVESTMENTS

The aggregate cost, gross unrealized holding gains and losses, and aggregate fair value for marketable equity securities and debt securities classified as available-for-sale securities by security type at March 31, 2009 and 2008 are as follows:

	Millions of yen Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
March 31, 2009:				
Equity securities	**¥ 96,258**	**¥ 51,109**	**¥ 10,585**	**¥ 136,782**
Debt securities	**3,045**	**0**	**0**	**3,045**
	¥ 99,303	**¥ 51,109**	**¥ 10,585**	**¥ 139,827**
March 31, 2008:				
Equity securities	¥ 120,380	¥ 104,205	¥ 5,847	¥ 218,738
Debt securities	3,515	0	0	3,515
	¥ 123,895	¥ 104,205	¥ 5,847	¥ 222,253

	Thousands of U.S. dollars Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
March 31, 2009:				
Equity securities	**$ 982,225**	**$ 521,520**	**$ 108,010**	**$ 1,395,735**
Debt securities	**31,071**	**0**	**0**	**31,071**
	$ 1,013,296	**$ 521,520**	**$ 108,010**	**$ 1,426,806**

At March 31, 2009, debt securities mainly consisted of corporate debt securities.

Contractual maturities of debt securities classified as available-for-sale at March 31, 2009 are as follows:

March 31, 2009:	Millions of yen Cost	Fair value	Thousands of U.S. dollars Cost	Fair value
Due within one year	**¥ 100**	**¥ 100**	**$ 1,020**	**$ 1,020**
Due after one year within five years	**2,945**	**2,945**	**30,051**	**30,051**
	¥ 3,045	**¥ 3,045**	**$ 31,071**	**$ 31,071**

The proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008 were ¥1,995 million ($20,357 thousand) and ¥175 million, respectively. The gross realized gains on those sales for the years ended March 31, 2009 and 2008 were ¥1,017 million ($10,378 thousand) and ¥49 million, respectively. The gross realized losses on those sales for the years ended March 31, 2009 and 2008 were ¥496 million ($5,061 thousand) and ¥217 million, respectively.

Included in other expense are charges of ¥42,399 million ($432,643 thousand) and ¥13,379 million related to other-than-temporary declines in the marketable and non-marketable equity securities for the years ended March 31, 2009 and 2008, respectively.

At March 31, 2009, the cost and fair value of available-for-sale securities in an unrealized loss position over 12 consecutive months were not significant.

Aggregate cost of non-marketable equity securities accounted for under the cost method totaled ¥50,232 million ($512,571 thousand) and ¥41,075 million at March 31, 2009 and 2008, respectively. At March 31, 2009, investments with an aggregate cost of ¥49,531 million ($505,418 thousand) were not evaluated for impairment because (a)the Company did not estimate the fair values of those investments as it was not practicable to estimate the fair value of the investment and (b)the Company did not identify any events or changes in circumstances that might have had significant adverse effects on the fair values of those investments.

7. SECURITIZATIONS

The Company has transferred certain trade notes receivable and trade accounts receivable under several securitization programs. These securitization transactions are accounted for as a sale in accordance with SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, a replacement of FASB Statement 125*, because the Company has relinquished control of the receivables. Accordingly, the receivables sold under these facilities are excluded from the accompanying consolidated balance sheets.

Under the asset-backed securitization program entered into in Europe, the Company holds subordinated retained interests for certain trade notes receivable and trade accounts receivable. As of March 31, 2009 and 2008, the fair value of retained interests were ¥10,762 million ($109,816 thousand) and ¥9,888 million, respectively.

The Company recognized losses of ¥2,590 million ($26,429 thousand) and ¥3,283 million on the securitizations of receivables for the years ended March 31, 2009 and 2008, respectively.

Subsequent to sale, the Company retains collection and administrative responsibilities for the receivables. Servicing fees received by the Company approximate the prevailing market rate. Related servicing assets or liabilities are immaterial to the Company's financial position.

The table below summarizes certain cash flows received from and paid to special purpose entities ("SPEs") on the above securitization transactions.

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Proceeds from new securitizations	**¥863,058**	¥956,759	**$8,806,714**
Servicing fees received	**428**	474	**4,367**
Purchases of delinquent and foreclosed receivables	**2,418**	972	**24,673**

Quantitative information about delinquencies, net credit losses, and components of securitized receivables as of and for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen					
	Total principal amount of receivables		Amount 90 days or more past due		Net credit losses	
	March 31				Year ended March 31	
	2009	2008	**2009**	2008	**2009**	2008
Accounts receivable	**¥1,199,380**	¥1,475,252	**¥22,412**	¥27,122	**¥4,454**	¥5,102
Notes receivable	**137,575**	167,567	**36**	51	**486**	356
Total managed portfolio	**1,336,955**	1,642,819	**¥22,448**	¥27,173	**¥4,940**	¥5,458
Securitized receivables	**(230,312)**	(301,976)				
Total receivables	**¥1,106,643**	¥1,340,843				

	Thousands of U.S. dollars		
	Total principal amount of receivables	Amount 90 days or more past due	Net credit losses
	March 31, 2009		Year ended March 31, 2009
Accounts receivable	**$12,238,571**	**$228,694**	**$45,449**
Notes receivable	**1,403,827**	**367**	**4,959**
Total managed portfolio	**13,642,398**	**$229,061**	**$50,408**
Securitized receivables	**(2,350,122)**		
Total receivables	**$11,292,276**		

8. INVENTORIES

Inventories consist of the following:

March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Finished products	**¥263,498**	¥306,601	**$2,688,755**
Work in process:			
Long-term contracts	**93,922**	94,251	**958,388**
Other	**253,037**	274,739	**2,582,010**
Raw materials	**147,848**	175,861	**1,508,653**
	¥758,305	¥851,452	**$7,737,806**

9. INVESTMENTS IN AND ADVANCES TO AFFILIATES

The Company's significant investments in affiliated companies accounted for by the equity method together with the percentage of the Company's ownership of voting shares at March 31, 2009 were: Topcon Corporation (35.5%); Toshiba Machine Co., Ltd. (22.1%); Toshiba Finance Corporation ("TFC") (35.0%); Toshiba Mitsubishi-Electric Industrial Systems Corporation (50.0%); and Semp Toshiba Amazonas S.A. (40.0%).

Of the affiliates which were accounted for by the equity method, the investments in common stock of the listed companies were carried at ¥36,779 million ($375,296 thousand) and ¥48,596 million at March 31, 2009 (4 companies) and 2008 (5 companies), respectively. The Company's investments in these companies had market values of ¥29,843 million ($304,520 thousand) and ¥60,357 million at March 31, 2009 and 2008, respectively, based on quoted market prices at those dates.

Summarized financial information of the affiliates accounted for by the equity method is shown below:

March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Current assets	**¥1,215,888**	¥1,288,502	**$12,407,020**
Other assets including property, plant and equipment	**1,184,261**	1,077,066	**12,084,296**
Total assets	**¥2,400,149**	¥2,365,568	**$24,491,316**
Current liabilities	**¥1,038,800**	¥1,181,753	**$10,600,000**
Long-term liabilities	**769,043**	575,440	**7,847,377**
Shareholders' equity	**592,306**	608,375	**6,043,939**
Total liabilities and shareholders' equity	**¥2,400,149**	¥2,365,568	**$24,491,316**

Year ended March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Sales	**¥2,039,742**	¥2,220,466	**$20,813,694**
Net income	**33,155**	71,407	**338,316**

A summary of transactions and balances with the affiliates accounted for by the equity method is presented below:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Sales	**¥ 214,742**	¥ 190,154	**$ 2,191,245**
Purchases	**167,632**	184,823	**1,710,531**
Dividends	**11,227**	13,977	**114,561**

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Notes and accounts receivable, trade	**¥ 36,252**	¥ 40,649	**$ 369,918**
Other receivables	**8,127**	13,005	**82,929**
Long-term loans receivable	**105,150**	76,250	**1,072,959**
Notes and accounts payable, trade	**95,275**	128,205	**972,194**
Other payables	**31,980**	38,869	**326,327**
Capital lease obligations	**44,246**	42,371	**451,490**

10. GOODWILL AND OTHER INTANGIBLE ASSETS

The Company tested goodwill for impairment under SFAS No.142, *Goodwill and Other Intangible Assets*, applying a fair value based test and has concluded that there was no impairment as of March 31, 2009 and 2008.

The components of acquired intangible assets excluding goodwill at March 31, 2009 and 2008 are as follows:

	Millions of yen		
March 31, 2009	Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets subject to amortization:			
Software	**¥ 181,530**	**¥ 111,254**	**¥ 70,276**
Technical license fees	**62,996**	**26,887**	**36,109**
Core and current technology	**141,549**	**23,205**	**118,344**
Other	**87,826**	**37,776**	**50,050**
Total	**¥ 473,901**	**¥ 199,122**	**¥ 274,779**
Other intangible assets not subject to amortization:			
Brand name			**39,020**
Other			**5,306**
Total			**44,326**
			¥ 319,105

	Millions of yen		
March 31, 2008	Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets subject to amortization:			
Software	¥ 164,152	¥ 102,561	¥ 61,591
Technical license fees	57,154	23,123	34,031
Core and current technology	144,374	9,760	134,614
Other	70,172	28,089	42,083
Total	¥ 435,852	¥ 163,533	¥ 272,319
Other intangible assets not subject to amortization:			
Brand name			42,080
Other			10,959
Total			53,039
			¥ 325,358

March 31, 2009	Thousands of U.S. dollars Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets subject to amortization:			
Software	**$1,852,347**	**$1,135,245**	**$ 717,102**
Technical license fees	**642,816**	**274,357**	**368,459**
Core and current technology	**1,444,378**	**236,786**	**1,207,592**
Other	**896,183**	**385,469**	**510,714**
Total	**$4,835,724**	**$2,031,857**	**$ 2,803,867**
Other intangible assets not subject to amortization:			
Brand name			**398,164**
Other			**54,143**
Total			**452,307**
			$ 3,256,174

Intangible assets acquired during the year ended March 31, 2009 primarily consisted of software of ¥39,680 million ($404,898 thousand) and goodwill of ¥6,709 million ($68,459 thousand). The weighted-average amortization period of software for the year ended March 31, 2009 was approximately 4.9 years.

The weighted-average amortization periods for other intangible assets were approximately 11.9 years and 10.3 years for the years ended March 31, 2009 and 2008, respectively. Amortization expenses of other intangible assets subject to amortization for the years ended March 31, 2009 and 2008 were ¥48,584 million ($495,755 thousand) and ¥44,436 million, respectively. The future amortization expense for each of the next 5 years relating to intangible assets currently recorded in the consolidated balance sheets at March 31, 2009 is estimated as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥44,906	$458,224
2011	39,346	401,490
2012	33,437	341,194
2013	25,892	264,204
2014	17,642	180,020

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired. The changes in the carrying amount of goodwill for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Balance at beginning of year	**¥328,552**	¥368,537	**$3,352,571**
Goodwill acquired during the year	**6,709**	11,011	**68,459**
Price adjustment and purchase price allocation	**—**	1,277	**—**
Foreign currency translation adjustments	**(24,546)**	(52,273)	**(250,469)**
Balance at end of year	**¥310,715**	¥328,552	**$3,170,561**

11. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2009 and 2008 consist of the following:

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Loans, principally from banks, including bank overdrafts, with weighted-average interest rate of 1.34% at March 31, 2009 and 2.68% at March 31, 2008:			
Secured	**¥ 29**	¥ 29	**$ 296**
Unsecured	**485,054**	113,529	**4,949,531**
Commercial paper with weighted-average interest rate of 1.26% at March 31, 2009 and 0.69% at March 31, 2008	**259,000**	132,000	**2,642,857**
Euro yen medium-term notes of a subsidiary, with weighted-average interest rate of 0.93% at March 31, 2009 and 0.97% at March 31, 2008	**3,888**	12,273	**39,673**
	¥ 747,971	¥257,831	**$ 7,632,357**

Substantially all of the short-term borrowings are with banks which have written basic agreements with the Company to the effect that, with respect to all present or future loans with such banks, the Company shall provide collateral (including sums on deposit with such banks) or guarantors immediately upon the bank's request and that any collateral furnished pursuant to such agreements or otherwise will be applicable to all indebtedness to such banks.

At March 31, 2009, the Company had unused committed lines of credit from short-term financing arrangements aggregating ¥44,823 million ($457,378 thousand), of which ¥9,823 million ($100,235 thousand) was in support of the Company's commercial paper. The lines of credit expire on various dates from April 2009 through March 2010. Under the agreements, the Company is required to pay commitment fees ranging from 0.080 percent to 0.300 percent on the unused portion of the lines of credit.

Long-term debt at March 31, 2009 and 2008 consist of the following:

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Loans, principally from banks and insurance companies, due 2009 to 2029 with weighted-average interest rate of 1.40% at March 31, 2009 and due 2008 to 2029 with weighted-average interest rate of 1.29% at March 31, 2008:			
Secured	**¥ 254**	¥ 4,268	**$ 2,592**
Unsecured	**715,577**	532,352	**7,301,806**
Unsecured yen bonds, due 2010 to 2016 with interest ranging from 1.20% to 2.20% at March 31, 2009 and due 2008 to 2016 with interest ranging from 1.08% to 2.30% at March 31, 2008	**130,000**	213,307	**1,326,531**
Zero Coupon Convertible Bonds with stock acquisition rights:			
Due 2009 convertible at ¥587 per share at March 31, 2009	**41,420**	41,430	**422,653**
Due 2011 convertible at ¥542 per share at March 31, 2009	**95,010**	95,310	**969,490**
Euro yen medium-term notes, due 2008 with interest rate of 2.34% at March 31, 2008	**—**	1,000	**—**
Euro yen medium-term notes of subsidiaries, due 2009 to 2014 with interest ranging from 0.60% to 2.60% at March 31, 2009 and due 2008 to 2015 with interest ranging from 0.77% to 2.60% at March 31, 2008	**23,586**	58,881	**240,673**
Euro medium-term note of a subsidiary, due 2008 with interest rate of 4.41% at March 31, 2008	**—**	7,938	**—**
Capital lease obligations	**56,834**	48,646	**579,939**
	1,062,681	1,003,132	**10,843,684**
Less-Portion due within one year	**(285,913)**	(262,422)	**(2,917,480)**
	¥ 776,768	¥ 740,710	**$ 7,926,204**

Certain of the secured loan agreements contain provisions, which permit the lenders to require additional collateral. Substantially all of the unsecured loan agreements permit the lenders to require collateral or guarantees for such loans. Certain of the secured and unsecured loan agreements may require prior approval by the banks and trustees before any distributions (including cash dividends) may be made from current or retained earnings.

Assets pledged as collateral for current portion of long-term debt at March 31, 2009 were property, plant, equipment, long-term receivables and investments with a book value of ¥335 million ($3,418 thousand).

The aggregate annual maturities of long-term debt, excluding those of capital lease obligations are as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 273,189	$ 2,787,643
2011	187,114	1,909,326
2012	193,210	1,971,531
2013	127,390	1,299,898
2014	133,379	1,361,010
Thereafter	91,565	934,337
	¥1,005,847	$10,263,745

Financial Covenants

While loan agreements entered into between the Company and financial institutions provide for financial covenants, and there was a concern that the consolidated financial position for FY2008 would constitute a breach of such financial covenants, the Company and the relevant financial institutions have, upon agreement, amended such financial covenants prior to the finalization of such results, and any possible breach of financial covenants was avoided.

12. ISSUANCE OF CONVERTIBLE BOND

In July, 2004, Toshiba Corporation issued ¥50,000 million Zero Coupon Convertible Bonds due 2009 (the "2009 Bonds") and ¥100,000 million Zero Coupon Convertible Bonds due 2011 (the "2011 Bonds").

The bonds include stock acquisition rights which entitle bondholders to acquire common stock under certain circumstances, and are exercisable on and after August 4, 2004 up to, and including, July 7, 2009 (in the case of the 2009 Bonds) and up to, and including, July 7, 2011 (in the case of the 2011 Bonds).

The initial conversion prices are ¥587 per share (in the case of the 2009 Bonds) and ¥542 (in the case of the 2011 Bonds), subject to adjustment for certain events such as a stock split, consolidation of stock or issuance of stock at a consideration per share which is less than the current market price.

(Conditions allowing exercise of stock acquisition rights)

The period prior to (but not including) July 21, 2008 (in the case of the 2009 Bonds) or July 21, 2010 (in the case of the 2011 Bonds)	In the case that as of the last trading day of any calendar quarter, the closing price of the shares for any 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such quarter is more than 120% of the conversion price in effect on each such trading day.
The period on or after July 21, 2008 (in the case of the 2009 Bonds) or July 21, 2010 (in the case of the 2011 Bonds)	At any time after the closing price of the shares on at least one trading day is more than 120% of the conversion price in effect on each such trading day.

The 2009 Bonds and the 2011 Bonds were converted into 17,035 shares and 553,505 shares of common stock for the year ended March 31, 2009. In accordance with the Corporation Law of Japan, the issuance of common stock in connection with the conversion of convertible bonds is accounted for by crediting one-half or more of the conversion price to the common stock and the remainder to the additional paid-in capital.

The additional 70,562,186 shares and 175,295,212 shares relating to the potential conversion of the 2009 Bonds and the 2011 Bonds are excluded from the calculation of loss per share for the year ended March, 2009 as well as calculation of diluted net loss per share from discontinued operations for the year ended March 31, 2008 due to their anti-dilutive effect.

13. ACCRUED PENSION AND SEVERANCE COSTS

All employees who retire or are terminated are usually entitled to lump-sum severance indemnities or pension benefits determined by reference to service credits allocated to employees each year according to the regulation of retirement benefit, length of service and conditions under which their employment terminates. The obligation for the severance indemnity benefit is provided for through accruals and funding of the defined benefit corporate pension plan.

Certain subsidiaries in Japan have tax-qualified non-contributory pension plans which cover all or a part of the indemnities payable to qualified employees at the time of termination. The funding policy for the plans is to contribute amounts required to maintain sufficient plan assets to provide for accrued benefits, subject to the limitation on deductibility imposed by Japanese income tax laws.

On March 31, 2007, the Company adopted SFAS 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)* ("SFAS 158"). SFAS 158 required the Company to recognize the funded status (i.e., the difference between the fair value of plan assets and the benefit obligations) of its pension plan in the March 31, 2007 statement of financial position, with a corresponding adjustment to accumulated other comprehensive income (loss), net of tax. The adjustment to accumulated other comprehensive income (loss) at adoption represents the net unrecognized actuarial losses, unrecognized prior service costs, and unrecognized transition obligation remaining from the initial adoption of SFAS 87, all of which were previously accounted for pursuant to the provisions of SFAS 87. These amounts will be subsequently recognized as net periodic pension cost pursuant to the Company's historical accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods will be recognized a component of other comprehensive income. Those amounts will be subsequently recognized as a component of net periodic pension cost on the same basis as the amounts recognized in accumulated other comprehensive income (loss) at adoption of SFAS 158.

The changes in the benefit obligation and plan assets for the years ended March 31, 2009 and 2008 and the funded status at March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Change in benefit obligation:			
Benefit obligation at beginning of year	**¥1,463,335**	¥ 1,453,820	**$ 14,931,990**
Service cost	**52,574**	53,038	**536,469**
Interest cost	**39,697**	38,190	**405,072**
Plan participants' contributions	**3,940**	4,221	**40,204**
Plan amendments	**(1,694)**	9,760	**(17,286)**
Actuarial gain	**(99,518)**	(10,001)	**(1,015,490)**
Benefits paid	**(73,622)**	(70,710)	**(751,245)**
Acquisitions and divestitures	**2,813**	—	**28,704**
Foreign currency exchange impact	**(6,734)**	(14,983)	**(68,714)**
Benefit obligation at end of year	**¥1,380,791**	¥ 1,463,335	**$ 14,089,704**
Change in plan assets:			
Fair value of plan assets at beginning of year	**¥ 828,457**	¥ 911,649	**$ 8,453,643**
Actual return on plan assets	**(187,207)**	(93,882)	**(1,910,276)**
Employer contributions	**64,358**	60,918	**656,714**
Plan participants' contributions	**3,940**	4,221	**40,204**
Benefits paid	**(46,165)**	(43,454)	**(471,071)**
Acquisitions and divestitures	**3,171**	—	**32,357**
Foreign currency exchange impact	**(5,855)**	(10,995)	**(59,745)**
Fair value of plan assets at end of year	**¥ 660,699**	¥ 828,457	**$ 6,741,826**
Funded status	**¥ (720,092)**	¥ (634,878)	**$ (7,347,878)**

Amounts recognized in the consolidated balance sheet at March 31, 2009 and 2008 are as follows:

March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Other assets	¥ —	¥ 1,042	$ —
Other current liabilities	**(696)**	(1,331)	**(7,102)**
Accrued pension and severance costs	**(719,396)**	(634,589)	**(7,340,776)**
	¥ (720,092)	¥ (634,878)	**$ (7,347,878)**

Amounts recognized in accumulated other comprehensive loss at March 31, 2009 and 2008 are as follows:

March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Unrecognized actuarial loss	**¥ 572,120**	¥ 475,515	**$ 5,837,959**
Unrecognized prior service cost	**(27,440)**	(28,179)	**(280,000)**
	¥ 544,680	¥ 447,336	**$ 5,557,959**

The accumulated benefit obligation at March 31, 2009 and 2008 are as follows:

March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Accumulated benefit obligation	**¥1,299,807**	¥ 1,377,086	**$ 13,263,337**

The components of the net periodic pension and severance cost for the years ended March 31, 2009 and 2008 are as follows:

Year ended March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Service cost	**¥ 52,574**	¥ 53,038	**$ 536,469**
Interest cost on projected benefit obligation	**39,697**	38,190	**405,072**
Expected return on plan assets	**(31,708)**	(34,323)	**(323,551)**
Amortization of prior service cost	**(2,210)**	(2,803)	**(22,551)**
Recognized actuarial loss	**21,884**	16,089	**223,306**
Net periodic pension and severance cost	**¥ 80,237**	¥ 70,191	**$ 818,745**

Other changes in plan assets and benefit obligation recognized in the other comprehensive loss for the years ended March 31, 2009 and 2008 are as follows:

Year ended March 31	Millions of yen 2009	2008	Thousands of U.S. dollars 2009
Current year actuarial loss	**¥ 119,397**	¥ 118,204	**$ 1,218,337**
Recognized actuarial loss	**(21,884)**	(16,089)	**(223,306)**
Prior service cost due to plan amendments	**(1,694)**	9,760	**(17,286)**
Amortization of prior service cost	**2,210**	2,803	**22,551**
	¥ 98,029	¥ 114,678	**$ 1,000,296**

The estimated prior service cost and actuarial loss that will be amortized from accumulated other comprehensive loss into net periodic pension and severance cost over the next year are summarized as follows:

Year ending March 31	Millions of yen 2010	Thousands of U.S. dollars 2010
Prior service cost	¥ (2,312)	$ (23,592)
Actuarial loss	32,635	333,010

The Company expects to contribute ¥58,705 million ($599,031 thousand) to its defined benefit plans in the year ending March 31, 2010.
The following benefit payments are expected to be paid:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 80,934	$ 825,857
2011	82,282	839,612
2012	87,708	894,980
2013	86,902	886,755
2014	83,986	857,000
2015 - 2019	459,072	4,684,408

Weighted-average assumptions used to determine benefit obligations as of March 31, 2009 and 2008 and net periodic pension and severance cost for the years then ended are as follows:

March 31	**2009**	2008
Discount rate	**3.3%**	2.8%
Rate of compensation increase	**3.1%**	3.0%

Year ended March 31	**2009**	2008
Discount rate	**2.8%**	2.5%
Expected long-term rate of return on plan assets	**3.9%**	3.9%
Rate of compensation increase	**3.0%**	3.0%

The Company determines the expected long-term rate of return in consideration of the target allocation of the plan assets, the current expectation of long-term returns on the assets and actual returns on plan assets.

The Company's pension and severance plan asset allocations at March 31, 2009 and 2008, by asset category are as follows:

March 31	**2009**	2008
Asset category :		
Equity securities	**46%**	50%
Debt securities	**32%**	31%
Life insurance company general accounts	**1%**	2%
Other	**21%**	17%
Total	**100%**	100%

The other category includes hedge funds and real estate.

The Company's investment policies and strategies are to assure adequate plan assets to provide for future payments of pension and severance benefits to participants, with reasonable risks. The Company designs the basic target allocation of the plan assets to mirror the best portfolio based on estimation of mid-term and long-term return on the investments. The Company periodically reviews the actual return on the investments and adjusts the portfolio to achieve the assumed long-term rate of return on the investments. The Company targets its investments in equity securities at 40 percent or more of total investments, and investments in equity and debt securities at 75 percent or more of total investments.

Certain of the Company's subsidiaries provide certain health care and life insurance benefits to retired employees. Such benefits have no material impact on the consolidated financial statements of the Company.

14. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred and amounted to ¥378,261 million ($3,859,806 thousand) and ¥393,293 million for the years ended March 31, 2009 and 2008, respectively.

15. ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising costs amounted to ¥46,632 million ($475,837 thousand) and ¥53,201 million for the years ended March 31, 2009 and 2008, respectively.

16. OTHER INCOME AND OTHER EXPENSE

FOREIGN EXCHANGE LOSSES

For the years ended March 31, 2009 and 2008, the net foreign exchange losses were ¥38,128 million ($389,061 thousand) and ¥16,861 million, respectively.

GAINS ON SALES OF SECURITIES

The gains on sales of securities for the years ended March 31, 2009 and 2008 were ¥76,436 million ($779,959 thousand) and ¥33,953 million, respectively. For the year ended March 31, 2009, the gains on sales of securities were related mainly to Toshiba building Co., Ltd. (NREG Toshiba building Co., Ltd.). For the year ended March 31, 2008, the gains on sales of securities were related mainly to Toshiba-EMI Limited and Toshiba Machine Co., Ltd..

GAINS AND LOSSES ON SALES OR DISPOSAL OF FIXED ASSETS

For the years ended March 31, 2009 and 2008, the sale and disposal of fixed assets resulted in net gains of ¥7,307 million ($74,561 thousand) and ¥132,725 million, respectively. Gains on sales of fixed assets were ¥22,685 million ($231,480 thousand), and losses on disposal of fixed assets were ¥15,378 million ($156,918 thousand) for the year ended March 31, 2009. Gains on sales of fixed assets were ¥144,716 million, and losses on disposal of fixed assets were ¥11,991 million for the year ended March 31, 2008. The gains on sales of fixed assets were related mainly to the Ginza Toshiba Building and the land sale.

WITHDRAWAL FROM HD DVD BUSINESS

In response to the major changes observed in the business environment during the year ended March 31, 2008, the Company decided to withdraw from the HD DVD business after conducting an overall assessment of the future business strategy. The Company will continue market conventional DVD players and recorders, and accordingly there was no separate financial reporting for the HD DVD business.

The Company anticipates that substantially all of the liabilities associated with the withdrawal from HD DVD business were paid during the year ended March 31, 2008.

The costs associated with the withdrawal from HD DVD business for the year ended March 31, 2008 were ¥48,328 million.

CHANGE IN THE METHOD OF DEPRECIATION

Effective April 1, 2007, Toshiba Corporation and its domestic subsidiaries changed the method of calculating depreciation of machinery, equipment and other fixed assets, from the fixed-percentage-on declining base application to the 250% declining-balance method with estimated residual value reduced to a nominal value. For the year ended March 31, 2008, depreciation expense increased ¥76,519 million, of which ¥46,648 million is included in other expense.

17. IMPAIRMENT OF LONG-LIVED ASSETS

The amount of impairment charges, except for Mobile Broadcasting Business, was not significant for the year ended March 31, 2009.

The Company recorded impairment charges of ¥16,959 million related primarily to the HD DVD business, which are included mainly under other expense in the accompanying consolidated statements of income, for the year ended March 31, 2008.

18. INCOME TAXES

The Company is subject to a number of different income taxes which, in the aggregate, result in an effective statutory tax rate in Japan of approximately 40.7 percent for the years ended March 31, 2009 and 2008.

A reconciliation between the reported income tax expense and the amount computed by multiplying the income (loss) from continuing operations, before income taxes and minority interest by the applicable statutory tax rate is as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Expected income tax expense (benefit)	**¥(113,656)**	¥107,875	**$(1,159,755)**
Increase (decrease) in taxes resulting from:			
Tax credits	**(3,590)**	(15,209)	**(36,633)**
Non-deductible expenses for tax purposes	**2,255**	3,274	**23,010**
Dividends	**19,985**	8,877	**203,928**
Net changes in valuation allowance	**159,965**	15,212	**1,632,296**
Effect of income tax rate change	**3,023**	(2,376)	**30,847**
Net decrease in deferred tax liabilities due to the enacted change in tax law	**(12,819)**	—	**(130,806)**
Other	**(840)**	(4,278)	**(8,571)**
Income tax expense	**¥ 54,323**	¥113,375	**$ 554,316**

The significant components of deferred tax assets and deferred tax liabilities as of March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Gross deferred tax assets:			
Inventories	**¥ 21,845**	¥ 33,104	**$ 222,908**
Accrued pension and severance costs	**114,158**	106,125	**1,164,878**
Tax loss carryforwards	**247,304**	108,324	**2,523,510**
Pension liability adjustment	**210,906**	183,240	**2,152,102**
Accrued expenses	**130,779**	122,014	**1,334,480**
Depreciation and amortization	**65,115**	62,807	**664,439**
Other	**111,487**	96,251	**1,137,622**
	901,594	711,865	**9,199,939**
Valuation allowance for deferred tax assets	**(275,427)**	(113,869)	**(2,810,480)**
Deferred tax assets	**¥ 626,167**	¥597,996	**$ 6,389,459**

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Gross deferred tax liabilities:			
Inventories	**¥ (6,702)**	¥ (22,793)	**$ (68,388)**
Property, plant and equipment	**(24,204)**	(38,175)	**(246,980)**
Unrealized gains on securities	**(17,808)**	(36,827)	**(181,714)**
Gain on securities contributed to employee retirement benefit trusts	**(17,381)**	(17,381)	**(177,357)**
Undistributed earnings of foreign subsidiaries and affiliates	**(44,524)**	(61,688)	**(454,326)**
Goodwill and other intangible assets	**(69,903)**	(53,325)	**(713,296)**
Other	**(12,069)**	(14,240)	**(123,153)**
Deferred tax liabilities	**(192,591)**	(244,429)	**(1,965,214)**
Net deferred tax assets	**¥ 433,576**	¥353,567	**$ 4,424,245**

Deferred tax liabilities included in other current liabilities and other liabilities at March 31, 2009 and 2008 were ¥60,380 million ($616,122 thousand) and ¥80,721 million, respectively.

The net changes in the total valuation allowance for the years ended March 31, 2009 and 2008 were an increase of ¥161,558 million ($1,648,551 thousand) and an increase of ¥16,026 million, respectively.

The Company's tax loss carryforwards for each of the corporate and local taxes at March 31, 2009 amounted to ¥563,504 million ($5,750,041 thousand) and ¥612,669 million ($6,251,724 thousand), respectively, the majority of which will expire during the period from 2010 through 2016. The Company utilized tax loss carryforwards of ¥956 million ($9,755 thousand) and ¥1,521 million ($15,520 thousand) to reduce current corporate and local taxes, respectively, during the year ended March 31, 2009.

Realization of tax loss carryforwards and other deferred tax assets is dependent on the Company generating sufficient taxable income prior to their expiration or the Company exercising certain available tax strategies. Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets, less the valuation allowance, will be realized. The amount of such net deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

The revised Japanese corporate tax bill was enacted in March 2009 and is effective from April 1, 2009. This new legislation made the change in the tax treatment of dividends received from foreign subsidiaries that a certain percentage of such dividends are excluded from taxable income of Japanese parent companies. The effect of the change in deferred tax liabilities regarding undistributed earnings of foreign subsidiaries totaled ¥12,819 million ($130,806 thousand).

The Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement No. 109* ("FIN 48") effective April 1, 2007. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Balance at beginning of year	**¥ 5,103**	¥ 7,906	**$ 52,071**
Additions for tax positions of the current year	**378**	542	**3,857**
Additions for tax positions of prior years	**1,263**	—	**12,888**
Reductions for tax positions of prior years	**(389)**	(2,009)	**(3,969)**
Lapse of statute of limitations or closed audits	**(1,875)**	(313)	**(19,133)**
Foreign currency translation adjustments	**(120)**	(1,023)	**(1,224)**
Balance at end of year	**¥ 4,360**	¥ 5,103	**$ 44,490**

The total amounts of unrecognized tax benefits that would reduce the effective tax rate, if recognized, are ¥922 million ($9,408 thousand) and ¥1,148 million at March 31, 2009 and 2008, respectively.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income taxes in the consolidated statements of income. Both interest and penalties accrued as of March 31, 2009 and 2008, and interest and penalties included in income taxes for the years ended March 31, 2009 and 2008 are not material.

The Company believes its estimates and assumptions of unrecognized tax benefits are reasonable and based on each of the items of which the Company is aware at March 31, 2009, no significant changes to the unrecognized tax benefits are expected within the next twelve months.

The Company files income tax returns in Japan and various foreign tax jurisdictions. In Japan, the Company is no longer subject to regular income tax examinations by the tax authority for years before the fiscal year ended March 31, 2008 with few exceptions. In other major foreign tax jurisdictions, the Company is no longer subject to regular income tax examinations by tax authorities for years before the fiscal year ended March 31, 2006 with few exceptions.

19. SHAREHOLDERS' EQUITY

COMMON STOCK

The total number of authorized shares of the Company is 10,000,000,000.

The change in the total number of shares issued for the years ended March 31,2009 and 2008 are as follows:

	Shares	
Year ended March 31	**2009**	2008
Shares issued at beginning of year	**3,237,031,486**	3,219,027,165
Increase due to conversion of convertible bonds with stock acquisition rights	**570,540**	18,004,321
Shares at end of period	**3,237,602,026**	3,237,031,486

RETAINED EARNINGS

Retained earnings at March 31, 2009 and 2008 included a legal reserve of ¥22,429 million ($228,867 thousand) and ¥20,042 million, respectively. The Corporation Law of Japan provides that an amount equal to 10% of distributions from retained earnings paid by Toshiba Corporation and its Japanese subsidiaries be appropriated as a legal reserve. No further appropriations are required when the total amount of the additional paid-in capital and the legal reserve equals 25% of their respective stated capital. The Corporation Law of Japan also provides that additional paid-in capital and legal reserve are available for appropriations by the resolution of the stockholders.

The amount of retained earnings available for dividends is based on Toshiba Corporation's retained earnings determined in accordance with generally accepted accounting principles in Japan and the Corporation Law of Japan.

Retained earnings at March 31, 2009 included the Company's equity in undistributed earnings of affiliated companies accounted for by the equity method in the amount of ¥58,787 million ($599,867 thousand).

ACCUMULATED OTHER COMPREHENSIVE LOSS

An analysis of the changes in accumulated other comprehensive loss, net of tax, for the years ended March 31, 2009 and 2008 are shown below:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Net unrealized gains and losses on securities:			
Balance at beginning of year	**¥ 53,461**	¥ 80,801	**$ 545,520**
Current year change	**(31,822)**	(27,340)	**(324,714)**
Balance at end of year	**¥ 21,639**	¥ 53,461	**$ 220,806**
Foreign currency translation adjustments:			
Balance at beginning of year	**¥ (117,552)**	¥ (21,938)	**$ (1,199,510)**
Current year change	**(105,221)**	(95,614)	**(1,073,684)**
Balance at end of year	**¥ (222,773)**	¥ (117,552)	**$ (2,273,194)**
Pension liability adjustments:			
Balance at beginning of year	**¥ (256,839)**	¥ (190,118)	**$ (2,620,806)**
Current year change	**(57,739)**	(66,721)	**(589,173)**
Balance at end of year	**¥ (314,578)**	¥ (256,839)	**$ (3,209,979)**
Net unrealized gains and losses on derivative instruments:			
Balance at beginning of year	**¥ (1,284)**	¥ 27	**$ (13,102)**
Current year change	**(1,000)**	(1,311)	**(10,204)**
Balance at end of year	**¥ (2,284)**	¥ (1,284)	**$ (23,306)**
Total accumulated other comprehensive loss:			
Balance at beginning of year	**¥ (322,214)**	¥ (131,228)	**$ (3,287,898)**
Current year change	**(195,782)**	(190,986)	**(1,997,775)**
Balance at end of year	**¥ (517,996)**	¥ (322,214)	**$ (5,285,673)**

Tax effects allocated to each component of other comprehensive loss for the years ended March 31, 2009 and 2008 are shown below:

	Millions of yen		
	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
For the year ended March 31, 2009:			
Net unrealized gains and losses on securities:			
Unrealized holding losses arising during year	**¥ (96,887)**	**¥ 39,103**	**¥ (57,784)**
Less: reclassification adjustment for losses included in net loss	**43,881**	**(17,919)**	**25,962**
Foreign currency translation adjustments:			
Currency translation adjustments arising during year	**(107,197)**	**1,974**	**(105,223)**
Less: reclassification adjustment for losses included in net loss	**2**	**—**	**2**
Pension liability adjustments:			
Pension liability adjustments arising during year	**(117,018)**	**47,612**	**(69,406)**
Less: reclassification adjustment for losses included in net loss	**19,674**	**(8,007)**	**11,667**
Net unrealized gains and losses on derivative instruments:			
Unrealized gains arising during year	**4,270**	**(1,754)**	**2,516**
Less: reclassification adjustment for gains included in net loss	**(5,930)**	**2,414**	**(3,516)**
Other comprehensive loss	**¥(259,205)**	**¥ 63,423**	**¥(195,782)**
For the year ended March 31, 2008:			
Net unrealized gains and losses on securities:			
Unrealized holding losses arising during year	¥ (59,136)	¥ 24,076	¥ (35,060)
Less: reclassification adjustment for losses included in net income	13,018	(5,298)	7,720
Foreign currency translation adjustments:			
Currency translation adjustments arising during year	(100,966)	4,550	(96,416)
Less: reclassification adjustment for losses included in net income	802	—	802
Pension liability adjustments:			
Pension liability adjustments arising during year	(125,247)	50,647	(74,600)
Less: reclassification adjustment for losses included in net income	13,286	(5,407)	7,879
Net unrealized gains and losses on derivative instruments:			
Unrealized losses arising during year	(10,627)	4,330	(6,297)
Less: reclassification adjustment for losses included in net income	8,408	(3,422)	4,986
Other comprehensive loss	¥ (260,462)	¥ 69,476	¥ (190,986)

	Thousands of U.S. dollars		
	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
For the year ended March 31, 2009:			
Net unrealized gains and losses on securities:			
Unrealized holding losses arising during year	**$ (988,643)**	**$ 399,010**	**$ (589,633)**
Less: reclassification adjustment for losses included in net loss	**447,766**	**(182,847)**	**264,919**
Foreign currency translation adjustments:			
Currency translation adjustments arising during year	**(1,093,847)**	**20,143**	**(1,073,704)**
Less: reclassification adjustment for losses included in net loss	**20**	**—**	**20**
Pension liability adjustments:			
Pension liability adjustments arising during year	**(1,194,061)**	**485,837**	**(708,224)**
Less: reclassification adjustment for losses included in net loss	**200,755**	**(81,704)**	**119,051**
Net unrealized gains and losses on derivative instruments:			
Unrealized gains arising during year	**43,571**	**(17,898)**	**25,673**
Less: reclassification adjustment for gains included in net loss	**(60,510)**	**24,633**	**(35,877)**
Other comprehensive loss	**$ (2,644,949)**	**$ 647,174**	**$ (1,997,775)**

TAKEOVER DEFENSE MEASURE

The effective period of the plan for countermeasures to large-scale acquisitions of the shares in Toshiba Corporation (the "Company") (the "Former Plan") expires at the conclusion of the ordinary general meeting of shareholders in June 2009 (the "170th Shareholders Meeting"). Accordingly, the Company renews the plan for countermeasures to large-scale acquisitions of the shares in the Company (that plan after renewal, the "Plan") for a further three years by partially revising the Former Plan after the shareholders' approval has been obtained at the 170th Shareholders Meeting. For the renewal of the Plan, the Company has made the necessary revisions in accordance with changes based on practical experiences and discussions regarding takeover defense measures at the related parties including legal community. However, there is no significant change to the substantive content of the Former Plan.

Specifically, if an acquirer commences or plans to commence an acquisition or a tender offer that would result in the acquirer holding 20% or more of the shares issued by the Company, the Company will require the acquirer to provide the necessary information to its board of directors in advance. The Special Committee that solely consists of outside directors who are independent from the Company's management will, at its discretion, obtain advice from outside experts, evaluate and consider the details of the acquisition, disclose to the Company's shareholders the necessary information, evaluate, consider and disclose any alternative proposal presented by the Company's representative executive officers, and negotiate with the acquirer. If the acquirer does not comply with the procedures under the Plan, or the acquisition would damage the corporate value of the Company or the common interests of its shareholders, and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will implement countermeasures (allotment of stock acquisition rights with (a) an exercise condition whereby the acquirer etc. cannot exercise the rights (except where any exception event occurs) and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company's shares from persons other than the acquirer etc., by means of a gratis allotment of stock acquisition rights (shinkabu yoyakuken no mushou wariate)) and ensure the corporate value of the Company and the common interests of its shareholders.

20. NET EARNINGS (LOSS) PER SHARE

The following reconciliation table of the numerators and denominators sets forth the computation of basic and diluted net earnings (loss) per share for the years ended March 31, 2009 and 2008.

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Income (loss) from continuing operations available to common shareholders	**¥ (329,780)**	¥ 136,909	**$ (3,365,102)**
Loss from discontinued operations available to common shareholders	**(13,779)**	(9,496)	**(140,602)**
Net income (loss) available to common shareholders	**¥ (343,559)**	¥ 127,413	**$ (3,505,704)**

	Thousands of shares	
Year ended March 31	**2009**	2008
Weighted-average number of shares of common stock outstanding for the year	**3,235,763**	3,229,055
Incremental shares from assumed conversions of dilutive convertible debentures	**—**	253,398
Weighted-average number of shares of diluted common stock outstanding for the year	**3,235,763**	3,482,453

	Yen		U.S. dollars
Year ended March 31	**2009**	2008	**2009**
Earnings (loss) from continuing operations per share of common stock:			
—Basic	**¥ (101.92)**	¥ 42.40	**$ (1.04)**
—Diluted	**(101.92)**	39.31	**(1.04)**
Loss from discontinued operations per share of common stock:			
—Basic	**¥ (4.26)**	¥ (2.94)	**$ (0.04)**
—Diluted	**(4.26)**	(2.94)	**(0.04)**
Net earnings (loss) per share of common stock:			
—Basic	**¥ (106.18)**	¥ 39.46	**$ (1.08)**
—Diluted	**(106.18)**	36.59	**(1.08)**

Due to their anti-dilutive effect, incremental shares from assumed conversions of dilutive convertible debentures are excluded from the calculation of loss per share for the year ended March, 2009 as well as calculation of diluted net loss per share from discontinued operations for the year ended March 31, 2008.

Net earnings (loss) per share amounts are computed independently for net earnings (loss) from continuing operations, net loss from discontinued operations and net earnings (loss). Consequently, the sum of diluted per share amounts from continuing operations and discontinued operations for the year ended March 31, 2008 may not equal the total per share amounts for net earnings (loss).

21. FINANCIAL INSTRUMENTS

(1) DERIVATIVE FINANCIAL INSTRUMENTS

The Company operates internationally, giving rise to exposure to market risks from fluctuations in foreign currency exchange and interest rates. In the normal course of its risk management efforts, the Company employs a variety of derivative financial instruments, which are consisted principally of forward exchange contracts, interest rate swap agreements, currency swap agreements, and currency options to reduce its exposures. The Company has policies and procedures for risk management and the approval, reporting and monitoring of derivative financial instruments. The Company's policies prohibit holding or issuing derivative financial instruments for trading purposes.

The Company is exposed to credit-related losses in the event of nonperformance by counterparties to derivative financial instruments, but the Company does not anticipate any credit-related loss from nonperformance by the counterparties because the counterparties are financial institutions of high credit standing and contracts are diversified across a number of major financial institutions.

The Company has entered into forward exchange contracts with financial institutions as hedges against fluctuations in foreign currency exchange rates on monetary assets and liabilities denominated in foreign currencies. The forward exchange contracts related to accounts receivable and payable, and commitments on future trade transactions denominated in foreign currencies, mature primarily within a few years of the balance sheet date.

Interest rate swap agreements, currency swap agreements and currency options are used to limit the Company's exposure to losses in relation to underlying debt instruments and accounts receivable and payable denominated in foreign currencies resulting from adverse fluctuations in foreign currency exchange and interest rates. These agreements mature during the period 2009 to 2015.

Forward exchange contracts, interest rate swap agreements, currency swap agreements and currency options are designated as either fair value hedges or cash flow hedges, except for some contracts, depending on accounts receivable and payable denominated in foreign currencies or commitments on future trade transactions and the interest rate characteristics of the underlying debt as discussed below.

Fair Value Hedge Strategy

The forward exchange contracts and currency swap agreements utilized by the Company effectively reduce fluctuation in fair value of accounts receivable and payable denominated in foreign currencies.

The interest rate swap agreements utilized by the Company effectively convert a portion of its fixed-rate debt to a floating-rate basis.

The gain or loss on the derivative financial instruments designated as fair value hedges is offset by the loss or gain on the hedged items in the same location of the consolidated statements of income.

Cash Flow Hedge Strategy

The forward exchange contracts and currency options utilized by the Company effectively reduce fluctuation in cash flow from commitments on future trade transactions denominated in foreign currencies for the next 6 years.

The interest rate swap agreements utilized by the Company effectively convert a portion of its floating-rate debt to a fixed-rate basis for the next 7 years.

The Company expects to reclassify ¥697 million ($7,112 thousand) of net losses on derivative financial instruments from accumulated other comprehensive income (loss) to earnings during the next 12 months due to the collection of accounts receivable denominated in foreign currencies and the payments of accounts payable denominated in foreign currencies and variable interest associated with the floating-rate debts.

Derivatives Not Designated as Hedging Instruments Strategy

The Company has entered into certain forward exchange contracts and interest rate swap agreements to offset the earnings impact related to fluctuations in foreign currency exchange rates on monetary assets and liabilities denominated in foreign currencies and in interest rates on debt instruments. Although some of these contracts have not been designated as hedges as required in order to apply hedge accounting, the contracts are effective from an economic perspective. The changes in the fair value of those contracts are recorded in earnings immediately.

Toshiba Corporation and Subsidiaries
March 31, 2009

The Company's forward exchange contract amounts, the aggregate notional principal amounts of interest rate swap agreements, currency swap agreements, and currency options outstanding at March 31, 2009 and 2008 are summarized below:

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Forward exchange contracts:			
To sell foreign currencies	**¥196,828**	¥329,575	**$2,008,449**
To buy foreign currencies	**162,506**	330,063	**1,658,224**
Interest rate swap agreements	**270,300**	241,550	**2,758,163**
Currency swap agreements	**86,021**	133,136	**877,765**
Currency options	**—**	8,817	**—**

(2) FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of the Company's financial instruments and the location in the consolidated balance sheets at March 31, 2009 are summarized as follows:

		Millions of yen		Thousands of U.S. dollars	
		2009		**2009**	
March 31	Location	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Nonderivatives:					
Liabilities:					
Long-term debt, including current portion		**¥(1,005,847)**	**¥ (996,085)**	**$(10,263,745)**	**$(10,164,133)**
Derivatives designated as hedging instruments:					
Assets:					
Forward exchange contracts	Prepaid expenses and other current assets	**734**	**734**	**7,490**	**7,490**
Interest rate swap agreements	Prepaid expenses and other current assets	**73**	**73**	**745**	**745**
Currency Swap agreements	Prepaid expenses and other current assets	**207**	**207**	**2,112**	**2,112**
Liabilities:					
Forward exchange contracts	Other current liabilities	**(6,081)**	**(6,081)**	**(62,051)**	**(62,051)**
Interest rate swap agreements	Other liabilities	**(2,541)**	**(2,541)**	**(25,929)**	**(25,929)**
Derivatives not designated as hedging instruments:					
Assets:					
Interest rate swap agreements	Prepaid expenses and other current assets	**1**	**1**	**10**	**10**
Liabilities:					
Forward exchange contracts	Other current liabilities	**(4,325)**	**(4,325)**	**(44,133)**	**(44,133)**

The estimated fair values of the Company's financial instruments at March 31, 2008 are summarized as follows:

	Millions of yen	
	2008	
March 31	Carrying amount	Estimated fair value
Nonderivatives:		
Liabilities:		
Long-term debt, including current portion	¥ (954,486)	¥ (998,490)
Derivative financial instruments:		
Forward exchange contracts	(1,308)	(1,308)
Interest rate swap agreements	(2,063)	(2,063)
Currency swap agreements	2,275	2,275
Currency options	458	458

The above table excludes the financial instruments for which fair values approximate their carrying amounts and those related to leasing activities. The table also excludes marketable securities and other investments which are disclosed in Note 6.

In assessing the fair value of these financial instruments, the Company uses a variety of methods and assumptions, which are based on estimates of market conditions and risks existing at that time. For certain instruments, including cash and cash equivalents, notes and accounts receivable-trade, short-term borrowings, notes payable-trade, accounts payable-trade and accounts payable-other and accrued expenses, it is assumed that the carrying amount approximated fair value for the majority of these instruments because of their short maturities. Quoted market prices are used for a part of marketable securities and other investments. For long-term debt, fair value is estimated using market quotes, or where market quotes are not available, using estimated discounted future cash flows. Other techniques, such as estimated discounted value of future cash flows, and replacement cost, are used to determine fair value for the remaining financial instruments. These estimated fair values are not necessarily indicative of the amounts that could be realized in a current market exchange.

The effect of derivative instruments on the consolidated statements of income for the 3 months ended March 31, 2009 is as follows:

	Millions of yen				
	Amount of gain (loss) recognized in OCI	Amount of gain (loss) reclassified from accumulated OCI into income (loss)		Amount of gain (loss) recognized in income (loss) (Ineffective portion and amount excluded from effectiveness testing)	
	Amount recognized	Location	Amount recognized	Location	Amount recognized
Cash Flow Hedge:					
Forward exchange contracts	¥499	Other expense	¥(281)	Other expense	¥(64)
Interest rate swap agreements	394				

	Millions of yen	
	Amount of gain (loss) recognized in income (loss)	
	Location	Amount recognized
Derivatives not designated as hedging instruments:		
Forward exchange contracts	Other expense	¥(1,106)
Interest rate swap agreements	Other income	2

	Thousands of U.S. dollars				
	Amount of gain (loss) recognized in OCI	Amount of gain (loss) reclassified from accumulated OCI into income (loss)		Amount of gain (loss) recognized in income (loss) (Ineffective portion and amount excluded from effectiveness testing)	
	Amount recognized	Location	Amount recognized	Location	Amount recognized
Cash Flow Hedge:					
Forward exchange contracts	$5,092	Other expense	$(2,867)	Other expense	$(653)
Interest rate swap agreements	4,020				

	Thousands of U.S. dollars Amount of gain (loss) recognized in income (loss)	
	Location	Amount recognized
Derivatives not designated as hedging instruments:		
Forward exchange contracts	Other expense	$(11,286)
Interest rate swap agreements	Other income	20

22. LEASES

The Company leases manufacturing equipment, office and warehouse space, and certain other assets under operating leases. Rent expenses under such leases for the years ended March 31, 2009 and 2008 were ¥128,010 million ($1,306,224 thousand) and ¥91,130 million, respectively.

The Company also leases certain machinery and equipment which are accounted for as capital leases. As of March 31, 2009 and 2008, the costs under capital leases were approximately ¥78,100 million ($796,939 thousand) and ¥90,000 million, and the related accumulated amortization were approximately ¥21,200 million ($216,327 thousand) and ¥41,200 million, respectively.

As of March 31, 2009 and 2008, the costs under capital leases from TFC and Toshiba Medical Finance Co., Ltd., affiliates of the Company, were approximately ¥60,000 million ($612,245 thousand) and ¥81,200 million, and the related accumulated amortization were approximately ¥15,700 million ($160,204 thousand) and ¥38,800 million, respectively.

Minimum lease payments for the Company's capital and non-cancelable operating leases as of March 31, 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars	
Year ending March 31	Capital leases	Operating leases	Capital leases	Operating leases
2010	¥ 20,330	¥ 88,050	$ 207,449	$ 898,470
2011	14,230	84,261	145,204	859,806
2012	9,337	61,833	95,276	630,949
2013	5,179	44,572	52,847	454,816
2014	3,254	15,647	33,204	159,663
Thereafter	13,016	27,617	132,816	281,806
Total minimum lease payments	65,346	¥321,980	666,796	$3,285,510
Executory costs	(3,243)		(33,092)	
Amounts representing interest	(5,269)		(53,765)	
Present value of net minimum lease Payments	56,834		579,939	
Less—current portion	(18,367)		(187,419)	
	¥ 38,467		$ 392,520	

23. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments for the purchase of property, plant and equipment, and unconditional purchase obligation for license fee outstanding at March 31, 2009 totaled approximately ¥51,967 million ($530,276 thousand).

At March 31, 2009, contingent liabilities, other than guarantees disclosed in Note 24, approximated ¥12,937 million ($132,010 thousand) principally for recourse obligations related to notes receivable transferred and for performance undertaking.

24. GUARANTEES

GUARANTEES OF UNCONSOLIDATED AFFILIATES AND THIRD PARTY DEBT

The Company guarantees debt as well as certain financial obligations of unconsolidated affiliates and third parties to support the sale of the Company's products and services. Expiration dates vary from 2009 to 2017 or terminate on payment and/or cancellation of the obligation. A payment by the Company would be triggered by the failure of the guaranteed party to fulfill its obligation under the guarantee. The maximum potential payments under these guarantees were ¥130,837 million ($1,335,071 thousand) as of March 31, 2009.

GUARANTEES OF EMPLOYEES' HOUSING LOANS

The Company guarantees housing loans of its employees. The term of the guarantees is equal to the term of the related loans which range from 5 to 25 years. A payment would be triggered by failure of the guaranteed party to fulfill its obligation covered by the guarantee. The maximum potential payments under these guarantees were ¥11,914 million ($121,571 thousand) as of March 31, 2009. However, the Company expects that the majority of such payments would be reimbursed through the Company's insurance policy.

RESIDUAL VALUE GUARANTEES UNDER SALE AND LEASEBACK TRANSACTIONS

The Company has entered into several sale and leaseback transactions in which certain manufacturing equipment was sold and leased back. The Company may be required to make payments for residual value guarantees in connection with these transactions. The operating leases will expire on various dates through February 2014. The maximum potential payments by the Company for such residual value guarantees were ¥184,492 million ($1,882,571 thousand) at March 31, 2009.

GUARANTEES OF DEFAULTED NOTES AND ACCOUNTS RECEIVABLE

The Company has transferred trade notes receivable and trade accounts receivable under several securitization programs. Upon certain sales of trade notes and accounts receivable, the Company holds a repurchase obligation, which the Company is required to perform upon default of the trade notes and accounts receivable. The trade notes and accounts receivable generally mature within 3 months. The maximum potential payment for such repurchase obligation was ¥11,638 million ($118,755 thousand) as of March 31, 2009.

The carrying amounts of the liabilities for the Company's obligations under the guarantees described above at March 31, 2009 were not significant.

WARRANTY

Estimated warranty costs are accrued for at the time the product is sold to a customer. Estimates for warranty costs are made based primarily on historical warranty claim experience. The following is a reconciliation of the product warranty accrual:

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Balance at beginning of year	**¥ 43,578**	¥ 38,814	**$ 444,673**
Warranties issued	**35,827**	48,316	**365,582**
Settlements made	**(37,512)**	(39,578)	**(382,775)**
Foreign currency translation adjustments	**(3,056)**	(3,974)	**(31,184)**
Balance at end of year	**¥ 38,837**	¥ 43,578	**$ 396,296**

25. LEGAL PROCEEDINGS

In January 2007, the European Commission adopted a decision imposing fines on 19 companies, including Toshiba Corporation, for violating EU competition laws in the gas insulated switchgear market. Toshiba Corporation was individually fined €86.25 million and was also fined €4.65 million jointly and severally with Mitsubishi Electric Corporation. Following its own investigation, Toshiba Corporation contends that it has not found any infringement of EU competition laws, and it is bringing an action to the European Court of First Instance seeking annulment of the European Commission's decision.

The Company undertakes global business operations and is involved from time to time in disputes, including lawsuits and other legal proceedings and investigations by relevant authorities. There is a possibility that such case may arise in the future. Due to differences in judicial systems and the uncertainties inherent in such proceedings, the Company may be subject to a ruling requiring payment of amounts far exceeding its expectations. Any judgement or decision unfavorable to the Company could have a materially adverse effect on the Company's business, results of operations or financial condition.

The Company's Management believes that there are meritorious defenses to all of these legal procedures, including lawsuits and investigations. Based on the information currently available to both the Company and its legal counsel, Management believes that such legal procedures, if any, would not have a material adverse effect on the financial position or the results of operations of the Company.

26. ENVIRONMENTAL LIABILITIES

The Japanese environmental regulation, "Law Concerning Special Measure against poly chlorinated biphenyl ("PCB") waste" requires PCB waste holders dispose of all PCB waste by July 2016. The Company accrued ¥10,426 million ($106,388 thousand) and ¥10,643 million at March 31, 2009 and 2008, respectively, for environmental remediation and restoration costs for products or equipment with PCB which some Toshiba operations in Japan have retained. The costs recorded during the year are included as cost of sales in the accompanying consolidated statements of income.

The accrual will be adjusted as assessment and remediation efforts progress or as additional technical or legal information available. Management is of opinion that the ultimate costs in excess of the amount accrued, if any, would not have a material adverse effect on the financial position or the results of operations of the Company.

27. ASSET RETIREMENT OBLIGATIONS

The Company records asset retirement obligations in accordance with SFAS No. 143, *Accounting for Asset Retirement Obligations* ("SFAS 143"), and FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations, an Interpretation of SFAS 143* ("FIN 47").

Asset retirement obligation was related primarily to the decommissioning of nuclear power facilities. These obligations address the decommissioning, clean up and release for acceptable alternate use of such facilities. The Company identified certain assets that have an indeterminate life, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these asset retirement obligations will be recorded when a fair value is reasonably estimable.

The changes in the carrying amount of asset retirement obligations for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
March 31	**2009**	2008	**2009**
Balance at beginning of year	**¥ 28,555**	¥ 17,149	**$ 291,378**
Accretion expense	**1,176**	1,044	**12,000**
Liabilities settled	**(1,391)**	(1,422)	**(14,194)**
Liabilities incurred	**9**	15,412	**92**
Foreign currency translation adjustments	**(2,891)**	(3,628)	**(29,500)**
Balance at end of year	**¥ 25,458**	¥ 28,555	**$ 259,776**

28. SUBSEQUENT EVENT

(1) ISSUANCE OF NEW SHARES AND SECONDARY OFFERING OF SHARES

Pursuant to resolutions adopted at a meeting of the Board of Directors of Toshiba Corporation ("Toshiba") held on May 8, 2009, Toshiba completed an issuance of new shares and a secondary offering of shares to raise the funds for capital expenditure. The outline of the issuance of new shares and the secondary offering of shares is as follows:

1. Issuance of New Shares by Way of Public Offering (Public Offering)

(1) Class and Number of Shares Offered	897,000,000 shares of common stock of Toshiba
(2) Offer Price	333 yen per share
(3) Total Amount of Offer Price	298,701,000,000 yen
(4) Issue Price	319.24 yen per share
(5) Total Amount of Issue Price	286,358,280,000 yen

(6)	Amount by which Stated Capital and Additional Paid-in Capital has been Increased	The amount by which stated capital has been increased: 143,179,140,000 yen The amount by which additional paid-in capital has been increased: 143,179,140,000 yen
(7)	Method of Offering	Public offering
(8)	Payment Date	June 3, 2009

2. Secondary Offering of Shares (Secondary Offering for Over-Allotment)

(1)	Class and Number of Shares Sold	103,000,000 shares of common stock of Toshiba.
(2)	Seller	Nomura Securities Co., Ltd.
(3)	Selling Price	333 yen per share
(4)	Total Amount of Selling Price	34,299,000,000 yen
(5)	Method of Secondary Offering	Nomura Securities Co., Ltd. made a secondary offering of 103,000,000 shares that it borrows from certain shareholders of Toshiba.
(6)	Delivery Date	June 4, 2009

3. Issuance of New Shares by Way of Third-Party Allotment

(1)	Class and Number of Shares Offered	103,000,000 shares of common stock of Toshiba.
(2)	Issue Price	319.24 yen per share
(3)	Total Amount of Issue Price	32,881,720,000 yen
(4)	Amount by which Stated Capital and Additional Paid-in Capital has been Increased	The amount by which stated capital has been increased: 16,440,860,000 yen The amount by which additional paid-in capital has been increased: 16,440,860,000 yen
(5)	Allottee	Nomura Securities Co., Ltd.
(6)	Payment Date	June 23, 2009

(2) ISSUANCE OF UNSECURED, INTEREST DEFERRABLE AND EARLY REDEEMABLE SUBORDINATED BONDS SOLELY FOR QUALIFIED INSTITUTIONAL INVESTORS *(TEKIKAKU KIKAN TOSHIKA GENTEI)*

Pursuant to resolutions adopted at a meeting of the Board of Directors of Toshiba held on May 8, 2009, Toshiba issued unsecured, interest deferrable and early redeemable subordinated bonds solely for qualified institutional investors (*tekikaku kikan toshika gentei*) (the "Bonds") on June 10, 2009 to raise the funds for the repayment of interest-bearing debt. The outline of the issuance of the Bonds is as follows:

(1)	Issuer	Toshiba Corporation
(2)	Name	Toshiba Corporation The 1st Series Unsecured, Interest Deferrable and Early Redeemable Subordinated Bonds Solely For Qualified Institutional Investors (*Tekikaku Kikan Toshika Gentei*)
(3)	Aggregate Amount of the Bonds	180,000,000,000 yen
(4)	Issue Price	100 yen per 100 yen of the principal amount of each Bond
(5)	Date of Payment	June 10, 2009
(6)	Redemption Price	100 yen per 100 yen of the principal amount of each Bond
(7)	Redemption Date	June 25, 2069 (approximately 60 years after the Date of Payment); provided, however, that on each interest payment date on and after June 25, 2014, Toshiba may, at its option, redeem all, but not some only, of the principal of the Bonds.
(8)	Rate of Interest	Interest Rate with respect to any Interest Payment Date falling on and before June 25, 2014: 7.5% per annum (fixed rate) Interest Rate with respect to any Interest Payment Date falling on and after December 25, 2014: Interest rate obtained by adding 7.5041% to the Six-Month Yen LIBOR (floating rate)

(9) Interest Payment Date	December 25, 2009 as the first interest payment date and thereafter semi-annually on June 25 and December 25 of each year (provided, however, that if an interest payment date falls on a bank holiday, the payment date shall be brought forward to the immediately preceding bank business day)
(10) Interest Deferral Clause	Optional suspension of interest payment Toshiba may, at its option, defer the payment of all or part of the interest on each Bond that would have been payable.
(11) Replacement Restrictions	It is Toshiba's intention not to redeem (excluding the redemption on the Maturity Date) nor repurchase the Bonds, except to the extent that Toshiba has raised funds through issuance or otherwise of common stock of Toshiba or any securities or debt which have been approved by the rating agents as having equity credit equal to or higher than that of the Bonds within the period of 6 months preceding (and including) the date of redemption or repurchase of the Bonds.
(12) Subordination Clause	In liquidation proceedings, bankruptcy proceedings, corporate reorganization proceedings or civil rehabilitation proceedings of Toshiba or any proceedings that are equivalent thereto in accordance with laws other than Japanese law, the bondholders of the Bonds shall have the claim against Toshiba subordinated to senior debt and only to the extent that the Bonds are treated as substantially *pari passu* with preferred stock of Toshiba ranking most senior in respect to the right to receive dividends from surplus.
(13) Equity Credit given to the Bonds by the Rating Agencies	Class 3 : equity credit of 50% (Rating and Investment Information, Inc.) Basket C : equity credit of 50% (Moody's Investors Service, Inc.)
(14) Method of Issuance	Private placement in Japan solely for qualified institutional investors (*tekikaku kikan toshika gentei*)

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Report of Independent Auditors

The Board of Directors and Shareholders of
Toshiba Corporation

We have audited the accompanying consolidated balance sheets of Toshiba Corporation and subsidiaries (the "Company") as of March 31, 2009 and 2008, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated 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 the United States. 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.

The Company's consolidated financial statements do not disclose segment information required by Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information." In our opinion, disclosure of segment information is required by U.S. generally accepted accounting principles.

In our opinion, except for the omission of segment information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Toshiba Corporation and subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

We also have reviewed the translation of the consolidated financial statements mentioned above into United States dollars on the basis described in Note 3. In our opinion, such statements have been translated on such basis.

June 24, 2009

Ernst & Young ShinNihon LLC

TOSHIBA CORPORATION

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