TOSHIBA
Leading Innovation

2013 Annual Report

Year ended March 31,2013

Financial Review

REASON FOR THE SUBMISSION OF AMENDMENT REPORT ON ANNUAL SECURITIES REPORT

Because the full text was amended, the text is not underlined.

(1) Background

On February 12, 2015, Toshiba Corporation (the "Company") received a report order from the Securities and Exchange Surveillance Commission pursuant to Article 26 of the Financial Instruments and Exchange Act and was subject to a disclosure inspection with respect to some projects in which the percentage-of-completion of accounting method was used, among others. Following that, in the course of a self-investigation by the Company to deal with the issues identified relating to those projects in the disclosure inspection, it was noted that some matters require investigation in respect of accounting treatments for some infrastructure projects of the Company in which the percentage-of-completion method was used during the fiscal year ended March 31, 2014. Based on this situation, it was decided that the Special Investigation Committee consisting of the Company's internal committee members as well as external attorneys-at-law and certified public accountants would be established as of April 3, 2015, and the Company would of its own accord implement an investigation of the relevant facts. Then the Special Investigation Committee found that, the total amount of the contract cost was underestimated and Contract Losses (including provisions for contract losses) were not recorded in a timely manner, and also, issues requiring further investigation were identified.

Consequently, the Company decided to shift to the framework of investigation to an Independent Investigation Committee comprising independent and impartial external experts who did not have any interests in the Company as of May 8, 2015. The scope of the investigation delegated to the Independent Investigation Committee covers four matters: (1) accounting treatments in relation to projects in which the percentage-of-completion method was used; (2) accounting treatments in relation to recording of operating expenses in the Visual Products Business; (3) accounting treatments in relation to the valuation of inventory in the Semiconductor Business, mainly discrete and system LSIs; and (4) accounting treatments in relation to parts transactions, etc. in the PC Business. The Company received an investigation report from the Independent Investigation Committee on July 20, 2015.

In parallel with such efforts, the Company and all its consolidated subsidiaries as of March 31, 2015 underwent self-checks with respect to whether or not there was any issue that was not compliant with the accounting standards, internal regulations and other rules or any other inappropriate accounting treatment, and whether or not the Company and its consolidated subsidiaries were aware of any such issue or inappropriate accounting treatment, etc. including minor matters at each quarter-end in the period between the fiscal year ended March 31, 2010 and the fiscal year ended March 31, 2015 and during the period between April 1, 2015 and May 31, 2015.

The Company resolved at a meeting of the Board of Directors on September 7, 2015, to amend the annual securities reports for fiscal years from the fiscal year ended March 31, 2010 to the fiscal year ended March 31, 2014 and quarterly securities reports for quarters in the period from the fiscal year ended March 31, 2011 to the fiscal year ended March 31, 2015, to reflect the correction of the events identified in the investigation report of the Independent Investigation Committee stated above and the internal self-checks and the correction of other issues that had not been corrected due to a materiality viewpoint.

In line with the amendment, data in the consolidated financial statements were also reclassified for disclosure in connection with discontinued operations. The overview of the corrections is stated below.

(2) Overview

Restatement for the accounting treatment under the percentage-of-completion method

As the result of the above investigations, it was found that in certain infrastructure projects in which the percentage-of-completion of accounting method was used, there were cases where the estimated total cost was not calculated based on the latest information on incurred expenses, where provisions for contract losses were not recorded at the time when generation of losses became evident, and where the estimated total cost was calculated in anticipation of cost reductions which remained unsubstantiated. The accounting treatments for these projects were corrected.

Restatement for the accounting treatment in relation to recording operating expenses in the Visual Products Business

As the result of the above investigations, it was found that in the Visual Products Business, there were cases where some expenses were not recorded as expenses using the accrual-based method, where profits that should not be realized were recognized by making use of transactions between consolidated group companies, and where discounts in the purchase prices were recognized, for example by reflecting adjustment or increase of the procurement prices for the following periods, even if cost was not actually reduced. The accounting treatments for these cases were corrected.

Restatement for the accounting treatment in the parts transactions in the PC Business

As the result of the above investigations, it was found that in the PC Business, there were cases where inappropriate profits were recognized in each fiscal period for parts transactions with manufacturing subcontractors, as well as cases where some expenses were not recorded as expenses using the accrual-based method and where profits that should not be realized were recognized by making use of transactions between consolidated group companies. The accounting treatments for these transactions were corrected.

Restatement for the accounting treatment in relation to valuation of inventory in the Semiconductor Business

As the result of the above investigations, it was found that in the Semiconductor Business, there were cases where valuation losses for work-in-progress inventories, and others were not recognized until the time of actual disposal of the inventories, and where the book values of term-end intermediate products and term-end completed products were overstated due to the lack of consistency between the front-end and back-end for revision of the standard cost in the standard cost accounting, and consequently cost of goods sold was understated. The accounting treatments for these cases were corrected.

Restatement for the account treatment for events identified in self-check and others

The Company corrected the account treatments for events identified in the above self-check and other matters that had not been corrected from the standpoint of materiality.

Additional recognition of impairment losses and resulting adjustment to depreciation

Incidental with the adjustment of the above correction of accounting treatments, the Company recognized impairment losses on fixed assets and made a correction of the recognition timing thereof and the resulting adjustment to depreciation for the Visual Products Business, PC Business, discrete and system LSIs businesses of the Semiconductor Business.

Adjustments to income taxes

Due to a change in temporary differences resulting from the above correction of accounting treatments for prior years, the Company made adjustments to deferred tax assets and liabilities and reviewed valuation allowances.

Due to these corrections to financial results, the Company needed to make amendments to part of the annual securities report for the 174th Fiscal Period from April 1, 2012 to March 31, 2013, which was submitted as of June 25, 2013, and there were also matters to be corrected in part of other information described therein. Therefore, the Company has submitted the amendment report on the annual securities report pursuant to the provision of Article 24-2, paragraph 1 of the Financial Instruments and Exchange Act.

The amended consolidated financial statements were audited by Ernst & Young ShinNihon LLC, and the audit report of the independent auditors has been attached hereto.

The information provided is about the status as of the submission date of the original annual securities report in June 25, 2013 before correction for restatements in September 7, 2015.

FIVE-YEAR SUMMARY

Toshiba Corporation and Subsidiaries
Years ended March 31

	Millions of yen, except per share amounts				
	2013	2012	2011	2010	2009
Net sales	**¥ 5,722,248**	¥ 5,996,414	¥ 6,263,990	¥ 6,137,689	¥ 6,373,020
Cost of sales	**4,413,476**	4,628,451	4,771,797	4,760,217	5,185,997
Selling, general and administrative expenses	**1,216,719**	1,253,061	1,247,661	1,305,684	1,496,214
Operating income (loss) (Note 1)	**92,053**	114,902	244,532	71,788	(309,191)
Income (loss) from continuing operations, before income taxes and noncontrolling interests	**74,926**	61,427	201,785	(14,342)	(336,059)
Income taxes	**38,356**	48,440	27,944	24,789	41,401
Net income (loss) attributable to shareholders of the Company	**13,425**	3,194	158,326	(53,943)	(398,878)
Per share of common stock:					
Earnings (loss) attributable to shareholders of the Company (Note 2)					
–Basic	**¥ 3.17**	¥ 0.75	¥ 37.38	¥ (13.47)	¥ (123.27)
–Diluted	**3.17**	0.74	35.90	(13.47)	(123.27)
Cash dividends	**8.00**	8.00	5.00	–	5.00
Total assets	**¥ 6,021,603**	¥ 5,673,064	¥ 5,351,343	¥ 5,463,714	¥ 5,435,282
Equity attributable to shareholders of the Company	**824,584**	718,664	793,860	705,930	385,170
Capital expenditures (Property, plant and equipment)	**237,280**	298,104	229,913	209,287	354,199
Depreciation (Property, plant and equipment)	**153,799**	198,907	209,239	246,218	306,680
R&D expenditures	**300,028**	319,418	318,803	310,651	355,980
Number of employees	**206,000**	210,000	203,000	204,000	199,000

Notes: 1) Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses from net sales, and reported as a measurement of segment profit or loss. This result is regularly reviewed to support decision-making in allocation of resources and to assess performance. Certain operating expenses such as restructuring charges and gains (losses) from the sale or disposition of fixed assets are not included in it.

2) Basic earnings (loss) per share attributable to shareholders of the Company (EPS) are 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.

3) Following the acquisition of Landis+Gyr AG in July 2011, the Company completed the allocation of the cost of the acquisition to assets and liabilities, according to Accounting Standards Codification ("ASC") No.805 "*Business Combinations*", in the current fiscal year. Results for the fiscal year ended March 31, 2012 has been revised to reflect this change.

4) The Mobile Phone business has been classified as discontinued operations since the end of the fiscal year ended March 2011, in accordance with ASC No.205-20 "Presentation of Financial Statements - Discontinued Operations". Prior-period data for the fiscal years ended from March 31, 2009 through 2010 has been reclassified to conform with the current classification.

5) Beginning with the fiscal year ended March 31, 2010, the Company adopted ASC No.810 "Consolidation". Prior-period data for the fiscal year ended March 31, 2009 has been reclassified to conform with the current classification.

6) Some prior-period data relating to the discontinued operations has been amended following corrections to the consolidated financial statements.

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SCOPE OF CONSOLIDATION

As of the end of March 2013, Toshiba Group ("the Group") comprised Toshiba Corporation ("the Company") and 590 consolidated subsidiaries and its principal operations were in the Digital Products, Electronic Devices, Social Infrastructure and Home Appliances business domains.

Of the consolidated subsidiaries, 131 were involved in Digital Products, 44 in Electronic Devices, 290 in Social Infrastructure, 56 in Home Appliances and 69 in Others.

The number of consolidated subsidiaries was 36 more than at the end of March 2012. 200 affiliates were accounted for by the equity method as of the end of March 2013.

RESULTS OF OPERATIONS

NET SALES AND INCOME (LOSS)

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

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

In these circumstances, the Group, aiming to become a world-leading diversified electric and electronics provider and looking ahead to changes in the business environment, promoted transformation of its business structure toward securing autonomous growth by creating future markets. The Group is promoting Total Energy Innovation and Total Storage Innovation to support realization of its Smart Community concept, strengthening its six focus businesses, and making steady progress in continuing to develop world first and world No.1 products and services. The Group also steadily advanced structural reforms, seeking to maximize synergies and rationalize operations by consolidating and optimizing domestic and overseas facilities, and improving cost structures by optimizing global production and procurement, in order to establish a business structure able to secure profit even at times of low growth.

The Group's consolidated net sales for the year ended March 31, 2013 were 5,722.2 billion yen ($60,875.0 million), a decrease of 274.2 billion yen against the previous year. Although the Social Infrastructure segment including the Power Systems and Social Infrastructure businesses, the Elevator and Building Systems business and the Medical Systems business saw higher sales, as did the Home Appliances segment, overall sales were lower, due to divestiture of the LCD business and lower sales in the Digital Products and Electronic Devices segments due to market downturns.

Consolidated operating income (loss) was 92.1 billion yen ($979.3 million), a decrease of 22.8 billion yen, mainly due to the divestiture of the LCD business, although the Electronic Devices segments recorded a significant increase in operating income.

Income (Loss) from continuing operations, before income taxes and noncontrolling interests increased by 13.5 billion yen to 74.9 billion yen ($797.1 million), a result that reflects improved currency exchange rates and the positive effect of asset reductions. Net income (loss) attributable to shareholders of the Company increased by 10.2 billion yen to 13.4 billion yen ($142.8 million).

KEY PERFORMANCE INDICATORS

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

Net sales and operating income are basic indicators to measure the business results of the Group. Operating income is regularly reviewed to support decision-making in allocations of resources and to assess performance. Operating income ratio (ratio of operating income to net sales) is also KPIs. To assess financial position of the Group, the Management emphasizes shareholders' equity ratio (ratio of equity attributable to shareholders of the Company to total assets) and debt-to-equity ratio. Investments including capital expenditure and investments & loans for M&A and R&D activity are indispensable for growth of the Group and accordingly total investments and R&D expenditure are KPIs. To measure efficiency of investments and business results, the Management uses ROI (return on investment) and ROE (return on equity), respectively.

Year ended March 31	Billions of yen 2013	2012
Net sales	**5,722.2**	5,996.4
Operating income (Note 1)	**92.1**	114.9
Operating income ratio (%)	**1.6**	1.9
Return on equity (ROE) (%) (Note 2)	**1.7**	0.4
Shareholders' equity ratio (%)	**13.7**	12.7
Debt/equity ratio (%)	**178**	172
Total investments (Note 3)	**419.8**	436.4
R&D expenditures	**300.0**	319.4
Return on investment (ROI) (%) (Note 4)	**3.7**	5.1

Notes: 1) Operating income is derived by deducting the cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges and gains (losses) from the sale or disposition of fixed assets are not included in it.
2) ROE is net income attributable to shareholders of the Company divided by equity attributable to shareholders of the Company.
3) Total investments including capital expenditure and investments and loans for M&A are on an ordering amount basis. The amount of investments for PPE includes the Group's portion in the investments made by Flash Forward, Ltd. etc., which are companies accounted for by the equity method.
4) ROI is operating income divided by total equity plus total debts.
5) Following the acquisition of Landis+Gyr AG in July 2011, the Company completed the allocation of the cost of the acquisition to assets and liabilities, according to ASC 805 "Business Combinations" in the current fiscal year. Results for the fiscal year ended March 31, 2012 has been revised to reflect this change.

The Group's consolidated net sales for the year ended March 31, 2013 were 5,722.2 billion yen ($60,875.0 million), a decrease of 274.2 billion yen against the previous year. Although the Social Infrastructure segment including the Power Systems and Social Infrastructure businesses, the Elevator and Building Systems business and the Medical Systems business saw higher sales, as did the Home Appliances segment, overall sales were lower, due to divestiture of the LCD business and lower sales in the Digital Products and Electronic Devices segments due to market downturns.

Consolidated operating income (loss) was 92.1 billion yen ($979.3 million), a decrease of 22.8 billion yen, mainly due to the divestiture of the LCD business, although the Electronic Devices segments recorded a significant increase in operating income.

This resulted in operating income ratio as 1.6%, same as the previous year, and a decreased ROE as 1.7%. Also ROI decreased by 1.4 points to 3.7%.

Shareholders' equity, or equity attributable to the shareholders of the Company, was 824.6 billion yen ($8,772.2 million), an increase of 105.9 billion yen from the end of March 2012. This reflects a rise in net income (loss) attributable to shareholders of the Company and a significant improvement in the accumulated other comprehensive income, due to the acceleration in yen depreciation and ensuing upturn in the stock market since the end of 2012.

Total interest-bearing debt increased by 235.8 billion yen since the end of March 2012 to 1,471.6 billion yen ($15,655.1 million). This reflected a rise of capital requirements to meet increased orders in the Social Infrastructure segment and for strategic investments for future growth.

As a result of the foregoing, the shareholders' equity ratio at the end of March 2013 was 13.7%, a 1.0-point increase from the end of March 2012, and the debt-to-equity ratio was 178%, a 6-point increase from the end of March 2012.

The Group strongly promotes capital expenditure and investments & loans. The Group sets "Shiftable funds", which enables the Company to make speedy and flexible decisions of investments in response to change of business environment, and executes strategic investments. In the year ended March 31, 2013, the Group strongly promoted strategic investments in new businesses for enhancement of global competitiveness and future growth. As a result, the Group invested 419.8 billion yen in total, including capital expenditure and investments & loans for M&A.

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 has decided to pay both an interim dividend and a year-end dividend. The Company paid 4.0 yen per share as the interim dividend and the year-end dividend has been set at 4.0 yen per share. As a result, the annual dividend for the year ended March 31, 2013 was 8.0 yen per share, same as the previous year.

The Company will carefully examine and decide on the dividend plan for the next term, the year ending March 31, 2014, in light of the Group's financial position, strategic investment plans and other factors. The Company will announce the dividend for the year ending March 31, 2014 as soon as it is determined.

RESULTS BY INDUSTRY SEGMENT

	Billions of yen			
	Net Sales		Operating Income (loss)	
Year ended March 31	–	Change (%)	–	Change
Digital Products	1,430.7	(14%)	(55.7)	(16.2)
Electronic Devices	1,255.7	(6%)	41.4	27.2
Social Infrastructure	2,567.8	+6%	115.2	0
Home Appliances	591.5	+3%	1.8	(0.3)
Others	310.7	(38%)	(11.8)	(33.0)
Eliminations	(434.2)	–	1.2	–
Total	5,722.2	(5%)	92.1	(22.8)

DIGITAL PRODUCTS

The Digital Products segment saw overall sales decrease by 232.8 billion yen to 1,430.7 billion yen ($15,219.7 million). The Retail Information Systems and the Office Equipment businesses reported higher sales due to the positive effects of the acquisition of IBM's Retail Store Solutions business. However, the Visual Products business, which includes LCD TVs, saw sales slide on a deepening decline in demand in Japan. The PC business also recorded a decrease on lower unit sales, due to eroding demand in the United States.

Overall segment operating income (loss) deteriorated by 16.2 billion yen to -55.7 billion yen ($-592.8 million). Although the Retail Information Systems and the Office Equipment businesses reported higher operating income on higher sales, the Visual Products business deteriorated due to a continuing decline in demand in Japan. The PC business also saw deteriorated lower sales.

The Digital Products segment is now undertaking structural reform, particularly in Visual Products business, in order to secure an enhanced operating structure and improved profitability.

ELECTRONIC DEVICES

The Electronic Devices segment saw overall sales decrease by 75.2 billion yen to 1,255.7 billion yen ($13,359.0 million). Although the Storage Products business secured comparable year-on-year sales, the Semiconductor business saw lower sales. In Memories, sales volume increased considerably in the second half, but lower overall sales for the full year period reflected price declines in the first half and the impact of production cutbacks due to an adjustment in production. Discretes and System LSIs also recorded lower sales on decline in demand.

Overall segment operating income increased by 27.2 billion yen to 41.4 billion yen ($440.6 million). As a result of price declines in the first half, Memories saw lower operating income. System LSIs saw a considerable improvement in operating income on a higher ratio of high value-added products. The Storage Products secured operating income.

SOCIAL INFRASTRUCTURE

The Social Infrastructure segment saw overall sales increase by 155.4 billion yen to 2,567.8 billion yen ($27,317.2 million). The Power Systems and Social Infrastructure businesses, most notably in energy-related areas, saw growth that reflected healthy performances in the Thermal & Hydro Power Systems business, along with good results in the overseas Nuclear Power Systems business and increased sales at Landis+Gyr AG. The Elevator and Building Systems business increased overseas sales and made acquisitions, while the Medical Systems business expanded sales in Japan and in emerging economies; both reported higher sales.

Overall segment operating income was the same as for the year-earlier period at 115.2 billion yen ($1,225.8 million). The domestic Nuclear Power Systems business saw lower Operating Income, although the Thermal & Hydro Power Systems business saw a healthy performance and the Transmission & Distribution Systems business and Landis+Gyr AG saw positive results. The Elevator and Building Systems and the Medical Systems businesses also recorded higher operating income on higher sales.

HOME APPLIANCES

The Home Appliances segment saw overall sales increase by 16.2 billion yen to 591.5 billion yen ($6,292.2 million). The Lighting business reported higher sales, primarily in LEDs, and the overseas Air-conditioning business and the White Goods business also recorded higher sales.

Overall segment operating income decreased by 0.3 billion yen to 1.8 billion yen ($18.5 million). The White Goods business saw sales decline due to factors that included currency exchange shifts, although the Lighting business saw a higher operating income on higher sales.

The Home Appliances segment consolidated its lighting business subsidiaries and carried out structural reforms, including reorganizations of its operating bases, in order to expand growing business and strengthen its earnings structure.

OTHERS

The Others segment saw sales decrease by 194.2 billion yen to 310.7 billion yen ($3,305.6 million) while its operating income deteriorated by 33.0 billion yen to -11.8 billion yen ($-125.3 million), reflecting the March 2012 transfer of all shares of Toshiba Mobile Display Co., Ltd. to Japan Display Inc.

Note:

The Group's Consolidated Financial Statements are based on U.S. generally accepted accounting principles (“GAAP”).

Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges and gains (losses) from sale or disposition of fixed assets are not included in it.

Mobile Broadcasting Corporation and the Mobile Phone business have been classified as discontinued operations in the consolidated accounts in accordance with ASC No. 205-20, “Presentation of Financial Statements – Discontinued Operations”. The performances of these businesses are excluded from consolidated net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. The Group's net income (loss) is calculated by reflecting these business results to income (loss) from continuing operations, before income taxes and noncontrolling interests.

Following the acquisition of Landis+Gyr AG in July 2011, the Company completed the allocation of the cost of the acquisition to assets and liabilities, according to ASC 805 “Business Combinations”, in the current fiscal year. Results for the year ended March 31, 2012 have been revised to reflect this change.

Prior-period data on consolidated segment information has been reclassified to conform with the current classification, mainly due to changes of the structure of the Group's organization in the year ended March 31, 2013.

RESEARCH AND DEVELOPMENT

With its Basic Management Policy, "Aiming to be an even stronger global contender", the Group has been aiming to become a world-leading diversified electric and electronics provider through promoting further evolution of innovation with deepened imagination. The Group accelerates expanding overseas business answering market needs through promoting Total Energy Innovation and Total Storage Innovation, in order to suggest innovative solutions using technologies that the Group has competitive advantage.

In addition, as an approach for creating innovations of new businesses, the Group will promote R&D with the projects of creating World's First, World No.1 Products and services, in order to create future of the world.

The Group's overall R&D expenditure reached 300.0 billion yen ($3,191.4 million) in the fiscal year ended March 31, 2013. Expenditures for each business segment were as follows:

	Billions of yen
Digital Products	50.2
Electronic Devices	126.1
Social Infrastructure	107.4
Home Appliances	14.6
Others	1.7

CAPITAL EXPENDITURES

CAPITAL EXPENDITURE OVERVIEW

(1) Overview

The Group strongly promotes capital expenditure and investments & loans to accelerate enhancement of its focus businesses and to establish new profit basis. The Group sets "Shiftable funds", which enables the Company to make speedy and flexible decisions of investments in response to change of business environment, and executes strategic investments.

In the year ended March 31, 2013, the Group strongly promoted strategic investments in new businesses for enhancement of global competitiveness and future growth. As a result, the Group increased total investments, including capital expenditure and investments & loans for M&A, from previous year to 419.8 billion yen. Among the total investments, in relation to capital investment, the Group carefully select projects in fields in which growth are expected, forecasting changes in the market while placing importance on efficiency of investment. As a result, capital expenditure on an ordering basis amounted to 239.3 billion yen.

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

	Capital expenditure (billion yen) (Note 1)	Investments & loans (billion yen) (Note 2)	Total investments (billion yen)
Digital Products	14.7	32.7	47.4
Electronic Devices	93.8	8.3	102.1
Social Infrastructure	71.8	134.2	206.0
Home Appliances	18.8	2.3	21.1
Others	40.2	3.0	43.2
Total	239.3	180.5	419.8

Notes: 1) Based on ordering basis and includes intangible assets.
2) Based on payment basis.

(2) Primary Capital Investment

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

Notes: 1) Ordered during term.
2) The Company has planned to collectively lease the cutting-edge eco-friendly office building constructed by NREG Toshiba Building Co., Ltd. in order to use it as a core base toward the global deployment of the Smart Community business.

(3) Primary Investment and Loan

Segment	Outline
Digital Products	• Acquisition of the distribution and retail store point-of-sale solutions business from IBM Corporation of the U.S.
Electronic Devices	• Acquisition of shares of NuFlare Technology Inc.
Social Infrastructure	• Acquisition of equity in investment of Westinghouse Group from the Shaw Group Inc., a leading engineering company of the U.S.
Home Appliances	• Acquisition of Green Star Products Inc. of the U.S.

PLANS FOR CONSTRUCTING NEW FACILITIES AND RETIRING EXISTING FACILITIES

At the end of this fiscal year ending March 31, 2013, investment for newly-established facilities and upgrades of equipment is planned to be amounted as 330.0 billion yen in the year ending March 31, 2014 (based on the value of orders placed and including intangible assets; hereinafter the same). This figure includes the Group's portion of the investment made by Flash Alliance, Ltd. and Flash Forward, Ltd. and others, which are companies accounted for by the equity method. The funds for capital expenditures will be financed by the internal funds.

billions of yen — As of March 31, 2013

Business Segment	Planned Capital Investments for the year ending March 31, 2014	Major Contents and Purposes
Digital Products	14.0	–
Electronic Devices	170.0	Manufacturing facilities for NAND flash memories, Manufacturing facilities for HDDs, etc.
Social Infrastructures	80.0	Enhancement of Power systems businesses, etc.
Home Appliances	18.0	Manufacturing facilities for Home appliances, etc.
Others	48.0	–
Total	330.0	–

Investments & loans	110.0
Total investments	440.0

Notes: 1) Consumption taxes are not included in these capital investment plans.
2) Retiring material facilities is not planned except for routine renewal of facilities.
3) The major planned new facilities and equipment upgrades in the year ending March 31, 2014 are as follows:

As of March 31, 2013

Name of Company and Office	Place	Business Segment	Type of Facility	Planned Beginning	Capacity Improvement after Completion of Construction
Flash Forward LLC., and others	Yokkaichi, Mie	Electronic Devices	Manufacturing facilities for semiconductors, etc.	July 2013	Enhancement of manufacturing facilities, etc.

FINANCIAL POSITION

Total assets increased by 348.5 billion yen from the end of March 2012 to 6,021.6 billion yen ($64,059.6 million).

Shareholders' equity, or equity attributable to the shareholders of the Company, was 824.6 billion yen ($8,772.2 million), an increase of 105.9 billion yen from the end of March 2012. This reflects a rise in net income (loss) attributable to shareholders of the Company and a significant improvement in the accumulated other comprehensive income, due to the acceleration in yen depreciation and ensuing upturn in the stock market since the end of 2012.

Total interest-bearing debt increased by 235.8 billion yen since the end of March 2012 to 1,471.6 billion yen ($15,655.1 million). This reflected a rise of capital requirements to meet increased orders in the Social Infrastructure segment and for strategic investments for future growth.

As a result of the foregoing, the shareholders' equity ratio at the end of March 2013 was 13.7%, a 1.0-point increase from the end of March 2012, and the debt-to-equity ratio was 178%, a 6-point increase from the end of March 2012.

CASH FLOWS

In the fiscal year under review, net cash provided by operating activities amounted to 132.3 billion yen, a decrease of 205.2 billion yen from net cash provided by operating activities of 337.5 billion yen in the previous fiscal year, due to a decrease of net income attributable to shareholders of the Company.

Net cash used in investing activities amounted to 196.3 billion yen, a decrease of 180.9 billion yen from 377.2 billion yen in the previous fiscal year. This was mainly due to effect of expenditure including the acquisition of L+G which was invested in the previous year.

As a result of the foregoing, free cash flow amounted to -64.0 billion yen ($-680.9 million), a decrease of 24.3 billion yen from -39.7 billion yen in the previous fiscal year, as cash flow from operating activities decreased mainly due to deterioration of working capital.

Net cash used in financing activities amounted to 41.8 billion yen, an increase of 44.5 billion yen from -2.7 billion yen of net cash used in financing activities in the previous fiscal year.

The effect of exchange rate changes was to increase cash by 17.1 billion yen. Cash and cash equivalents at the end of the fiscal year declined by 5.1 billion yen, from 214.3 billion yen of the end of the previous fiscal year to 209.2 billion yen.

TREASURY STOCK

Shares held as of the closing date of last period:			2,636,058 (common stock)
Shares acquired during the period:	Demand for purchase of shares less than one unit from shareholders		175,603 (common stock)
		Aggregate amount of acquisition costs:	56 (million yen)
Shares disposed during the period:	Demand for sale of shares less than one unit from shareholders		21,715 (common stock)
		Aggregate amount of sales value:	6 (million yen)
Shares held as of the closing date of this period:			2,789,946 (common stock)

MAJOR SUBSIDIARIES AND AFFILIATED COMPANIES

As of March 31, 2013

Name of Company	Voting Rights Ratio (Percentage)	Location
Toshiba TEC Corporation	52.9	Shinagawa-ku, Tokyo
Toshiba Plant Systems & Services Corporation	61.6	Yokohama
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.	87.0	U.S.
Toshiba Nuclear Energy Holdings (UK) Ltd.	87.0	U.K.
Toshiba Consumer Electronics Holdings Corporation	100.0	Chiyoda-ku, Tokyo
Toshiba America, Inc.	100.0	U.S.
Taiwan Toshiba International Procurement Corporation	100.0	Taiwan

Notes: 1) The Company has 590 consolidated subsidiaries (including the 10 companies above) in accordance with Generally Accepted Accounting Standards in the U.S., and 200 affiliated companies accounted for by the equity method. The main affiliated companies accounted for by the equity method are Ikegami Tsushinki Co., Ltd., Shibaura Mechatronics Corporation, Toshiba Machine Co.,Ltd., and Topcon Corporation.

2) The Company has acquired the 20% equity interest in Toshiba Nuclear Energy Holdings (US) Inc. and Toshiba Nuclear Energy Holdings (UK) Ltd. held by a subsidiary wholly owned by The Shaw Group Inc, in January, 2013, to increase its share in those companies to 87%.

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

Main Places of Business and Facilities of the Company

As of March 31, 2013

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

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

RISK FACTORS RELATING THE 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 adversely affect the Group's operating results and financial condition.

The risks described below are identified by the Group based on information available to the Group as of June 25, 2013 and involve inherent uncertainties, and, therefore, the actual results may differ. The Group recognizes these risks and makes every effort to avoid the occurrence of these risks and minimize any impact from them when they occur, by maintaining the proper risk management.

1. Risks related to management policy

(1) Strategic concentrated investment

In response to the issues that the current global economy faces, such as the increase in demand for energy or the rise in the price of resources, which are associated with the growth and expansion of emerging economies, and mass capacity growth of the information transmission and/or storage and the ensuring of the information security, the Group proposes a comprehensive solution through the construction of smart communities, by combining and integrating effectively the respective technologies in which the Group has an advantage. In addition, the Group makes strategic concentrated investment in the categories of total energy innovation, such as power generation systems, renewable energy and power electronics/EV, and total storage innovation, such as NAND flash memory, HDD/SSD, health care solutions, and retail solutions. In areas such as System LSIs, the Group is also restructuring and selectively allocating resources. While it is essential to allocate limited management resources to high growth areas or areas in which the Group enjoys competitiveness, in order to secure and maintain the Group's advantages, the areas in which the Group makes concentrated investments may not grow as anticipated, the Group may not maintain or strengthen its competitive power in such areas, or the relevant investments may not fully generate the anticipated level of profit. In order to avoid such risks, the Group is conscious of capital costs and of the need to conduct careful selection of investment items and to enhance progress management. Alongside these efforts, the Group also aims to achieve growth through allocation of strategic resources and to reinforce its financial base, by means of thorough implementation of comprehensive management of all relevant investments that reflect the nature of each individual business. Further to this, the Group also makes every effort to utilize external resources through strategic business alliances where necessary.

(2) Success of strategic business alliances and acquisitions

The Group actively promotes business alliances with other companies, including the formation of joint ventures and acquisitions, in order to grow new businesses in research and development, production, marketing and various other areas. If the Group has any disagreement with its partner in a business alliance or an acquisition in respect of financing, technological management, product development, management strategies or otherwise, such business alliance may be terminated or such acquisition may not have the expected effects. In addition, the Group's operating results and financial condition may be adversely affected by additional capital expenditures and provision of guaranties to meet the obligations for such partnership business that may be incurred due to the deterioration of the financial condition of the partner, as well as for other reasons. Based on these assumptions, the Group pays careful attention to optimizing business formation to secure correspondence to the nature of the relevant business.

(3) Business structure reformation

The Group as a whole is taking measures to reform its business structure, in order to continue and deepen the establishment, through self-transformation, of the business quality by which it can ensure a stable profit, not susceptible to a changing environment, and there is a possibility that the Group will incur expenses for business structure reform in this connection. Although there is a possibility that the Group's operating results or financial condition may be affected in the event of unexpected fluctuations in the foreign exchange rate, or the failure of such reform programs to produce the expected results, the Group, in an attempt to minimize impact from exchange rate fluctuations, has made efforts to expand globally optimized production and procurement and to secure multiple suppliers, among other things. While consolidating and optimizing facilities in Japan and abroad, the Group aims to achieve a structure that maximizes Group synergy, in addition to streamlining the business structure.

(4) Measure for defense against hostile takeover

The Company has introduced a plan outlining countermeasures that may be taken against any large-scale acquisitions of the Company's shares (the "Takeover Defense Measures"). If an entity making a large-scale acquisition of the Company's shares does not comply with the procedures under the Takeover Defense Measures, the Company will counteract by making a *gratis* allotment of stock acquisition rights (*shinkabu yoyakuken*) under the Takeover Defense Measures. Although such Takeover Defense Measures were introduced for the purpose of protecting and enhancing the corporate value of the Company and the common interests of its shareholders, they may limit the opportunities for the shareholders of the Company to sell their shares to hostile acquirers.

2. Risks related to financial condition, results of operations and cash flow

(1) Business environment of the 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 may be significantly affected by exchange rate fluctuations, economic fluctuations and consumer spending trends which may be affected by the scheduled increase in consumption tax, among other things. The Group makes efforts to monitor the latest trends in market demand in order to better respond to changes in supply and demand conditions, as well as to better manage its production, procurement, sales and inventory. At the same time, the Group makes efforts to minimize risks and reduce costs in connection with the procurement of parts and components by promoting package procurement measures comprehensive procurement on a Group-wide basis. The Group also makes every effort to minimize the potential impact of the market volatility by undertaking regional strategies (such as with respect to the emerging markets, including China, that have relatively high economic growth rates) to promote business expansion. However, any rapid fluctuation in demand may result in price erosion or increases in prices of parts and components, which may adversely affect the Group's financial results with respect to this business.

The Visual Products business, which includes TVs, has been affected by a continued decrease in Japanese market demand following completion of the shift to digital terrestrial broadcasting in Japan, the drastic decline in sales prices and sluggish sales in the United States and China. Also, the PC business has been affected by the slowdown in demand centered in the United States and competition with other digital products, such as smartphones. However, because the growth in the emerging markets centered around Asia is supposed to remain strong, the Company, in addition to continuous development of local fit products based on consideration of characteristics of each region, centering on the emerging markets, has also been making efforts to promote “local-fit reversing” by selling products developed in emerging markets in advanced economies.

The Group is promoting structural reforms in an attempt to improve profit and enhance the basic structure of the Digital Products segments. To be more specific, functions to design and develop televisions were consolidated into the Ome Complex which is a site to design and develop personal and tablet computers in order to accelerate development toward creation of their fusion products, local fit products and value-added services. The Group also made operations more efficient by consolidating part of its TV repair works to a subsidiary, and transferred quality and production control operations from the Ome Complex to each overseas base. In relation to production systems, the Group has reinforced cost competitiveness by enhancing production facilities in emerging economies and expanding consignment production.

(2) Business environment of the Electronic Devices business

The market for the Electronic Devices business is highly cyclical, depending on demand, and intensely competitive, with many companies, mainly in overseas markets, manufacturing and selling products similar to those offered by the Group. The results of this business tend to change with economic fluctuations and, in particular, to be heavily affected by exchange rate fluctuations. Unforeseen market changes and corresponding changes in demand at the time of production may result in a mismatch between the Management's Discussion and Analysis production of particular products based on the sales volume initially expected and the actual demand for such products, or cause the business to be adversely affected by a decrease in product unit prices due to oversupply. In particular, the price for NAND flash memory, the Group's major product in this business, may undergo rapid change, and changes in the consumer market or semiconductor heavy users may influence demand for System LSIs and other semiconductor products. Fluctuations in the results of this business may materially affect the Group's overall business performance. In addition, the market may face a downturn, the Group may fail to market new products in a timely manner, production may not go as planned, or a rapid introduction of new technology may make the Group's current products obsolete. Economies of scale with respect to the manufacture of the many products produced by 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 competitiveness in both the price and quality of products.

The Group makes every effort to implement the business by focusing its attention on these factors and promoting strategic allocation of resources. At the same time, the Group makes every effort to increase profits by enhancing cost competitiveness, which is to be achieved by maintaining a technological advantage, and expanding the product line-up. Additionally, the Group undertakes rigorous selection in its investments and makes every effort to carefully monitor the latest market trends and to make capital investments in a timely manner, while thoroughly controlling flexible production that corresponds to fluctuations in market demand, adjustment of supplies and investment management. The Group promotes procurement of components from overseas in US dollars in order to mitigate the impact of exchange rate fluctuations.

(3) Business environment of the Social Infrastructure business

A significant portion of net sales in the Social Infrastructure business is attributable to national and local government expenditures on public works and to capital expenditures by the private sector. The Group monitors trends in such capital expenditures in conducting its business and also makes best efforts to cultivate new business and customers. However, reductions and delays in spending on public works, low levels of private capital expenditures due to economic recession, and exchange rate fluctuations 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 the specifications or other terms, delays, appreciation of material costs, changes to and stoppages of plans for various reasons, including policy changes, natural and other disasters and other factors, may adversely and substantially affect the progress of such projects. In addition, when the percentage of completion method is applied to revenue recognition for long term construction contracts, the Group may reassess profits previously recorded as accrued and record them as a loss, in the event that the expected profits from such projects do not meet original expectations or projects are delayed or cancelled for some reason. Furthermore, it may not be possible to pass on to the customer or others any additional costs incurred due to delays in the work process, and such costs may not be collected. In order to deal with such cases, the Group makes every effort to grasp trends in markets and projects and to ensure thorough risk management before and after accepting orders. In addition, whenever possible, the Group makes every effort to appropriately avoid risk by making agreements with customers for advance payment or performance payments, as well as other agreements on supplemental payments in the event of changes in specifications and delays in work. Although difficulties may arise for the continuance of certain currently ongoing projects due to a change in the policies of fund providers and other factors, the Group is making every effort to obtain other fund providers for such pending projects.

With respect to the nuclear power business, since the incident that occurred at the Fukushima Nuclear Power Plant, there is a possibility that, to some extent, the project plans and orders obtained by the Group may be reconsidered. With respect to the existing power plants, we will respond with permanent improvements in accordance with safety standards to be revised based on the analysis of the situation resulting from the incident above. In addition, taking into account the lessons learned from the situation resulting from the incident above, upon development of the nuclear power reactor with higher safety standards corresponding to the loss of all electric sources or severe accident and next-generation small reactor, the Group is promoting the establishment of a low carbon mainstay electric source. With respect to the new construction of power plants, it is necessary to incorporate revised future safety standards, and the Group will determine its future development while confirming the status of customers in various countries and regions. In overseas countries, construction of the Group's new pressurized-water reactor is proceeding smoothly in the United States and China.

There is a possibility that the Japanese electric power companies' reduction of investment in the electricity distribution fields resulted from the Great East Japan Earthquake will affect the Company's electric power distribution system business. In response to this, by accelerating the global expansion of the electric power distribution system business, including production, the Group plans to expand the business centered around emerging economies.

(4) Business environment of the Home Appliances business

The Home Appliances business faces intense competition from 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 exchange rate fluctuations, consumer spending and trends in building and housing construction starts relative to the lighting and air-conditioning businesses. Accordingly, this business may be affected by the impact of a decrease in prices and an increase in consumption tax, among other things. Given this, the Group is making every effort to expand this business by developing it at the global level, including in emerging economies that have a high growth rate, as well as by developing new products that are environmentally friendly and that contribute to energy saving, such as new lighting systems.

(5) Financial risk

Apart from being affected by the business operations of the Company or the Group, the Company's consolidated and nonconsolidated 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, some portion or all of the deferred tax assets are unlikely to be realized. Recording of valuation allowances includes estimates and therefore involves inherent uncertainty.

The Group may also be required hereafter to record further valuation allowances, and the Group's future results and financial condition may be adversely affected thereby.

The Group may be affected by future tax regulatory changes as the recordation of deferred tax assets and valuation allowances have been made based on the currently-effective tax regulations.

(ii) Exchange rate fluctuations

The Group conducts business in various regions worldwide using a variety of foreign currencies and is therefore exposed to exchange rate fluctuations.

Although the Group makes efforts to minimize the effect of fluctuation in exchange rates by balancing sales in foreign currencies and purchase in foreign currencies, there is a possibility that operating income/loss will be affected by exchange rate fluctuations due to a change in the balance in each business segments and other factors. Also, there is a possibility that such foreign exchange losses will occur, as resulting from a difference between the exchange rates at the time of recognizing and at the time of settlement of the credits and debts in foreign currencies, in case of steep 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 equity attributable to shareholders of the Company ("shareholders' equity"). As a result, the Group's shareholders' equity may be 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 Management's Discussion and Analysis obligations) of its pension plan in the consolidated balance sheets, with a corresponding adjustment, net of tax, included in "accumulated other comprehensive loss" reported as a component of shareholders' equity. Such adjustment to "accumulated other comprehensive 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 calculated pursuant to the applicable accounting standards. The 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, goodwill and listed shares.

If there is an indication of impairment for a long-lived asset and the carrying amount of such asset will not be recovered by the future undiscounted cash flow, the carrying amount may be reduced to its fair value and a loss may be recognized as an impairment with respect to such difference. A substantial amount of goodwill has been recorded in the Company's consolidated balance sheets in accordance with U.S. 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 difference between 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.

Also, if the market price of listed shares held by the Group as the marketable securities declines, there is a possibility that an impairment loss on the relevant shares will be recorded or that the net unrealized losses on securities will be recognized.

(6) Changes in financing environment and others

The Group has substantial amounts of interest-bearing debt for financing that is highly susceptible to market environments, including the European debt crisis, 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 has also been raising funds by issuing bonds or taking loans from financial institutions. In the case the financial markets fall into unstable turmoil, the financial institutions' reduction in their lending in response to the change in capital adequacy requirements, or the downgrading of the credit rating of the Company given by rating agencies, 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 amount needed by the Group in a timely manner, the Group's financing may be adversely affected.

In addition, loan agreements entered into between the Company and several financial institutions provide for financial covenants. Therefore, if the Company's consolidated net assets, consolidated operating income or credit rating falls below the respective levels provided for in the financial covenants, the Company's obligations with respect to the relevant loan repayments may be accelerated upon demand by the relevant lending financial institutions. Furthermore, any breach by the Company of those financial covenants may trigger acceleration of the bonds or other borrowings of the Company.

The Company aims to improve business performance by promoting, among other things, restructuring programs and business structure conversions, while making all possible efforts to obtain the understanding of the lending financial institutions with respect to this, in order to avoid breaching financial covenants and the consequent acceleration of repayments. However, if any acceleration of the Company's loan repayments occurs, it may materially affect the Company's business operations.

3. Risks related to business partners and others

(1) 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 appropriate manner. However, such materials, components and goods may only be obtainable from a limited number of suppliers due to the particularity of such materials, components and goods, and, therefore, such suppliers may not be easily replaced [if the need to do so arises]. 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. In addition, a shortage in the electric power supply resulted from the suspension of the operation of nuclear power plants in Japan and a further rise in electricity costs due to the rise of fuel costs affected by exchange rate fluctuations may affect business activities, including manufacturing operations, of the Group, since a stable supply of electricity is essential to the Group's business activities.

Any failure by the Group to procure such materials, components and other goods from key suppliers or any shortage in the power supply or further rise in electricity costs 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.

In order to deal with such situations, the Group makes every effort to avoid risks by developing and cultivating new suppliers, promoting multi-vendor procurement by means of adopting standard products, and engaging in comprehensive procurement on a Group-wide basis, in addition to ensuring acquisition of materials, components and other goods through enhanced cooperation with key suppliers.

(2) 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. In particular, securing the necessary human resources is essential in respect of achieving globalization of the Group's businesses. However, 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.

The Group will further reinforce educational programs for employees, toward developing human resources, including nurturing personnel able to support and promote business globalization.

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 employees implementing a leave system, and reducing overtime through a review of working systems. However, fixed costs may not be reduced as anticipated or the implementation of such personnel measures may adversely affect the Group's employee morale, production efficiency or the ability to secure capable human resources.

4. Risks related to products and technologies

(1) Investments in new businesses

The Group invests in companies involved in new businesses, enters into alliances with other companies with respect to new businesses, and actively develops its own new businesses. The Group is now accelerating expansion of new growth businesses that can take advantage of a synergy of the Group's strengths in areas that include integrated storage, smart communities, power electronics and EV, renewable energy, healthcare and digital fusion products. Promotion of new business is essential for implementation of the growth strategy, and as a part of this, in the year ended March 31, 2013, the Group acquired the Retail Stores Solutions business from IBM Corporation, a company incorporated in the United States.

Cultivation of new businesses entails substantial uncertainty, and if any new business in which the Group invests or which the Group attempts to develop does not progress as planned, the Group may be adversely affected by incurring investment expenses that do not lead to the anticipated results. In order to avoid these risks, the Group makes every effort to resolve various technological issues and to develop and capture potential demand effectively in the new business development process.

5. Risks related to trade practices

(1) Parent company's guarantees

When a subsidiary of the Company accepts an order for a large project, such as a plant, the Company, as the parent company, may, at the request of the customer, provide guarantees with respect to the subsidiary's performance under the contract. Such parent guarantees are made pursuant to standard business practices and in the ordinary course of business. If the subsidiary subsequently fails to fulfill its obligations, the Company may be obligated to bear the resulting loss. The Company makes every effort to conduct appropriate management by periodically monitoring the subsidiaries' fulfillment of the contract requirements and by cooperating with such subsidiaries where necessary.

6. Risks related to new products and new technology

(1) Development of new products

It is critically important for the Group to offer innovative and attractive new products and services. The Group has exerted its efforts to create “World-First” and “World No.1” products that deliver surprise and inspiration to customers, ahead of the needs of customers. However, due to the rapid pace of technological innovation, the emergence of alternative technologies and products and changes in technological 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 continuously obtain sufficient funding and resources for development of technologies 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 now selects research and development themes more rigorously, with a primary focus on developing original and advanced technologies, with close consideration for the timing of market introduction. More rigorous selection of research and development items may impair the Group's technological superiority in certain products and technological fields. In order to avoid these risks, the Group intends to enhance the 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.

7. Risks related to laws and regulations

(1) Information security

The Group maintains and manages personal information obtained through business operations, as well as trade secrets regarding the Group's technology, marketing and other business operations. Even though the Group makes every effort to manage this information appropriately, the Group's business performance and financial situation may be subject to negative influences in the event of an unanticipated leak of such information and such information is obtained and used illegally by a third party.

Additionally, the role of information systems in the Group is critical to carrying out business activities. While the Group makes every effort to ensure the stable operation of its information systems, there is no assurance that their functionality would not be impaired or destroyed by computer viruses, software or hardware failures, disaster, terrorism, or other causes.

(2) Compliance and internal control

The Group is active in various businesses in regions worldwide, and its business activities are subject to the laws and regulations of each region. The Group has implemented and operates necessary and appropriate internal control systems for a number 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. Therefore, there is no assurance that the Group will not unknowingly and unintentionally violate laws and regulations in future. Changes in laws and regulations or changes in Management's Discussion and Analysis 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. On these grounds, the Group makes every effort to minimize these risks by making periodic revisions to the internal control systems, continuously monitoring operations, and so forth.

(3) The 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 these laws and regulations, it is possible that the Group may encounter legal or social liability for environmental matters, such as liability for the clean up of land at manufacturing bases throughout the world, regardless of whether the Group is at fault or not, with respect to its business activities, including its past activities. It is also possible that, in future, the Group will face more stringent requirements on the removal of environmental hazards, including toxic substances, or on further reducing 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 require the use of various chemical compounds, radioactive materials, nuclear materials and other toxic materials. The Group takes maximum care of such materials, giving first priority to human life and safety. However, the Group may incur damage, or the Group's reputation may be adversely affected, as a result of a natural disaster, the threat or occurrence of a terrorist incident, or of an accident or other contingency (including those beyond the Group's control) that leads to environmental pollution or the potential for such pollution.

(4) Product quality claims

While the Group makes every effort to implement quality control measures and 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 recall, lawsuits or other claims relating to product quality due to unforeseen reasons or circumstances.

8. Risks related to material legal proceedings

(1) Legal proceedings

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. It is possible 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, operating results or financial condition. In addition, due to various circumstances, there can be no assurance that lawsuits involving claims for large sums will not be brought, even if the possibility of receiving orders for such payment is quite low.

In January 2007, the European Commission adopted a decision to impose a fine on the Company for violating EU Competition Law in the gas insulated switchgear market. Following its own investigation, the Company contends that it has not found any infringement of EU Competition Law, and it brought an action to the General Court of the European Union. Then, the General Court of the European Union handed down a judgment and annulled the entire fine imposed on the Company, but upheld the European Commission's determination regarding the alleged anti-competitive behavior. The Company appealed to the European Court of Justice in September 2011, seeking annulment of that judgment. In June 2012, the European Commission decided to recalculate the fine which had been annulled with the above-mentioned judgment, and imposed it on the Company again. With this decision, the Company was individually fined 56.8 million euro and was also fined 4.65 million euro jointly and severally with Mitsubishi Electric Corporation. In September 2012, the Company brought an action to the General Court of the European Union, contending that the procedures related to the decision and its substances were unreasonable.

Furthermore, the Group is under investigation by the U.S. Department of Justice, the Commission, and other competition regulatory authorities, for alleged violations of competition laws with respect to products that include semiconductors, LCD products, cathode ray tubes (CRT), heavy electrical equipment, and optical disc devices, while class action lawsuits with respect to alleged anti-competitive behavior brought against the Group are currently pending in the United States.

The Ministry of Defense (“MOD”) cancelled a contract for the development and manufacture of the “reconnaissance system for the F-15” between MOD and the Company. Therefore, in July 2011, the Company filed a lawsuit against MOD with the Tokyo District Court seeking payment therefor. In October 2012, MOD filed a countersuit for penalty charges based on the alleged infringement by the Company of the contract. The Company believes that it had properly executed its duties pursuant to the conditions of the contract and that MOD's cancellation of the contract and claim for penalty charges were unreasonable. Therefore, the Company will assert its opinion in the suit.

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

In December 2012, the European Commission determined that there was an infringement of EU Competition Law in the Color Picture Cathode Ray Tube market, and adopted the decision to impose a fine of approximately 28 million euro on the Company, plus a fine of approximately 87 million euro jointly and severally with Panasonic Corporation and MT Picture Display Co., Ltd. According to the Company's investigation, the Company has not infringed EU Competition law. Therefore, the Company brought an action to the General Court of the European Union in February 2013.

9. Risks related to directors, employees, major shareholders and affiliates

(1) Alliance in NAND flash memory

The Group has a strategic alliance with a U.S. company, SanDisk Corporation (“SanDisk”), for the production of NAND flash memory, which includes production joint ventures (equity method affiliates). Under the joint venture agreement, the Group may purchase SanDisk's ownership interests in the production joint ventures. In addition, the Company and SanDisk each provide a 50% guaranty in respect of the lease agreements of production facilities held by the production joint ventures. In the event that SanDisk's operating results and financial condition deteriorate, the Company may succeed to SanDisk's guaranty obligations or purchase SanDisk's ownership interests in the relevant production joint ventures, in which case the production joint ventures will thereafter be treated as consolidated subsidiaries of the Company.

(2) Alliance in nuclear power systems business

The Group acquired Westinghouse group in October 2006. The Company's ownership interest in Westinghouse group (including the holding companies) is currently 87% at present. The remainder is held by two companies in Japan and overseas (the “Minority Shareholders”). Several companies have already expressed an interest in investing in Westinghouse and the Company is considering inviting the participation of new investors in Westinghouse, on the condition that the Company retains a majority-in-interest.

The Minority Shareholders, based on a separate agreement with the Company, have been given an option to sell all or part of their ownership interests to the Company (“Put Options”).

The Group also has an option to purchase from the Minority Shareholders all or part of their respective ownership interest in companies of Westinghouse group under certain conditions. These options are in place for the purpose of protecting the interests of the Minority Shareholders, while preventing equity participation by a third party which may put the Group at disadvantage. The Company makes every effort to maintain a favorable relationship with the Minority Shareholders in connection with Westinghouse group's business. However in the event that the Minority Shareholders exercise their respective Put Options, or the Group exercises its purchase option, the Group will seek investment from a new strategic partner. Prior to such an investment, the Group may need to procure a certain amount of funds in connection with the exercise of Put Options or purchase options.

10. Others

(1) Measures against counterfeit products

While the Group protects and seeks to enhance the value of the Toshiba brand, counterfeit products created by third parties are found worldwide. While the Group makes every effort to prevent counterfeit products, the heavy circulation of counterfeit products may dilute the value of the Toshiba brand, and the Group's net sales may be adversely affected.

(2) Protection of intellectual property rights

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

The Group also uses the intellectual property of third parties pursuant to licenses. 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 unfavorable terms.

In addition, it is also possible that a suit or such similar action or proceeding may be brought against the Group in respect of intellectual property rights or that the Group may itself have to file a suit in order to protect its intellectual property rights. Such lawsuits may require time, costs and other management resources, and depending on the outcome of these lawsuits, the Group may not be able to use important technology, or the Group may be found to be liable for damages.

(3) Political, economic and social conditions

The Group undertakes global business operations. Any changes in political, economic, and social conditions and policies, legal or regulatory changes and exchange rate fluctuations, in Japan or overseas, may impact market demand and the Group's business operations. The Group makes every effort to avoid these risks and to reduce any impact when such risks emerge by continuously monitoring changes in the situation in each region where the Group operates, including legal and regulatory changes, and by promptly initiating countermeasures.

(4) Sovereign Risk

In an environment marked by anxiety over the future financial condition of some of the European countries, concern over the financial system persists, the influence of which is not only the direct influence within Europe, but also the indirect influence on other regions, such as the deterioration in emerging economies due to fluctuation in exchange rates or withdrawal of funds by European banks or economic stagnation in the Chinese economy. If the financial condition of some countries should collapse, there is a possibility that the financial and capital markets and global economy will be significantly affected, and the Group, letting the financial crisis in 2008 be a lesson, has been advancing the measures therefor since 2011, upon implementing the stress test and setting the trigger event.

(5) 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 the surrounding area, while 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 a wide-scale disaster, terrorism or epidemic illness, such as a new type of flu, particularly in any of these areas could have a more significant adverse effect on the Group's results.

Additionally, large-scale disasters, such as earthquakes or typhoons, in regions where production or distribution sites are located may damage or destroy production capabilities, suspend procurement of raw materials or components, and cause transportation and sales interruptions or other similar disruptions, which could affect production capabilities significantly. In the past, the businesses of the Group were affected to a certain extent by the Great East Japan Earthquake and the floods in Thailand.

In order to manage these risks, the Group established the “Business Continuity Plan (BCP)” as part of its continuing effort to avoid or minimize any impact from such disasters in addition to establishing the precautionary measures, such as construction of earthquake-resistant buildings and emergency procedures responsive to large-scale disasters.

Consolidated Balance Sheet

Toshiba Corporation and Subsidiaries
As of March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 3)
Assets	**2013**	2012	**2013**
Current assets:			
Cash and cash equivalents	**¥ 209,169**	¥ 214,305	**$ 2,225,202**
Notes and accounts receivable, trade:			
Notes (Notes 7 and 11)	**33,620**	43,800	**357,660**
Accounts (Notes 7 and 11)	**1,344,088**	1,272,727	**14,298,808**
Allowance for doubtful notes and accounts	**(16,882)**	(19,665)	**(179,596)**
Inventories (Note 8)	**940,238**	854,297	**10,002,532**
Deferred tax assets (Note 18)	**176,001**	176,044	**1,872,351**
Other receivables (Note 7)	**156,382**	201,238	**1,663,639**
Prepaid expenses and other current assets (Note 21)	**266,114**	252,318	**2,831,000**
Total current assets	**3,108,730**	2,995,064	**33,071,596**
Long-term receivables and investments:			
Long-term receivables (Notes 7 and 11)	**30,379**	49,164	**323,181**
Investments in and advances to affiliates (Note 9)	**411,506**	413,506	**4,377,723**
Marketable securities and other investments (Notes 5 and 6)	**264,391**	237,519	**2,812,670**
Total long-term receivables and investments	**706,276**	700,189	**7,513,574**
Property, plant and equipment (Notes 17 and 22)**:**			
Land	**93,729**	94,747	**997,117**
Buildings	**915,590**	906,619	**9,740,319**
Machinery and equipment	**2,032,400**	2,093,983	**21,621,277**
Construction in progress	**79,707**	67,236	**847,947**
	3,121,426	3,162,585	**33,206,660**
Less–Accumulated depreciation	**(2,299,127)**	(2,380,915)	**(24,458,798)**
Total property, plant and equipment	**822,299**	781,670	**8,747,862**
Other assets (Note 17)**:**			
Goodwill and other intangible assets (Note 10)	**901,816**	709,607	**9,593,787**
Deferred tax assets (Note 18)	**385,416**	402,033	**4,100,170**
Other assets	**97,066**	84,501	**1,032,617**
Total other assets	**1,384,298**	1,196,141	**14,726,574**
Total assets	**¥ 6,021,603**	¥ 5,673,064	**$ 64,059,606**

The accompanying notes are an integral part of these statements.

Liabilities and equity		Millions of yen 2013		2012	Thousands of U.S. dollars (Note 3) 2013
Current liabilities:					
Short-term borrowings (Note 11)	¥	**191,453**	¥	119,515	**$ 2,036,734**
Current portion of long-term debt (Notes 11, 12 and 21)		**241,675**		206,626	**2,571,011**
Notes and accounts payable, trade		**1,200,429**		1,290,902	**12,770,521**
Accounts payable, other and accrued expenses (Note 26)		**439,144**		397,449	**4,671,745**
Accrued income and other taxes		**58,133**		46,536	**618,436**
Advance payments received		**297,208**		271,869	**3,161,787**
Other current liabilities (Notes 18, 21 and 24)		**440,692**		405,538	**4,688,213**
Total current liabilities		**2,868,734**		2,738,435	**30,518,447**
Long-term liabilities:					
Long-term debt (Notes 11 and 21)		**1,038,448**		909,620	**11,047,319**
Accrued pension and severance costs (Note 13)		**715,450**		779,414	**7,611,170**
Other liabilities (Notes 18, 21, 26 and 27)		**193,148**		161,737	**2,054,766**
Total long-term liabilities		**1,947,046**		1,850,771	**20,713,255**
Total liabilities	¥	**4,815,780**	¥	4,589,206	**$ 51,231,702**
Equity attributable to shareholders of the Company (Notes 12 and 19):					
Common stock:					
Authorized–10,000,000,000 shares Issued:					
2013 and 2012 –4,237,602,026 shares	¥	**439,901**	¥	439,901	**$ 4,679,798**
Additional paid-in capital		**401,594**		396,789	**4,272,276**
Retained earnings		**428,569**		449,023	**4,559,245**
Accumulated other comprehensive loss		**(443,938)**		(565,551)	**(4,722,745)**
Treasury stock, at cost:					
2013–2,789,946 shares		**(1,542)**		–	**(16,404)**
2012–2,636,058 shares		**–**		(1,498)	**–**
Total equity attributable to shareholders of the Company		**824,584**		718,664	**8,772,170**
Equity attributable to noncontrolling interests		**381,239**		365,194	**4,055,734**
Total equity	¥	**1,205,823**	¥	1,083,858	**$ 12,827,904**
Commitments and contingent liabilities (Notes 23, 24 and 25)					
Total liabilities and equity	¥	**6,021,603**	¥	5,673,064	**$ 64,059,606**

Consolidated Statement of Income

Toshiba Corporation and Subsidiaries
For the years ended March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	**2013**
Sales and other income:			
Net sales	**¥ 5,722,248**	¥ 5,996,414	**$ 60,874,979**
Interest and dividends	**12,139**	10,195	**129,138**
Equity in earnings of affiliates (Note 9)	**21,560**	17,035	**229,362**
Other income (Notes 5, 6, 16 and 21)	**100,755**	78,997	**1,071,862**
	5,856,702	6,102,641	**62,305,341**
Costs and expenses:			
Cost of sales (Notes 5, 10, 14, 17, 22 and 26)	**4,413,476**	4,628,451	**46,951,872**
Selling, general and administrative (Notes 10, 14, 15 and 22)	**1,216,719**	1,253,061	**12,943,820**
Interest	**32,677**	31,815	**347,628**
Other expense (Notes 5, 6, 7 and 16)	**118,904**	127,887	**1,264,936**
	5,781,776	6,041,214	**61,508,256**
Income from continuing operations, before income taxes and noncontrolling interests	**74,926**	61,427	**797,085**
Income taxes (Note 18):			
Current	**50,854**	47,723	**541,000**
Deferred	**(12,498)**	717	**(132,958)**
	38,356	48,440	**408,042**
Income from continuing operations, before noncontrolling interests	**36,570**	12,987	**389,043**
Loss from discontinued operations, before noncontrolling interests (Note 4)	**(4,983)**	(1,161)	**(53,011)**
Net income before noncontrolling interests	**31,587**	11,826	**336,032**
Less: Net income attributable to noncontrolling interests	**18,162**	8,632	**193,213**
Net income attributable to shareholders of the Company	**¥ 13,425**	¥ 3,194	**$ 142,819**

	Yen		U.S. dollars (Note 3)
Basic net earnings (losses) per share attributable to shareholders of the Company (Note 20)			
Earnings from continuing operations	**¥ 3.76**	¥ 1.13	**$ 0.04**
Losses from discontinued operations	**¥ (0.59)**	¥ (0.37)	**$ (0.01)**
Net earnings	**¥ 3.17**	¥ 0.75	**$ 0.03**
Diluted net earnings (losses) per share attributable to shareholders of the Company (Note 20)			
Earnings from continuing operations	**¥ 3.76**	¥ 1.11	**$ 0.04**
Losses from discontinued operations	**¥ (0.59)**	¥ (0.37)	**$ (0.01)**
Net earnings	**¥ 3.17**	¥ 0.74	**$ 0.03**
Cash dividends per share (Note 19)	**¥ 8.00**	¥ 8.00	**$ 0.09**

The accompanying notes are an integral part of these statements.

Toshiba Corporation and Subsidiaries
For the years ended March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	**2013**
Net income before noncontrolling interests	¥ **31,587**	¥ 11,826	$ **336,032**
Other comprehensive income (loss), net of tax (Note 19)			
Net unrealized gains and losses on securities (Note 6)	**25,571**	(5,324)	**272,032**
Foreign currency translation adjustments	**145,066**	(11,007)	**1,543,256**
Pension liability adjustments (Note 13)	**38,506**	(33,619)	**409,638**
Net unrealized gains and losses on derivative instruments (Note 21)	**(841)**	(659)	**(8,947)**
Total other comprehensive income (loss)	**208,302**	(50,609)	**2,215,979**
Comprehensive income (loss) before noncontrolling interests	**239,889**	(38,783)	**2,552,011**
Less:Comprehensive income attributable to noncontrolling interests	**60,037**	3,969	**638,692**
Comprehensive income (loss) attributable to shareholders of the Company	¥ **179,852**	¥ (42,752)	$ **1,913,319**

The accompanying notes are an integral part of these statements.

Consolidated Statement of Equity

Toshiba Corporation and Subsidiaries
For the years ended March 31, 2013

	Millions of yen							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Equity attributable to shareholders of the Company	Equity attributable to non-controlling interests	Total equity
Balance at March 31, 2011	¥ 439,901	¥ 399,551	¥ 475,474	¥ (519,605)	¥ (1,461)	¥ 793,860	¥ 309,364	¥ 1,103,224
Change in ownership for noncontrolling interests and others		(2,759)				(2,759)	59,490	56,731
Dividend attributable to shareholders of the Company			(29,645)			(29,645)		(29,645)
Dividends attributable to noncontrolling interests							(7,629)	(7,629)
Comprehensive income (loss):								
Net income			3,194			3,194	8,632	11,826
Other comprehensive income (loss), net of tax (Note 19):								
Net unrealized gains and losses on securities (Note 6)				(5,362)		(5,362)	38	(5,324)
Foreign currency translation adjustments				(10,517)		(10,517)	(490)	(11,007)
Pension liability adjustments (Note 13)				(29,667)		(29,667)	(3,952)	(33,619)
Net unrealized gains and losses on derivative instruments (Note 21)				(400)		(400)	(259)	(659)
Total comprehensive income (loss)						(42,752)	3,969	(38,783)
Purchase of treasury stock, net, at cost		(3)			(37)	(40)		(40)
Balance at March 31, 2012	439,901	396,789	449,023	(565,551)	(1,498)	718,664	365,194	1,083,858
Change in ownership for noncontrolling interests and others		**4,811**		**(44,814)**		**(40,003)**	**(39,057)**	**(79,060)**
Dividend attributable to shareholders of the Company			**(33,879)**			**(33,879)**		**(33,879)**
Dividends attributable to noncontrolling interests							**(4,935)**	**(4,935)**
Comprehensive income:								
Net income			**13,425**			**13,425**	**18,162**	**31,587**
Other comprehensive income (loss), net of tax (Note 19):								
Net unrealized gains and losses on securities (Note 6)				**21,072**		**21,072**	**4,499**	**25,571**
Foreign currency translation adjustments				**107,078**		**107,078**	**37,988**	**145,066**
Pension liability adjustments (Note 13)				**38,992**		**38,992**	**(486)**	**38,506**
Net unrealized gains and losses on derivative instruments (Note 21)				**(715)**		**(715)**	**(126)**	**(841)**
Total comprehensive income						**179,852**	**60,037**	**239,889**
Purchase of treasury stock, net, at cost		**(6)**			**(44)**	**(50)**		**(50)**
Balance at March 31, 2013	**¥ 439,901**	**¥ 401,594**	**¥ 428,569**	**¥ (443,938)**	**¥ (1,542)**	**¥ 824,584**	**¥ 381,239**	**¥ 1,205,823**

	Thousands of U.S. dollars (Note 3)							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Equity attributable to shareholders of the Company	Equity attributable to non-controlling interests	Total equity
Balance at March 31, 2012	$ 4,679,798	$ 4,221,160	$ 4,776,840	$ (6,016,500)	$ (15,936)	$ 7,645,362	$ 3,885,043	$ 11,530,404
Change in ownership for noncontrolling interests and others		**51,181**		**(476,745)**		**(425,564)**	**(415,500)**	**(841,064)**
Dividend attributable to shareholders of the Company			**(360,415)**			**(360,415)**		**(360,415)**
Dividends attributable to noncontrolling interests							**(52,500)**	**(52,500)**
Comprehensive income:								
Net income			**142,819**			**142,819**	**193,213**	**336,032**
Other comprehensive income (loss), net of tax (Note 19):								
Net unrealized gains and losses on securities (Note 6)				**224,170**		**224,170**	**47,862**	**272,032**
Foreign currency translation adjustments				**1,139,128**		**1,139,128**	**404,128**	**1,543,256**
Pension liability adjustments (Note 13)				**414,809**		**414,809**	**(5,171)**	**409,638**
Net unrealized gains and losses on derivative instruments (Note 21)				**(7,606)**		**(7,606)**	**(1,341)**	**(8,947)**
Total comprehensive income						**1,913,319**	**638,692**	**2,552,011**
Purchase of treasury stock, net, at cost		**(64)**			**(468)**	**(532)**		**(532)**
Balance at March 31, 2013	**$ 4,679,798**	**$ 4,272,277**	**$ 4,559,244**	**$ (4,722,744)**	**$ (16,404)**	**$ 8,772,170**	**$ 4,055,735**	**$ 12,827,904**

The accompanying notes are an integral part of these statements.

Toshiba Corporation and Subsidiaries
For the years ended March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	**2013**
Cash flows from operating activities			
Net income before noncontrolling interests	**¥ 31,587**	¥ 11,826	**$ 336,032**
Adjustments to reconcile net income before noncontrolling interests to net cash provided by operating activities–			
Depreciation and amortization	**197,747**	242,913	**2,103,692**
Provisions for pension and severance costs, less payments	**(2,021)**	5,301	**(21,500)**
Deferred income taxes	**(12,498)**	(172)	**(132,957)**
Equity in earnings of affiliates, net of dividends	**(13,889)**	(13,926)	**(147,755)**
Loss from sales, disposal and impairment of property, plant and equipment and intangible assets, net	**14,533**	55,574	**154,606**
Loss from sales and impairment of securities and other investments, net	**3,000**	2,322	**31,915**
(Increase) decrease in notes and accounts receivable, trade	**6,369**	(195,502)	**67,755**
Increase in inventories	**(24,804)**	(2,405)	**(263,872)**
Increase (decrease) in notes and accounts payable, trade	**(167,415)**	124,495	**(1,781,011)**
Increase in accrued income and other taxes	**8,355**	6,350	**88,883**
Increase (decrease) in advance payments received	**(3,844)**	104,886	**(40,894)**
Other	**95,196**	(4,165)	**1,012,723**
Net cash provided by operating activities	**132,316**	337,497	**1,407,617**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and intangible assets	**87,672**	103,818	**932,681**
Proceeds from sale of securities	**3,876**	9,638	**41,234**
Acquisition of property, plant and equipment	**(266,581)**	(291,733)	**(2,835,968)**
Acquisition of intangible assets	**(29,630)**	(39,426)	**(315,213)**
Purchase of securities	**(9,203)**	(18,435)	**(97,904)**
Decrease in investments in affiliates	**24,616**	15,444	**261,872**
Acquisition of Landis+Gyr AG	**–**	(129,450)	**–**
Other	**(7,097)**	(27,083)	**(75,500)**
Net cash used in investing activities	**(196,347)**	(377,227)	**(2,088,798)**
Cash flows from financing activities			
Proceeds from long-term debt	**350,101**	370,911	**3,724,479**
Repayment of long-term debt	**(208,865)**	(206,325)	**(2,221,968)**
Increase (decrease) in short-term borrowings, net	**66,885**	(130,767)	**711,543**
Dividends paid	**(42,547)**	(37,007)	**(452,628)**
Purchase of treasury stock, net	**(50)**	(42)	**(532)**
Purchase of shares of Westinghouse group from noncontrolling interests	**(124,724)**	–	**(1,326,851)**
Other	**972**	490	**10,340**
Net cash provided by (used in) financing activities	**41,772**	(2,740)	**444,383**
Effect of exchange rate changes on cash and cash equivalents	**17,123**	(2,065)	**182,160**
Net decrease in cash and cash equivalents	**(5,136)**	(44,535)	**(54,638)**
Cash and cash equivalents at beginning of year	**214,305**	258,840	**2,279,840**
Cash and cash equivalents at end of year	**¥ 209,169**	¥ 214,305	**$ 2,225,202**
Supplemental disclosure of cash flow information			
Cash paid during the year for–			
Interest	**¥ 33,090**	¥ 31,759	**$ 352,021**
Income taxes	**48,662**	43,912	**517,681**
Acquisition of IBM's Retail Store Solution business (Note 28)–			
Account payable-nontrade for consideration for acquisition	**17,874**	–	**190,149**
Sale of Toshiba Mobile Display Co., Ltd. stock (Note 16)–			
Assets transferred (net of cash and cash equivalents)	**–**	189,664	**–**
Liabilities relinquished	**–**	222,201	**–**

The accompanying notes are an integral part of these statements.

RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

Because the full text was amended, the text is not underlined.

1) Background

On February 12, 2015, Toshiba Corporation ("the Company") received a report order from the Securities and Exchange Surveillance Commission pursuant to Article 26 of the Financial Instruments and Exchange Act and was subject to a disclosure inspection with respect to some projects in which the percentage-of-completion of accounting method was used, among others. Following that, in the course of a self-investigation by the Company to deal with the issues identified relating to those projects in the disclosure inspection, it was noted that some matters require investigation in respect of accounting treatments for some infrastructure projects of the Company in which the percentage-of-completion method was used during the fiscal year ended March 31, 2014. Based on this situation, it was decided that the Special Investigation Committee consisting of the Company's internal committee members as well as external attorneys-at-law and certified public accountants would be established as of April 3, 2015, and the Company would of its own accord implement an investigation of the relevant facts. Then the Special Investigation Committee found that, in respect of some infrastructure projects, the total amount of the contract cost was underestimated and Contract Losses (including provisions for contract losses) were not recorded in a timely manner, and also, issues requiring further investigation were identified.

Consequently, the Company decided to shift to the framework of investigation to an Independent Investigation Committee comprising independent and impartial external experts who did not have any interests in the Company as of May 8, 2015. The scope of the investigation delegated to the Independent Investigation Committee covers four matters: (1) accounting treatments in relation to projects in which the percentage-of-completion method was used; (2) accounting treatments in relation to recording of operating expenses in the Visual Products Business; (3) accounting treatments in relation to the valuation of inventory in the Semiconductor Business, mainly discrete and system LSIs; and (4) accounting treatments in relation to parts transactions, etc. in the PC Business. The Company received an investigation report from the Independent Investigation Committee on July 20, 2015.

In parallel with such efforts, the Company and all its consolidated subsidiaries as of March 31, 2015 underwent self-checks with respect to whether or not there was any issue that was not compliant with the accounting standards, internal regulations and other rules or any other inappropriate accounting treatment, and whether or not the Company and its consolidated subsidiaries were aware of any such issue or inappropriate accounting treatment, etc. including minor matters at each quarter-end in the period between the fiscal year ended March 31, 2010 and the fiscal year ended March 31, 2015 and during the period between April 1, 2015 and May 31, 2015.

The Company amended the consolidated financial statements for each fiscal year in the period from the fiscal year ended March 31, 2010 to the fiscal year ended March 31, 2014 and for each quarter (first three months, first six months and first nine months) in the period from the fiscal year ended March 31, 2011 to the fiscal year ended March 31, 2015, to reflect the correction of the events identified in the investigation report of the Independent Investigation Committee stated above and the internal self-checks and the correction of other issues that had not been corrected due to a materiality viewpoint.

In line with the amendment, data in the consolidated financial statements were also reclassified for disclosure in connection with discontinued operations. Information on discontinued operations is disclosed in Note 4.

2) Overview

Restatement for the accounting treatment under the percentage-of-completion method

As the result of the above investigations, it was found that in certain infrastructure projects in which the percentage-of-completion of accounting method was used, there were cases where the estimated total cost was not calculated based on the latest information on incurred expenses, where provisions for contract losses were not recorded at the time when generation of losses became evident, and where the estimated total cost was calculated in anticipation of cost reductions which remained unsubstantiated.

To correct these accounting treatments, the Company restated data in the consolidated financial statements issued in the fiscal year ended March 31, 2010 and the following years. The effect of this restatement on net sales and income from continuing operations, before income taxes and noncontrolling interests, for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

Restatement for the accounting treatment in relation to recording operating expenses in the Visual Products Business

As the result of the above investigations, etc., it was found that in the Visual Products Business, there were cases where some expenses were not recorded as expenses using the accrual-based method, where profits that should not be realized were recognized by making use of transactions between consolidated group companies, and where discounts in the purchase prices were recognized, for example by reflecting adjustment or increase of the procurement prices for the following periods, even if cost was not actually reduced.

To correct these accounting treatments, the Company restated data in the consolidated financial statements issued in the fiscal year ended March 31, 2010 and the following years. The effect of this restatement on net sales and income from continuing operations, before income taxes and noncontrolling interests, for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

Restatement for the accounting treatment in the parts transactions in the PC Business

As the result of the above investigations, it was found that in the PC Business, there were cases where inappropriate profits were recognized in each fiscal period for parts transactions with manufacturing subcontractors, as well as cases where some expenses were not recorded as expenses using the accrual-based method and where profits that should not be realized were recognized by making use of transactions between consolidated group companies.

To correct these accounting treatments, the Company restated data in the consolidated financial statements issued in the fiscal year ended March 31, 2010 and the following years. The effect of this restatement on income from continuing operations, before income taxes and noncontrolling interests, for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

Restatement for the accounting treatment in relation to valuation of inventory in the Semiconductor Business

As the result of the above investigations, it was found that in the Semiconductor Business, there were cases where valuation losses for work-in-progress inventories and others were not recognized until the time of actual disposal of the inventories, and where the book values of term-end intermediate products and term-end completed products were overstated due to the lack of consistency between the front-end and back-end for revision of the standard cost in the standard cost accounting, and consequently cost of goods sold was understated.

To correct these accounting treatments, the Company restated data in the consolidated financial statements issued in the fiscal year ended March 31, 2010 and the following years. The effect of this restatement on income from continuing operations, before income taxes and noncontrolling interests, for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

Restatement for the account treatment for events identified in self-check and others

The Company restated data in the consolidated financial statements issued in the fiscal year ended March 31, 2010 and the following years, including events identified in the above self-check and other matters that had not been corrected from the standpoint of materiality. This restatement includes the correction of accounting period attribution in recognition of expenses and the correction of the inappropriate accounting treatment for preparing financial statements for prior years of Toshiba Medical Information Systems Corporation. The effect of this restatement on net sales and income from continuing operations, before income taxes and noncontrolling interests, for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

Additional recognition of impairment losses and resulting adjustment to depreciation

Incidental with the above correction of accounting treatments, the Company recognized impairment losses on fixed assets and made a correction of the recognition timing thereof and the resulting adjustment to depreciation for the Visual Products Business, PC Business, discrete and system LSIs businesses of the Semiconductor Business. Consequently, relevant data were restated in the consolidated financial statements issued in the fiscal year ended March 31, 2010 and the following years. The effect of this restatement on income from continuing operations, before income taxes and noncontrolling interests, for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

Others

For significant business combinations conducted in prior years, some data in the consolidated financial statements were retrospectively reclassified due to the completion of allocation of acquisition amounts to assets acquired and liabilities assumed. The effect on income from continuing operations, before income taxes and noncontrolling interests, for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

Income taxes

Although the effect of the correction of the above accounting treatments on income taxes for the current fiscal year in the consolidated tax filing group led by the Company and in subsidiaries is insignificant, the Company made adjustments to deferred tax assets and liabilities and reviewed valuation allowances due to a change in temporary differences resulting from the above correction of accounting treatments for prior years. Consequently, relevant data were restated in the consolidated financial statements issued in the fiscal year ended March 31, 2010 and the following years. The effect of this restatement on income taxes for the fiscal years ended March 31, 2013 and 2012 is as stated in 3) below.

3) Summary of effects of restatement

(1) Summary of effects on net sales

The following table shows the summary of effects of the restatement on net sales:

Year ended March 31	Millions of yen 2013	2012	Thousands of U.S. dollars 2013
Net sales, as previously reported	**¥ 5,800,281**	¥ 6,100,262	**$ 61,705,117**
Reclassified as discontinued operations	**(73,295)**	(105,915)	**(779,734)**
Adjustments:			
Correction of the accounting treatment under the percentage-of-completion method	**(3,016)**	(222)	**(32,085)**
Correction of the accounting treatment in relation to recording operating expenses in the Visual Products Business	**191**	(286)	**2,032**
Correction of the account treatment for events identified in self-check and others	**(1,913)**	2,575	**(20,351)**
Sub total of adjustments	**(4,738)**	2,067	**(50,404)**
Net sales, as restated	**¥ 5,722,248**	¥ 5,996,414	**$ 60,874,979**

(2) Summary of effects on income from continuing operations, before income taxes and noncontrolling interests, income from continuing operations, before noncontrolling interests, income from discontinued operations, before noncontrolling interests, and net income attributable to shareholders of the Company

The following table shows the summary of effects of the restatement on income from continuing operations, before income taxes and noncontrolling interests, income from continuing operations, before noncontrolling interests, income from discontinued operations, before noncontrolling interests, and net income attributable to shareholders of the Company:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Income from continuing operations, before income taxes and noncontrolling interests, as previously reported	**¥ 155,553**	¥ 145,579	**$ 1,654,819**
Reclassified as discontinued operations	**4,983**	(134)	**53,011**
Adjustments:			
Correction of the accounting treatment under the percentage-of-completion method	**(17,979)**	(7,892)	**(191,266)**
Correction of the accounting treatment in relation to recording operating expenses in the Visual Products Business	**(2,798)**	12,717	**(29,766)**
Correction of the accounting treatment in the parts transactions in the PC Business	**(28,157)**	(22,258)	**(299,543)**
Correction of the accounting treatment in relation to valuation of inventory in the Semiconductor Business	**(36,587)**	(10,294)	**(389,223)**
Correction of the account treatment for events identified in self-check and others	**(12,903)**	(7,332)	**(137,266)**
Additional recognition of impairment losses and resulting adjustment to depreciation	**13,721**	(48,959)	**145,968**
Other	**(907)**	–	**(9,649)**
Sub total of adjustments	**(85,610)**	(84,018)	**(910,745)**
Income from continuing operations, before income taxes and noncontrolling interests, as restated	**74,926**	61,427	**797,085**
Income taxes, as previously reported	**59,827**	64,223	**636,457**
Adjustment to income taxes	**(21,471)**	(15,783)	**(228,415)**
Income taxes, as restated	**38,356**	48,440	**408,042**
Income from continuing operations, before noncontrolling interests, as restated	**36,570**	12,987	**389,043**
Loss from discontinued operations, before noncontrolling interests (net of tax), as previously reported	**0**	(1,295)	**0**
Reclassified as discontinued operations	**(4,983)**	134	**(53,011)**
Loss from discontinued operations, before noncontrolling interests (net of tax), as restated	**(4,983)**	(1,161)	**(53,011)**
Net income before noncontrolling interests, after reclassification as discontinued operations	**31,587**	11,826	**336,032**
Less: Net income attributable to noncontrolling interests, as previously reported	**18,193**	10,007	**193,543**
Adjustment to: less: net income attributable to noncontrolling interests	**(31)**	(1,375)	**(330)**
Less: Net income attributable to noncontrolling interests, as restated	**18,162**	8,632	**193,213**
Net income attributable to shareholders of the Company, as restated	**¥ 13,425**	¥ 3,194	**$ 142,819**

(3) Adjustments to the opening balance of each equity item

The following table shows the summary of adjustments made to the balance of each equity item at the beginning of the fiscal year ended March 31, 2012 as cumulative effects in the fiscal year ended March 31, 2011 and the prior periods. No adjustment is made to common stock and treasury stock, at cost.

	Millions of yen			
	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Equity attributable to noncontrolling interests
March 31, 2011, as previously reported	¥ 399,552	¥ 551,523	¥ (521,396)	¥ 311,497
Adjustments:				
Correction of the accounting treatment under the percentage-of-completion method	–	(15)	–	–
Correction of the accounting treatment in relation to recording operating expenses in the Visual Products Business	–	(19,633)	–	–
Correction of the accounting treatment in the parts transactions in the PC Business	–	(37,037)	–	–
Correction of the accounting treatment in relation to valuation of inventory in the Semiconductor Business	–	(5,910)	–	–
Correction of the account treatment for events identified in self-check and others	(1)	(16,995)	1,791	53
Additional recognition of impairment losses and resulting adjustment to depreciation	–	(38,445)	–	–
Adjustment to income taxes	–	39,800	–	–
Adjustment to noncontrolling interests	–	2,186	–	(2,186)
Sub total of adjustments	(1)	(76,049)	1,791	(2,133)
March 31, 2011, as restated	¥ 399,551	¥ 475,474	¥ (519,605)	¥ 309,364

(4) Summary of effects on consolidated balance sheet

The following table shows the summary of effects of the restatement above on the consolidated balance sheet.

	Millions of yen		
March 31, 2013	Amount as previously reported	Adjustment	Amount as restated
Assets			
Current assets			
Cash and cash equivalents	¥ 209,169	¥ –	¥ 209,169
Notes and accounts receivable, trade:	1,372,307	(11,481)	1,360,826
Inventories	1,003,108	(62,870)	940,238
Deferred tax assets	146,388	29,613	176,001
Other receivables	155,961	421	156,382
Prepaid expenses and other current assets	276,774	(10,660)	266,114
Total current assets	3,163,707	(54,977)	3,108,730
Long-term receivables and investments			
Long-term receivables	30,379	–	30,379
Investments in and advances to affiliates	411,418	88	411,506
Marketable securities and other investments	264,391	–	264,391
Total long-term receivables and investments	706,188	88	706,276
Property, plant and equipment			
Land	99,102	(5,373)	93,729
Buildings	948,918	(33,328)	915,590
Machinery and equipment	2,081,402	(49,002)	2,032,400
Construction in progress	90,858	(11,151)	79,707
	3,220,280	(98,854)	3,121,426
Accumulated depreciation	(2,335,600)	36,473	(2,299,127)
Total property, plant and equipment	884,680	(62,381)	822,299
Other assets			
Goodwill and other intangible assets	919,333	(17,517)	901,816
Deferred tax assets	336,330	49,086	385,416
Other assets	96,494	572	97,066
Total other assets	1,352,157	32,141	1,384,298
Total assets	¥ 6,106,732	¥ (85,129)	¥ 6,021,603

March 31, 2013		Millions of yen Amount as previously reported	Adjustment	Amount as restated
Liabilities				
Current liabilities				
Short-term borrowings		¥ 191,453	¥ –	¥ 191,453
Current portion of long-term debt		241,675	–	241,675
Notes and accounts payable, trade		1,190,201	10,228	1,200,429
Accounts payable, other and accrued expenses		434,790	4,354	439,144
Accrued income and other taxes		57,465	668	58,133
Advance payments received		297,902	(694)	297,208
Other current liabilities		330,238	110,454	440,692
Total current liabilities		2,743,724	125,010	2,868,734
Long-term liabilities				
Long-term debt		1,038,448	–	1,038,448
Accrued pension and severance costs		715,450	–	715,450
Other liabilities		192,588	560	193,148
Total long-term liabilities		1,946,486	560	1,947,046
Total liabilities		4,690,210	125,570	4,815,780
Equity				
Equity attributable to shareholders of Toshiba Corporation				
Common stock:				
Authorized:	10,000,000,000 shares			
Issued:	4,237,602,026 shares	439,901	–	439,901
Additional paid-in capital		404,430	(2,836)	401,594
Retained earnings		635,586	(207,017)	428,569
Accumulated other comprehensive loss		(443,919)	(19)	(443,938)
Treasury stock, at cost				
	2,789,946 shares	(1,542)	–	(1,542)
Total equity attributable to shareholders of Toshiba Corporation		1,034,456	(209,872)	824,584
Equity attributable to noncontrolling interests		382,066	(827)	381,239
Total equity		1,416,522	(210,699)	1,205,823
Commitments and contingent liabilities				
Total liabilities and equity		¥ 6,106,732	¥ (85,129)	¥ 6,021,603

March 31, 2012	Millions of yen Amount as previously reported	Adjustment	Amount as restated
Assets			
Current assets			
Cash and cash equivalents	¥ 214,305	¥ –	¥ 214,305
Notes and accounts receivable, trade:	1,307,634	(10,772)	1,296,862
Inventories	884,187	(29,890)	854,297
Deferred tax assets	146,825	29,219	176,044
Other receivables	202,649	(1,411)	201,238
Prepaid expenses and other current assets	253,913	(1,595)	252,318
Total current assets	3,009,513	(14,449)	2,995,064
Long-term receivables and investments			
Long-term receivables	49,164	–	49,164
Investments in and advances to affiliates	414,542	(1,036)	413,506
Marketable securities and other investments	237,519	–	237,519
Total long-term receivables and investments	701,225	(1,036)	700,189
Property, plant and equipment			
Land	100,029	(5,282)	94,747
Buildings	940,935	(34,316)	906,619
Machinery and equipment	2,132,059	(38,076)	2,093,983
Construction in progress	79,006	(11,770)	67,236
	3,252,029	(89,444)	3,162,585
Accumulated depreciation	(2,400,664)	19,749	(2,380,915)
Total property, plant and equipment	851,365	(69,695)	781,670
Other assets			
Goodwill and other intangible assets	723,577	(13,970)	709,607
Deferred tax assets	378,474	23,559	402,033
Other assets	88,583	(4,082)	84,501
Total other assets	1,190,634	5,507	1,196,141
Total assets	¥ 5,752,737	¥ (79,673)	¥ 5,673,064

March 31, 2012		Millions of yen	
	Amount as previously reported	Adjustment	Amount as restated
Liabilities			
Current liabilities			
Short-term borrowings	¥ 119,515	¥ –	¥ 119,515
Current portion of long-term debt	206,626	–	206,626
Notes and accounts payable, trade	1,293,028	(2,126)	1,290,902
Accounts payable, other and accrued expenses	394,707	2,742	397,449
Accrued income and other taxes	46,536	–	46,536
Advance payments received	271,874	(5)	271,869
Other current liabilities	337,276	68,262	405,538
Total current liabilities	2,669,562	68,873	2,738,435
Long-term liabilities			
Long-term debt	909,620	–	909,620
Accrued pension and severance costs	779,414	–	779,414
Other liabilities	163,930	(2,193)	161,737
Total long-term liabilities	1,852,964	(2,193)	1,850,771
Total liabilities	4,522,526	66,680	4,589,206
Equity			
Equity attributable to shareholders of Toshiba Corporation			
Common stock:			
Authorized: 10,000,000,000 shares			
Issued: 4,237,602,026 shares	439,901	–	439,901
Additional paid-in capital	401,125	(4,336)	396,789
Retained earnings	591,932	(142,909)	449,023
Accumulated other comprehensive loss	(567,979)	2,428	(565,551)
Treasury stock, at cost			
2,636,058 shares	(1,498)	–	(1,498)
Total equity attributable to shareholders of Toshiba Corporation	863,481	(144,817)	718,664
Equity attributable to noncontrolling interests	366,730	(1,536)	365,194
Total equity	1,230,211	(146,353)	1,083,858
Commitments and contingent liabilities			
Total liabilities and equity	¥ 5,752,737	¥ (79,673)	¥ 5,673,064

	Thousands of U.S. dollars		
March 31, 2013	Amount as previously reported	Adjustment	Amount as restated
Assets			
Current assets			
Cash and cash equivalents	**$ 2,225,202**	**$ –**	**$ 2,225,202**
Notes and accounts receivable, trade:	**14,599,011**	**(122,139)**	**14,476,872**
Inventories	**10,671,362**	**(668,830)**	**10,002,532**
Deferred tax assets	**1,557,319**	**315,032**	**1,872,351**
Other receivables	**1,659,159**	**4,480**	**1,663,639**
Prepaid expenses and other current assets	**2,944,404**	**(113,404)**	**2,831,000**
Total current assets	**33,656,457**	**(584,861)**	**33,071,596**
Long-term receivables and investments			
Long-term receivables	**323,181**	**–**	**323,181**
Investments in and advances to affiliates	**4,376,787**	**936**	**4,377,723**
Marketable securities and other investments	**2,812,670**	**–**	**2,812,670**
Total long-term receivables and investments	**7,512,638**	**936**	**7,513,574**
Property, plant and equipment			
Land	**1,054,277**	**(57,160)**	**997,117**
Buildings	**10,094,872**	**(354,553)**	**9,740,319**
Machinery and equipment	**22,142,575**	**(521,298)**	**21,621,277**
Construction in progress	**966,575**	**(118,628)**	**847,947**
	34,258,299	**(1,051,639)**	**33,206,660**
Accumulated depreciation	**(24,846,809)**	**388,011**	**(24,458,798)**
Total property, plant and equipment	**9,411,490**	**(663,628)**	**8,747,862**
Other assets			
Goodwill and other intangible assets	**9,780,138**	**(186,351)**	**9,593,787**
Deferred tax assets	**3,577,979**	**522,191**	**4,100,170**
Other assets	**1,026,532**	**6,085**	**1,032,617**
Total other assets	**14,384,649**	**341,925**	**14,726,574**
Total assets	**$ 64,965,234**	**$ (905,628)**	**$ 64,059,606**

March 31, 2013	Thousands of U.S. dollars Amount as previously reported	Adjustment	Amount as restated
Liabilities			
Current liabilities			
Short-term borrowings	**$ 2,036,734**	**$ –**	**$ 2,036,734**
Current portion of long-term debt	**2,571,011**	**–**	**2,571,011**
Notes and accounts payable, trade	**12,661,713**	**108,808**	**12,770,521**
Accounts payable, other and accrued expenses	**4,625,425**	**46,320**	**4,671,745**
Accrued income and other taxes	**611,330**	**7,106**	**618,436**
Advance payments received	**3,169,170**	**(7,383)**	**3,161,787**
Other current liabilities	**3,513,170**	**1,175,043**	**4,688,213**
Total current liabilities	**29,188,553**	**1,329,894**	**30,518,447**
Long-term liabilities			
Long-term debt	**11,047,319**	**–**	**11,047,319**
Accrued pension and severance costs	**7,611,170**	**–**	**7,611,170**
Other liabilities	**2,048,809**	**5,957**	**2,054,766**
Total long-term liabilities	**20,707,298**	**5,957**	**20,713,255**
Total liabilities	**49,895,851**	**1,335,851**	**51,231,702**
Equity			
Equity attributable to shareholders of Toshiba Corporation			
Common stock:			
Authorized: 10,000,000,000 shares			
Issued: 4,237,602,026 shares	**4,679,798**	**–**	**4,679,798**
Additional paid-in capital	**4,302,447**	**(30,171)**	**4,272,276**
Retained earnings	**6,761,553**	**(2,202,308)**	**4,559,245**
Accumulated other comprehensive loss	**(4,722,543)**	**(202)**	**(4,722,745)**
Treasury stock, at cost			
2,789,946 shares	**(16,404)**	**–**	**(16,404)**
Total equity attributable to shareholders of Toshiba Corporation	**11,004,851**	**(2,232,681)**	**8,772,170**
Equity attributable to noncontrolling interests	**4,064,532**	**(8,798)**	**4,055,734**
Total equity	**15,069,383**	**(2,241,479)**	**12,827,904**
Commitments and contingent liabilities			
Total liabilities and equity	**$ 64,965,234**	**$ (905,628)**	**$ 64,059,606**

(5) Summary of effects on consolidated statement of income
The following table shows the summary of effects of the restatement above on the consolidated statement of income.

	Millions of yen			
March 31, 2013	Amount as previously reported	Reclassified as discontinued operations	Adjustment	Amount as restated
Sales and other income	¥ 5,935,259	¥ (73,749)	¥ (4,808)	¥ 5,856,702
Costs and expenses	5,779,706	(78,732)	80,802	5,781,776
Income from continuing operations, before income taxes and noncontrolling interests	155,553	4,983	(85,610)	74,926
Income taxes	59,827	–	(21,471)	38,356
Income from continuing operations, before noncontrolling interests	95,726	4,983	(64,139)	36,570
Loss from discontinued operations, before noncontrolling interests	0	(4,983)	0	(4,983)
Net income before noncontrolling interests	95,726	–	(64,139)	31,587
Less: Net income attributable to noncontrolling interests	18,193	–	(31)	18,162
Net income attributable to shareholders of Toshiba Corporation	77,533	–	(64,108)	13,425

Per share information (Yen)				
Basic net earnings (loss) per share attributable to shareholders of Toshiba Corporation				
Earnings from continuing operations	18.31			3.76
Loss from discontinued operations	0.00			(0.59)
Net earnings	18.31			3.17
Diluted net earnings (loss) per share attributable to shareholders of Toshiba Corporation				
Earnings from continuing operations	18.31			3.76
Loss from discontinued operations	0.00			(0.59)
Net earnings	18.31			3.17

March 31, 2012	Millions of yen Amount as previously reported	Reclassified as discontinued operations	Adjustment	Amount as restated
Sales and other income	¥ 6,204,725	¥ (106,415)	¥ 4,331	¥ 6,102,641
Costs and expenses	6,059,146	(106,281)	88,349	6,041,214
Income from continuing operations, before income taxes and noncontrolling interests	145,579	(134)	(84,018)	61,427
Income taxes	64,223	–	(15,783)	48,440
Income from continuing operations, before noncontrolling interests	81,356	(134)	(68,235)	12,987
Loss from discontinued operations, before noncontrolling interests	(1,295)	134	–	(1,161)
Net income before noncontrolling interests	80,061	–	(68,235)	11,826
Less: Net income (loss) attributable to noncontrolling interests	10,007	–	(1,375)	8,632
Net income attributable to shareholders of Toshiba Corporation	70,054	–	(66,860)	3,194
Per share information (Yen)				
Basic net earnings (loss) per share attributable to shareholders of Toshiba Corporation				
Earnings from continuing operations	16.84			1.13
Loss from discontinued operations	(0.30)			(0.37)
Net earnings	16.54			0.75
Diluted net earnings (loss) per share attributable to shareholders of Toshiba Corporation				
Earnings from continuing operations	16.62			1.11
Loss from discontinued operations	(0.30)			(0.37)
Net earnings	16.32			0.74

March 31, 2013	Thousands of U.S. dollars			
	Amount as previously reported	Reclassified as discontinued operations	Adjustment	Amount as restated
Sales and other income	**$ 63,141,053**	**$ (784,563)**	**$ (51,149)**	**$ 62,305,341**
Costs and expenses	**61,486,234**	**(837,574)**	**859,596**	**61,508,256**
Income from continuing operations, before income taxes and noncontrolling interests	**1,654,819**	**53,011**	**(910,745)**	**797,085**
Income taxes	**636,457**	**–**	**(228,415)**	**408,042**
Income from continuing operations, before noncontrolling interests	**1,018,362**	**53,011**	**(682,330)**	**389,043**
Loss from discontinued operations, before noncontrolling interests	**0**	**(53,011)**	**0**	**(53,011)**
Net income before noncontrolling interests	**1,018,362**	**–**	**(682,330)**	**336,032**
Less: Net income attributable to noncontrolling interests	**193,543**	**–**	**(330)**	**193,213**
Net income attributable to shareholders of Toshiba Corporation	**824,819**	**–**	**(682,000)**	**142,819**
Per share information (U.S. dollar)				
Basic net earnings (loss) per share attributable to shareholders of Toshiba Corporation				
Earnings from continuing operations	**0.19**			**0.04**
Loss from discontinued operations	**0.00**			**(0.01)**
Net earnings	**0.19**			**0.03**
Diluted net earnings (loss) per share attributable to shareholders of Toshiba Corporation				
Earnings from continuing operations	**0.19**			**0.04**
Loss from discontinued operations	**0.00**			**(0.01)**
Net earnings	**0.19**			**0.03**

(6) Summary of effects on consolidated statement of comprehensive income

The following table shows the summary of effects of the restatement above on the consolidated statement of comprehensive income.

March 31, 2013	Millions of yen		
	Amount as previously reported	Adjustment	Amount as restated
Net income before noncontrolling interests	**¥ 95,726**	**¥ (64,139)**	**¥ 31,587**
Other comprehensive income (loss), net of tax			
Net unrealized gains and losses on securities	**25,571**	**–**	**25,571**
Foreign currency translation adjustments	**147,573**	**(2,507)**	**145,066**
Pension liability adjustments	**38,506**	**–**	**38,506**
Net unrealized gains and losses on derivative instruments	**(841)**	**–**	**(841)**
Total other comprehensive income (loss)	**210,809**	**(2,507)**	**208,302**
Comprehensive income before noncontrolling interests	**306,535**	**(66,646)**	**239,889**
Less: Comprehensive income attributable to noncontrolling interests	**60,128**	**(91)**	**60,037**
Comprehensive income (loss) attributable to shareholders of the Company	**¥ 246,407**	**¥ (66,555)**	**¥ 179,852**

March 31, 2012	Millions of yen		
	Amount as previously reported	Adjustment	Amount as restated
Net income before noncontrolling interests	¥ 80,061	¥ (68,235)	¥ 11,826
Other comprehensive income (loss), net of tax			
Net unrealized gains and losses on securities	(5,324)	–	(5,324)
Foreign currency translation adjustments	(11,581)	574	(11,007)
Pension liability adjustments	(33,619)	–	(33,619)
Net unrealized gains and losses on derivative instruments	(659)	–	(659)
Total other comprehensive income (loss)	(51,183)	574	(50,609)
Comprehensive income before noncontrolling interests	28,878	(67,661)	(38,783)
Less: Comprehensive income attributable to noncontrolling interests	5,407	(1,438)	3,969
Comprehensive income (loss) attributable to shareholders of the Company	¥ 23,471	¥ (66,223)	¥ (42,752)

March 31, 2013	Thousands of U.S. dollars		
	Amount as previously reported	Adjustment	Amount as restated
Net income before noncontrolling interests	**$ 1,018,362**	**$ (682,330)**	**$ 336,032**
Other comprehensive income (loss), net of tax			
Net unrealized gains and losses on securities	**272,032**	**–**	**272,032**
Foreign currency translation adjustments	**1,569,926**	**(26,670)**	**1,543,256**
Pension liability adjustments	**409,638**	**–**	**409,638**
Net unrealized gains and losses on derivative instruments	**(8,947)**	**–**	**(8,947)**
Total other comprehensive income (loss)	**2,242,649**	**(26,670)**	**2,215,979**
Comprehensive income before noncontrolling interests	**3,261,011**	**(709,000)**	**2,552,011**
Less: Comprehensive income attributable to noncontrolling interests	**639,660**	**(968)**	**638,692**
Comprehensive income attributable to shareholders of the Company	**$ 2,621,351**	**$ (708,032)**	**$ 1,913,319**

(7) Summary of effects on consolidated statement of cash flows

The following table shows the summary of effects of the restatement above on the consolidated statement of cash flows.

	Millions of yen					
Year ended March 31, 2013	Amount as previously reported		Adjustment		Amount as restated	
Cash flows from operating activities						
Net income before noncontrolling interests		¥ 95,726		¥ (64,139)		¥ 31,587
Adjustments to reconcile net income before noncontrolling interests to net cash provided by operating activities–						
Depreciation and amortization	217,752		(20,005)		197,747	
Provisions for pension and severance costs, less payments	(2,021)		–		(2,021)	
Deferred income taxes	9,380		(21,878)		(12,498)	
Equity in earnings of affiliates, net of dividends	(13,889)		–		(13,889)	
(Gain) loss from sales, disposal and impairment of property, plant and equipment and intangible assets, net	(4,971)		19,504		14,533	
Loss from sales and impairment of securities and other investments, net	3,000		–		3,000	
Decrease in notes and accounts receivable, trade	5,660		709		6,369	
(Increase) decrease in inventories	(64,874)		40,070		(24,804)	
Decrease in notes and accounts payable, trade	(179,769)		12,354		(167,415)	
Increase in accrued income and other taxes	7,753		602		8,355	
Decrease in advance payments received	(3,155)		(689)		(3,844)	
Other	61,724	36,590	33,472	64,139	95,196	100,729
Net cash provided by operating activities		132,316		–		132,316
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment and intangible assets		87,672		–		87,672
Proceeds from sale of securities		3,876		–		3,876
Acquisition of property, plant and equipment		(266,581)		–		(266,581)
Acquisition of intangible assets		(29,630)		–		(29,630)
Purchase of securities		(9,203)		–		(9,203)
Increase (decrease) in investments in affiliates		24,616		–		24,616
Other		(7,097)		–		(7,097)
Net cash used in investing activities		(196,347)		–		(196,347)
Cash flows from financing activities						
Proceeds from long-term debt		350,101		–		350,101
Repayment of long-term debt		(208,865)		–		(208,865)
Increase in short-term borrowings, net		66,885		–		66,885
Dividends paid		(42,547)		–		(42,547)
Purchase of treasury stock, net		(50)		–		(50)
Purchase of shares of Westinghouse Group from noncontrolling interests		(124,724)		–		(124,724)
Other		972		–		972
Net cash provided by financing activities		41,772		–		41,772
Effect of exchange rate changes on cash and cash equivalents		17,123		–		17,123
Net decrease in cash and cash equivalents		(5,136)		–		(5,136)
Cash and cash equivalents at beginning of year		214,305		–		214,305
Cash and cash equivalents at end of year		¥ 209,169		¥ –		¥ 209,169

Year ended March 31, 2012	Millions of yen					
	Amount as previously reported		Adjustment		Amount as restated	
Cash flows from operating activities						
Net income before noncontrolling interests		¥ 80,061		¥ (68,235)		¥ 11,826
Adjustments to reconcile net income before noncontrolling interests to net cash provided by operating activities–						
Depreciation and amortization	249,646		(6,733)		242,913	
Provisions for pension and severance costs, less payments	5,301		–		5,301	
Deferred income taxes	17,354		(17,526)		(172)	
Equity in earnings of affiliates, net of dividends	(13,926)		–		(13,926)	
(Gain) loss from sales, disposal and impairment of property, plant and equipment and intangible assets, net	(2,372)		57,946		55,574	
Loss from sales and impairment of securities and other investments, net	2,322		–		2,322	
Increase in notes and accounts receivable, trade	(194,430)		(1,072)		(195,502)	
(Increase) decrease in inventories	(19,178)		16,773		(2,405)	
Increase in notes and accounts payable, trade	120,594		3,901		124,495	
Increase in accrued income and other taxes	4,391		1,959		6,350	
Increase in advance payments received	104,893		(7)		104,886	
Other	(19,659)	254,936	15,494	70,735	(4,165)	325,671
Net cash provided by operating activities		334,997		2,500		337,497
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment and intangible assets		103,818		–		103,818
Proceeds from sale of securities		9,638		–		9,638
Acquisition of property, plant and equipment		(291,733)		–		(291,733)
Acquisition of intangible assets		(39,426)		–		(39,426)
Purchase of securities		(18,435)		–		(18,435)
Increase (decrease) in investments in affiliates		15,444		–		15,444
Acquisition of Landis+Gyr AG		(129,450)		–		(129,450)
Other		(27,083)		–		(27,083)
Net cash used in investing activities		(377,227)		–		(377,227)
Cash flows from financing activities						
Proceeds from long-term debt		370,911		–		370,911
Repayment of long-term debt		(206,325)		–		(206,325)
Decrease in short-term borrowings, net		(128,267)		(2,500)		(130,767)
Dividends paid		(37,007)		–		(37,007)
Purchase of treasury stock, net		(42)		–		(42)
Other		490		–		490
Net cash used in financing activities		(240)		(2,500)		(2,740)
Effect of exchange rate changes on cash and cash equivalents		(2,065)		–		(2,065)
Net decrease in cash and cash equivalents		(44,535)		–		(44,535)
Cash and cash equivalents at beginning of year		258,840		–		258,840
Cash and cash equivalents at end of year		¥ 214,305		¥ –		¥ 214,305

Year ended March 31, 2013	Thousands of U.S. dollars					
	Amount as previously reported		Adjustment		Amount as restated	
Cash flows from operating activities						
Net income before noncontrolling interests		**$1,018,362**		**$ (682,330)**		**$ 336,032**
Adjustments to reconcile net income before noncontrolling interests to net cash provided by (used in) operating activities–						
Depreciation and amortization	**2,316,510**		**(212,818)**		**2,103,692**	
Provisions for pension and severance costs, less payments	**(21,500)**		**–**		**(21,500)**	
Deferred income taxes	**99,787**		**(232,744)**		**(132,957)**	
Equity in earnings of affiliates, net of dividends	**(147,755)**		**–**		**(147,755)**	
(Gain) loss from sales, disposal and impairment of property, plant and equipment and intangible assets, net	**(52,883)**		**207,489**		**154,606**	
Loss from sales and impairment of securities and other investments, net	**31,915**		**–**		**31,915**	
Decrease in notes and accounts receivable, trade	**60,213**		**7,542**		**67,755**	
(Increase) decrease in inventories	**(690,149)**		**426,277**		**(263,872)**	
Decrease in notes and accounts payable, trade	**(1,912,436)**		**131,425**		**(1,781,011)**	
Increase in accrued income and other taxes	**82,479**		**6,404**		**88,883**	
Decrease in advance payments received	**(33,564)**		**(7,330)**		**(40,893)**	
Other	**656,638**	**389,255**	**356,085**	**682,330**	**1,012,723**	**1,071,585**
Net cash provided by operating activities		**1,407,617**		**–**		**1,407,617**
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment and intangible assets		**932,681**		**–**		**932,681**
Proceeds from sale of securities		**41,234**		**–**		**41,234**
Acquisition of property, plant and equipment		**(2,835,968)**		**–**		**(2,835,968)**
Acquisition of intangible assets		**(315,213)**		**–**		**(315,213)**
Purchase of securities		**(97,904)**		**–**		**(97,904)**
Increase (decrease) in investments in affiliates		**261,872**		**–**		**261,872**
Other		**(75,500)**		**–**		**(75,500)**
Net cash used in investing activities		**(2,088,798)**		**–**		**(2,088,798)**
Cash flows from financing activities						
Proceeds from long-term debt		**3,724,479**		**–**		**3,724,479**
Repayment of long-term debt		**(2,221,968)**		**–**		**(2,221,968)**
Increase in short-term borrowings, net		**711,543**		**–**		**711,543**
Dividends paid		**(452,628)**		**–**		**(452,628)**
Purchase of treasury stock, net		**(532)**		**–**		**(532)**
Purchase of shares of Westinghouse Group from noncontrolling interests		**(1,326,851)**		**–**		**(1,326,851)**
Other		**10,340**		**–**		**10,340**
Net cash provided by financing activities		**444,383**		**–**		**444,383**
Effect of exchange rate changes on cash and cash equivalents		**182,160**		**–**		**182,160**
Net decrease in cash and cash equivalents		**(54,638)**		**–**		**(54,638)**
Cash and cash equivalents at beginning of year		**2,279,840**		**–**		**2,279,840**
Cash and cash equivalents at end of year		**$2,225,202**		**$ –**		**$2,225,202**

Restated text is underlined except for Restatement of previously issued consolidated financial statements.

1. DESCRIPTION OF BUSINESS

The Company and its subsidiaries (hereinafter collectively,"the Group") 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, 2013, sales of Social Infrastructure represented the most significant portion of the Group's total sales or approximately 42 percent. Digital Products, second to Social Infrastructure, represented approximately 23 percent, Electronic Devices approximately 20 percent and Home Appliances approximately 10 percent of the Group's total sales. For the year ended March 31, 2012, sales of Social Infrastructure represented the most significant portion of the Group's total sales or approximately 37 percent. Digital Products represented approximately 26 percent, Electronic Devices approximately 20 percent and Home Appliances approximately 9 percent of the Group's total sales. The Group's products are manufactured and marketed throughout the world with approximately 46 percent of its sales in Japan both for the years ended March 31, 2013 and 2012, respectively and the remainder in Asia, North America, Europe and other parts of the world.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PREPARATION OF FINANCIAL STATEMENTS

The Company 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 include the accounts of the Company, its majority-owned subsidiaries and variable interest entities ("VIEs") for which the Group is the primary beneficiary in accordance with the Accounting Standards Codification ("ASC") No.810 "*Consolidation*" ("ASC No.810"). All significant intra-entity transactions and accounts are eliminated in consolidation.

Investments in affiliates over which the Group has the ability to exercise significant influence are accounted for under the equity method of accounting. Net income (loss) attributable to shareholders of the Company includes its equity in the current net earnings (loss) of such companies after elimination of unrealized intra-entity gains. The proportionate share of the income or loss of some companies accounted for under the equity method is recognized from the most recent available financial statements.

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 Group 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, goodwill and investments, recoverability of receivables, 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 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 statement of income.

ALLOWANCE FOR DOUBTFUL RECEIVABLES

An allowance for doubtful 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 efforts 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 Group 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 impairments 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 Group'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 Group 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 the Company and domestic subsidiaries is computed generally by the 250% declining-balance method with estimated residual value recorded at a nominal value. Depreciation for property, plant and equipment for foreign subsidiaries is generally computed using the straight line method.

The estimated useful lives of buildings are 3 to 50 years, and those of 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. Goodwill is allocated among and tested for impairment at the reporting unit level. 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 income (loss) from continuing operations, before income taxes and noncontrolling interests included in the consolidated statement 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 Group 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 and certain subsidiaries have various retirement benefit plans covering substantially all employees. The unrecognized net obligation existing at initial application of ASC No.715 "*Compensation-Retirement Benefits*", 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 ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Basic net earnings (loss) per share attributable to shareholders of the Company ("EPS") are 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 Group.

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 Group 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 selling price if such element meets the criteria for treatment as a separate unit of accounting as prescribed in ASC No.605 "*Revenue Recognition*". 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 Group includes shipping and handling costs which totaled ¥69,412 million ($738,426 thousand) and ¥73,459 million for the years ended March 31, 2013 and 2012, respectively in selling, general and administrative expenses.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group 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 Group 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 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 Group has transferred certain trade notes and accounts receivable under several securitization programs. When a transfer of financial assets is eligible to be accounted for as a sale under ASC No.860 "*Transfers and Servicing*" ("ASC No.860"), these securitization transactions are accounted for as a sale and the receivables sold under these facilities are excluded from the accompanying consolidated balance sheet.

ASSET RETIREMENT OBLIGATIONS

The Group 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 amount of the retirement obligation, and for accretion of the liability due to the passage of time.

RECENT PRONOUNCEMENTS

In February 2013, the Financial Accounting Standards Boards ("FASB") issued Accounting Standards Updates ("ASU") No.2013-02. ASU No.2013-02 amends ASC No.220 "Comprehensive Income", requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component, and to present, either on the face of the statement where net income is presented or in notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. ASU No.2013-02 is effective for fiscal years beginning after December 15, 2012 and the Company will adopt ASU No.2013-02 effective April 1, 2013. The adoption of ASU No.2013-02 will not impact the Company's financial position and results of operations.

SUBSEQUENT EVENTS

In accordance with ASC 855 "*Subsequent Events*," the Group assessed subsequent events up to the submission date of the annual securities report before correction (June 25, 2013), and revised financial statements (September 7, 2015).

RECLASSIFICATIONS

In addition to the restatements previously described, 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 ¥94=U.S.$1, the approximate current rate of exchange at March 31, 2013, has been used throughout for the purpose of presentation of the U.S. dollar amounts in the accompanying consolidated financial statements.

4. DISCONTINUED OPERATION

On June 17, 2010, the Company and Fujitsu Limited ("Fujitsu") signed a Memorandum of Understanding (MOU) to merge their mobile phone businesses, followed by a definitive contract on July 29, 2010. The purpose of this business merger was to enhance their handset development capabilities and at the same time to improve business efficiency by combining their mobile phone development know-how and technological strengths, in the domestic and overseas mobile phone market in which competition is intensifying. On October 1, 2010, the Company transferred its mobile phone business to a newly established company (Fujitsu Toshiba Mobile Communications Limited), and sold 80.1% of the shares of the new company to Fujitsu. On April 1, 2012, the Company sold 19.9% of the shares of the new company to Fujitsu. All shares of the company have been transferred by this transaction.

In accordance with this contract, the Company ceased manufacturing and selling of the existing models of mobile phones during the second quarter of FY2011. However, the Company continues the maintenance service of products manufactured and supplied.

In accordance with ASC No.205-20 *"Presentation of Financial Statements-Discontinued Operations"* ("ASC No.205-20"), operating results relating to the mobile phone business are separately presented as discontinued operations in the consolidated statement of income.

Operating results relating to the mobile phone business, which are reclassified as discontinued operations, are as follows. The amounts for the year ended March 31, 2013 were not significant.

	Millions of yen
Year ended March 31	2012
Sales and other income	¥ 21,636
Costs and expenses	23,955
Loss from discontinued operations, before income taxes and noncontrolling interests	(2,319)
Income taxes	(944)
Loss from discontinued operations, before noncontrolling interests	(1,375)
Less:Net income (loss) from discontinued operations attributable to noncontrolling interests	–
Net loss from discontinued operations attributable to shareholders of the Company	(1,375)

On March 26, 2014, the Company entered into definitive agreements with Samsung Electronics Co., Ltd. ("Samsung Electronics") and OPTIS Co., Ltd. ("OPTIS") for the transfer of its optical disc drive ("ODD") business as part of the Company's restructuring of the ODD business in response to the changing market environment.

Under the terms of the agreements, Toshiba Samsung Storage Technology Corporation ("TSST"), which is the Company and Samsung Electronics' Japan-based joint holding company for the ODD business, will transfer Toshiba Samsung Storage Technology Korea Corporation ("TSST-K"), which is TSST's wholly-owned operating subsidiary, to OPTIS in stages over three years. As the first step in the transfer process, OPTIS subscribed to a new issue of TSST-K's shares on April 29, 2014, which diluted TSST's shareholding in TSST-K to 50.1%.

In accordance with ASC No.205-20, operating results relating to the ODD business are separately presented as discontinued operations in the consolidated statement of income.

Operating results relating to the ODD business, which are reclassified as discontinued operations, are as follows.

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Sales and other income	**¥ 73,749**	¥ 106,415	**$ 784,563**
Costs and expenses	**78,732**	106,281	**837,574**
Income (Loss) from discontinued operations, before income taxes and noncontrolling interests	**(4,983)**	134	**(53,011)**
Income taxes	**0**	0	**0**
Income (Loss) from discontinued operations, before noncontrolling interests	**(4,983)**	134	**(53,011)**
Less: Net income (loss) from discontinued operations attributable to noncontrolling interests	**(2,504)**	457	**(26,639)**
Net loss from discontinued operations attributable to shareholders of the Company	**(2,479)**	(323)	**(26,372)**

Mobile Broadcasting Corporation ("MBCO"), a consolidated subsidiary of the Company, ended all its broadcasting services by the end of March 2009, and is in the course of going through the procedures for dissolution. In accordance with ASC No.205-20, operating results relating to MBCO in consolidated statement of income are separately presented as discontinued operations. These amounts were not significant.

5. FAIR VALUE MEASUREMENTS

ASC No.820 "*Fair Value Measurements*" defines fair value as 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, 2013 and 2012 are as follows:

	Millions of yen			
March 31, 2013	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities:				
Equity securities	**¥ 203,355**	**¥ 268**	**¥ –**	**¥ 203,623**
Debt securities	**–**	**–**	**3,742**	**3,742**
Derivative assets:				
Forward exchange contracts	**–**	**4,926**	**–**	**4,926**
Currency options	**–**	**616**	**–**	**616**
Total assets	**¥ 203,355**	**¥ 5,810**	**¥ 3,742**	**¥ 212,907**
Liabilities:				
Derivative liabilities:				
Forward exchange contracts	**¥ –**	**¥ 4,828**	**¥ –**	**¥ 4,828**
Interest rate swap agreements	**–**	**3,711**	**–**	**3,711**
Currency swap agreements	**–**	**177**	**–**	**177**
Total liabilities	**¥ –**	**¥ 8,716**	**¥ –**	**¥ 8,716**

	Millions of yen			
March 31, 2012	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities:				
Equity securities	¥ 174,388	¥ 428	¥ –	¥ 174,816
Debt securities	–	–	3,067	3,067
Derivative assets:				
Forward exchange contracts	–	4,609	–	4,609
Total assets	¥ 174,388	¥ 5,037	¥ 3,067	¥ 182,492
Liabilities:				
Derivative liabilities:				
Forward exchange contracts	¥ –	¥ 5,908	¥ –	¥ 5,908
Interest rate swap agreements	–	1,663	–	1,663
Currency swap agreements	–	465	–	465
Total liabilities	¥ –	¥ 8,036	¥ –	¥ 8,036

March 31, 2013	Thousands of U.S. dollars Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities:				
Equity securities	$ 2,163,351	$ 2,851	$ –	$ 2,166,202
Debt securities	–	–	39,809	39,809
Derivative assets:				
Forward exchange contracts	–	52,404	–	52,404
Currency options	–	6,553	–	6,553
Total assets	$ 2,163,351	$ 61,808	$ 39,809	$ 2,264,968
Liabilities:				
Derivative liabilities:				
Forward exchange contracts	$ –	$ 51,361	$ –	$ 51,361
Interest rate swap agreements	–	39,479	–	39,479
Currency swap agreements	–	1,883	–	1,883
Total liabilities	$ –	$ 92,723	$ –	$ 92,723

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 agreements, 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.

Analyses of the changes in Level 3 assets measured at fair value on a recurring basis for the years ended March 31, 2013 and 2012 are as follows:

Year ended March 31, 2013	Millions of yen Marketable securities
Balance at beginning of year	¥ 3,067
Total gains or losses (realized or unrealized):	
Included in other comprehensive income (loss):	
Net unrealized gains and losses on securities	391
Purchases	3,346
Sales	–
Issuances	–
Settlements	(3,062)
Balance at end of year	¥ 3,742

Year ended March 31, 2012	Millions of yen Marketable securities
Balance at beginning of year	¥ 5
Total gains or losses (realized or unrealized):	
Included in other comprehensive income (loss):	
Net unrealized gains and losses on securities	(143)
Purchases	3,205
Sales	–
Issuances	–
Settlements	–
Balance at end of year	¥ 3,067

Year ended March 31, 2013	Thousands of U.S. dollars Marketable securities
Balance at beginning of year	**$ 32,628**
Total gains or losses (realized or unrealized):	
Included in other comprehensive income (loss):	
Net unrealized gains and losses on securities	**4,160**
Purchases	**35,596**
Sales	**–**
Issuances	**–**
Settlements	**(32,575)**
Balance at end of year	**$ 39,809**

At March 31, 2013 and 2012, Level 3 assets measured at fair value on a recurring basis consisted of corporate debt securities.

Assets and liabilities measured at fair value on a non-recurring basis

Assets that are measured at fair value on a non-recurring basis at March 31, 2013 and 2012 are as follows:

	Millions of yen			
Year ended March 31, 2013	Level 1	Level 2	Level 3	Total
Assets:				
Equity securities	**¥ –**	**¥ –**	**¥ 166**	**¥ 166**
Investments in affiliates	**25,886**	**–**	**2,411**	**28,297**
Long-lived assets held for use	**–**	**–**	**0**	**0**
Component held for sale	**–**	**–**	**6,000**	**6,000**
Total assets	**¥ 25,886**	**¥ –**	**¥ 8,577**	**¥ 34,463**

	Millions of yen			
Year ended March 31, 2012	Level 1	Level 2	Level 3	Total
Assets:				
Investments in affiliates	¥ 3,723	¥ –	¥ 5,872	¥ 9,595
Long-lived assets held for use	–	–	0	0
Total assets	¥ 3,723	¥ –	¥ 5,872	¥ 9,595

	Thousands of U.S. dollars			
Year ended March 31, 2013	Level 1	Level 2	Level 3	Total
Assets:				
Equity securities	**$ –**	**$ –**	**$ 1,766**	**$ 1,766**
Investments in affiliates	**275,383**	**–**	**25,649**	**301,032**
Long-lived assets held for use	**–**	**–**	**0**	**0**
Component held for sale	**–**	**–**	**63,830**	**63,830**
Total assets	**$ 275,383**	**$ –**	**$ 91,245**	**$ 366,628**

Certain non-marketable equity securities accounted for under the cost method were written down to their fair value, resulting in other-than-temporary impairment. The impaired securities were classified within Level 3 as they were valued based on the specific valuation techniques and hypotheses of the Group with unobservable inputs.

Certain equity method investments were written down to their fair value, resulting in other-than-temporary impairment. Some of the impaired investments were classified within Level 1 as they were valued based on quoted market prices in active markets.

Previous equity interests of newly controlled subsidiaries in step acquisitions and retained investment in the former subsidiary were remeasured to their fair value. Some of them were classified within Level 1 as they were valued based on quoted market prices in active markets. Others were classified within Level 3 as they were valued based on the specific valuation techniques and hypotheses of the Group with unobservable inputs.

The impaired long-lived assets were classified within Level 3 as they were valued based on such as discounted cash flows expected to be generated by the related assets with unobservable inputs.

Component held for sale were classified within Level 3 as they were valued based on such as discounted cash flows expected to be generated by the related assets with unobservable inputs.

As a result, the net impacts from continuing operations for the years ended March 31, 2013 and 2012 were ¥29,011 million ($308,628 thousand) loss and ¥65,564 million loss, respectively. They are included in cost of sales, other income and other expense.

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, 2013 and 2012 are as follows:

	Millions of yen			
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
March 31, 2013:				
Equity securities	**¥ 67,419**	**¥ 137,108**	**¥ 904**	**¥ 203,623**
Debt securities	**3,351**	**391**	**0**	**3,742**
	¥ 70,770	**¥ 137,499**	**¥ 904**	**¥ 207,365**
March 31, 2012:				
Equity securities	¥ 76,682	¥ 99,957	¥ 1,823	¥ 174,816
Debt securities	3,210	0	143	3,067
	¥ 79,892	¥ 99,957	¥ 1,966	¥ 177,883

	Thousands of U.S. dollars			
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
March 31, 2013:				
Equity securities	**$ 717,223**	**$ 1,458,596**	**$ 9,617**	**$ 2,166,202**
Debt securities	**35,649**	**4,160**	**0**	**39,809**
	$ 752,872	**$ 1,462,756**	**$ 9,617**	**$ 2,206,011**

At March 31, 2013 and 2012, debt securities mainly consist of corporate debt securities.

Contractual maturities of debt securities classified as available-for-sale at March 31, 2013 are as follows:

	Millions of yen		Thousands of U.S. dollars	
March 31, 2013:	Cost	Fair value	Cost	Fair value
Due within one year	**¥ 0**	**¥ 0**	**$ 0**	**$ 0**
Due after one year within five years	**96**	**99**	**1,021**	**1,053**
Due after five years within ten years	**3,255**	**3,643**	**34,628**	**38,756**
	¥ 3,351	**¥ 3,742**	**$ 35,649**	**$ 39,809**

The proceeds from sales of available-for-sale securities for the years ended March 31, 2013 and 2012 were ¥3,876 million ($41,234 thousand) and ¥9,297 million, respectively. The gross realized gains on those sales for the years ended March 31, 2013 and 2012 were ¥1,675 million ($17,819 thousand) and ¥3,425 million, respectively. The gross realized losses on those sales for the years ended March 31, 2013 and 2012 were ¥1,030 million ($10,957 thousand) and ¥132 million, respectively.

At March 31, 2013, 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 ¥52,009 million ($553,287 thousand) and ¥52,780 million at March 31, 2013 and 2012, respectively. At March 31, 2013 and 2012, investments with an aggregate cost of ¥51,843 million ($551,521 thousand) and ¥49,550 million were not evaluated for impairment because (a)the Group did not estimate the fair value of those investments as it was not practicable to estimate the fair value of those investments and (b)the Group did not identify any events or changes in circumstances that might have had significant adverse effects on the fair value of those investments.

Included in other expense are charges of ¥5,096 million ($54,213 thousand) and ¥7,411 million related to other-than-temporary impairments in the marketable and non-marketable equity securities for the years ended March 31, 2013 and 2012, respectively.

7. SECURITIZATIONS

The Group has transferred certain trade notes and accounts receivable under several securitization programs. These securitization transactions are accounted for as a sale in accordance with ASC No.860, because the Group has relinquished control of the receivables. Accordingly, the receivables transferred under these facilities are excluded from the accompanying consolidated balance sheet.

The Group recognized losses of ¥968 million ($10,298 thousand) and ¥1,120 million on the transfers of receivables for the years ended March 31, 2013 and 2012, respectively.

Subsequent to the transfers, the Group retains collection and administrative responsibilities for the receivables transferred and retains a portion of the receivables for which proceeds are defferred. Servicing fees received by the Group approximate the prevailing market rate. Related servicing assets or liabilities are immaterial to the Group's financial position.

The fair value of deferred proceeds at the point of transfer of receivables is measured based on the economic hypothesis including the estimate of uncollectible receivables, average collection period of receivables and discount rate and it is classified within Level 3.

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

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Proceeds from new securitizations	¥ **849,187**	¥ 886,567	$ **9,033,904**
Servicing fees for the collection of receivables	**512**	554	**5,447**
Repurchase of delinquent or unqualified receivables	**49**	161	**521**

Quantitative information about delinquencies, net credit losses, and components of securitized receivables as of and for the years ended March 31, 2013 and 2012 are as follows. Of these receivables, deferred proceeds for the receivables transferred as of March 31, 2013 and 2012 were ¥49,939 million ($531,266 thousand) and ¥55,915 million, respectively and were recorded as other receivables.

	Millions of yen					
	Total principal amount of receivables		Amount 90 days or more past due		Net credit losses	
	March 31				Year ended March 31	
	2013	2012	**2013**	2012	**2013**	2012
Accounts receivable	¥ **1,573,280**	¥ 1,536,550	¥ **35,900**	¥ 44,839	¥ **1,637**	¥ 2,013
Notes receivable	**78,960**	92,134	**12**	13	**0**	189
Total managed portfolio	**1,652,240**	1,628,684	¥ **35,912**	¥ 44,852	¥ **1,637**	¥ 2,202
Securitized receivables	**(244,153)**	(262,993)				
Total receivables	¥ **1,408,087**	¥ 1,365,691				

	Thousands of U.S. dollars		
	Total principal amount of receivables	Amount 90 days or more past due	Net credit losses
	March 31, 2013		Year ended March 31, 2013
Accounts receivable	**$ 16,737,021**	**$ 381,915**	**$ 17,415**
Notes receivable	**840,000**	**128**	**0**
Total managed portfolio	**17,577,021**	**$ 382,043**	**$ 17,415**
Securitized receivables	**(2,597,372)**		
Total receivables	**$ 14,979,649**		

8. INVENTORIES

Inventories at March 31, 2013 and 2012 consist of the following:

	Millions of yen		Thousands of U.S. dollars
March 31	**2013**	2012	**2013**
Finished products	**¥ 334,008**	¥ 288,716	**$ 3,553,277**
Work in process:			
Long-term contracts	**99,107**	95,822	**1,054,330**
Other	**334,389**	299,001	**3,557,330**
Raw materials	**172,734**	170,758	**1,837,595**
	¥ 940,238	¥ 854,297	**$ 10,002,532**

9. INVESTMENTS IN AND ADVANCES TO AFFILIATES

The Group's significant investments in affiliated companies accounted for by the equity method together with the percentage of the Group's ownership of voting shares at March 31, 2013 were: NREG Toshiba Building Co., Ltd. (35.0%); Topcon Corporation (30.4%); Toshiba Machine Co., Ltd. (22.1%); 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 (5 companies) were carried at ¥42,804 million ($455,362 thousand) and ¥37,046 million at March 31, 2013 and 2012, respectively. The Group's investments in these companies had market values of ¥57,499 million ($611,691 thousand) and ¥61,886 million at March 31, 2013 and 2012, respectively, based on quoted market prices at those dates.

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

	Millions of yen		Thousands of U.S. dollars
March 31	**2013**	2012	**2013**
Current assets	**¥ 1,091,617**	¥ 1,099,093	**$ 11,612,947**
Other assets including property, plant and equipment	**915,934**	979,734	**9,743,979**
Total assets	**¥ 2,007,551**	¥ 2,078,827	**$ 21,356,926**
Current liabilities	**¥ 764,641**	¥ 835,997	**$ 8,134,479**
Long-term liabilities	**417,344**	499,185	**4,439,830**
Equity	**825,566**	743,645	**8,782,617**
Total liabilities and equity	**¥ 2,007,551**	¥ 2,078,827	**$ 21,356,926**

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Sales	**¥ 1,658,877**	¥ 1,933,680	**$ 17,647,628**
Net income	**59,367**	62,953	**631,564**

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	**2013**	2012	**2013**
Sales	**¥ 126,611**	¥ 166,796	**$ 1,346,926**
Purchases	**110,916**	155,522	**1,179,957**
Dividends	**7,411**	3,391	**78,840**

March 31	Millions of yen 2013	2012	Thousands of U.S. dollars 2013
Notes and accounts receivable, trade	¥ **34,038**	¥ 44,045	$ **362,106**
Other receivables	**11,029**	15,877	**117,330**
Short-term loans receivable	**51,500**	18,000	**547,872**
Long-term loans receivable	**62,982**	121,877	**670,021**
Notes and accounts payable, trade	**18,565**	17,023	**197,500**
Other payables	**11,208**	12,943	**119,234**

10. GOODWILL AND OTHER INTANGIBLE ASSETS

The Group tested goodwill for impairment in accordance with ASC No.350, applying a fair value based test and has concluded that there was no impairment for the years ended March 31, 2013 and 2012.

The components of acquired intangible assets excluding goodwill at March 31, 2013 and 2012 are as follows:

March 31, 2013	Millions of yen Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets subject to amortization:			
Software	¥ **197,024**	¥ **129,000**	¥ **68,024**
Technical license fees	**57,503**	**46,154**	**11,349**
Core and current technology	**186,911**	**41,332**	**145,579**
Customer relationship	**116,768**	**19,513**	**97,255**
Other	**47,014**	**20,280**	**26,734**
Total	¥ **605,220**	¥ **256,279**	¥ **348,941**
Other intangible assets not subject to amortization:			
Brand name			**42,688**
Other			**2,042**
Total			**44,730**
			¥ **393,671**

March 31, 2012	Millions of yen Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets subject to amortization:			
Software	¥ 181,801	¥ 118,794	¥ 63,007
Technical license fees	55,522	40,354	15,168
Core and current technology	129,516	29,546	99,970
Customer relationship	74,512	11,459	63,053
Other	42,982	18,256	24,726
Total	¥ 484,333	¥ 218,409	¥ 265,924
Other intangible assets not subject to amortization:			
Brand name			37,450
Other			2,076
Total			39,526
			¥ 305,450

	Thousands of U.S. dollars		
March 31, 2013	Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets subject to amortization:			
Software	$ 2,096,000	$ 1,372,340	$ 723,660
Technical license fees	611,734	491,000	120,734
Core and current technology	1,988,415	439,702	1,548,713
Customer relationship	1,242,213	207,585	1,034,628
Other	500,149	215,745	284,404
Total	$ 6,438,511	$ 2,726,372	$ 3,712,139
Other intangible assets not subject to amortization:			
Brand name			454,128
Other			21,722
Total			475,850
			$ 4,187,989

Other intangible assets acquired during the year ended March 31, 2013 primarily consisted of software of ¥24,208 million ($257,532 thousand). The weighted-average amortization period of software for the year ended March 31, 2013 was approximately 4.3 years.

The weighted-average amortization periods for other intangible assets were approximately 11.4 years and 11.7 years for the years ended March 31, 2013 and 2012, respectively. Amortization expenses of other intangible assets subject to amortization for the years ended March 31, 2013 and 2012 are ¥44,083 million ($468,968 thousand) and ¥44,905 million, respectively. The future amortization expense for each of the next 5 years relating to other intangible assets currently recorded in the consolidated balance sheet at March 31, 2013 is estimated as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2014	¥ 50,825	$ 540,691
2015	35,910	382,021
2016	29,033	308,862
2017	24,286	258,362
2018	21,270	226,277

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, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2013	2012	2013
Balance at beginning of year	¥ 404,157	¥ 283,453	$ 4,299,543
Goodwill acquired during the year	49,097	123,578	522,308
Foreign currency translation adjustments	54,891	(2,874)	583,947
Balance at end of year	¥ 508,145	¥ 404,157	$ 5,405,798

As of March 31, 2013 and 2012, goodwill allocated to Social Infrastructure is ¥431,946 million ($4,595,170 thousand) and ¥376,076 million, respectively. The rest was mainly allocated to Digital Products.

Toshiba TEC Corporation (“TEC”), a consolidated subsidiary of the Company, entered into an agreement with IBM and acquired IBM's Retail Store Solutions business. Accordingly, the Company is in the process of allocating the purchase price to the assets acquired and liabilities assumed in accordance with ASC No.805 “Business Combinations” (“ASC No.805”) but the process has not been finalized. The provisional amounts as of March 31, 2013 will be generally adjusted by increasing or decreasing goodwill when the purchase price allocation is finalized.

11. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2013 and 2012 consist of the following:

March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Loans and overdrafts, principally from banks, with weighted-average interest rate of 1.67% at March 31, 2013, and 1.04% at March 31, 2012:			
Secured	**¥ –**	¥ 22,646	**$ –**
Unsecured	**130,453**	96,869	**1,387,798**
Commercial paper with weighted-average interest rate of 0.13% at March 31, 2013	**61,000**	–	**648,936**
	¥ 191,453	¥ 119,515	**$ 2,036,734**

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

At March 31, 2013, the Group had unused committed lines of credit from short-term financing arrangements aggregating ¥321,400 million ($3,419,149 thousand). The lines of credit expire on various dates from April 2013 through March 2014. Under the agreements, the Group is required to pay commitment fees ranging from 0.030 percent to 0.220 percent on the unused portion of the lines of credit.

Long-term debt at March 31, 2013 and 2012 consist of the following:

March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Loans, principally from banks, due 2013 to 2027 with weighted-average interest rate of 0.61% at March 31, 2013, and due 2012 to 2028 with weighted-average interest rate of 0.90% at March 31, 2012:			
Secured	**¥ 19,206**	¥ 19,206	**$ 204,319**
Unsecured	**756,008**	572,840	**8,042,638**
Unsecured yen bonds, due 2013 to 2020 with interest rates ranging from 0.62% to 2.20% at March 31, 2013, and due 2013 to 2020 with interest rates ranging from 0.89% to 2.20% at March 31, 2012	**290,000**	310,000	**3,085,107**
Interest deferrable and early redeemable subordinated bonds:			
Due 2069 with interest rate of 7.50% at March 31, 2013 and 2012	**180,000**	180,000	**1,914,894**
Capital lease obligations	**34,909**	34,200	**371,372**
	1,280,123	1,116,246	**13,618,330**
Less-Portion due within one year	**(241,675)**	(206,626)	**(2,571,011)**
	¥ 1,038,448	¥ 909,620	**$ 11,047,319**

Substantially all of the unsecured loan agreements permit the lenders to require collateral or guaranties for such loans.

The carrying amount of corresponding notes and accounts receivable, trade and long-term receivables which were accounted for as secured borrowings under ASC No.860 at March 31, 2013 and 2012 were ¥26,978 million ($287,000 thousand) and ¥52,689 million, respectively.

The aggregate annual maturities of long-term debt, as of March 31, 2013, excluding those of capital lease obligations, are as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2014	¥ 232,064	$ 2,468,766
2015	56,477	600,819
2016	198,237	2,108,904
2017	159,831	1,700,330
2018	203,792	2,168,000
Thereafter	394,813	4,200,139
	¥ 1,245,214	$ 13,246,958

12. ISSUANCE OF CONVERTIBLE BOND

In July, 2004, the Company issued ¥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, 2011.

The exercisable period of the stock acquisition rights ended, and the principal amount of the 2011 Bonds was redeemed at maturity.

(The 2011 Bonds' conditions allowing exercise of stock acquisition rights)

The period prior to (but not including) July 21, 2010	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, 2010	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 2011 Bonds were not converted into shares of common stock for the year ended March 31, 2012.

The additional 175,295,212 shares relating to the potential conversion of the 2011 Bonds are included in the calculation of the diluted net income per share attributable to shareholders of the Company for the year ended March 31, 2012.

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.

The Company and certain subsidiaries in Japan have amended their pension plan under the agreement between employees and managements in January 2011, and introduced Cash Balance Plan from April 2011. This plan is designed that each plan participant has a notional account, which is accumulated based on salary standards, interest rates in financial markets and others.

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.

The changes in the benefit obligation and plan assets for the years ended March 31, 2013 and 2012 and the funded status at March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
March 31	**2013**	2012	**2013**
Change in benefit obligation:			
Benefit obligation at beginning of year	**¥ 1,607,643**	¥ 1,524,466	**$ 17,102,585**
Service cost	**54,841**	52,940	**583,415**
Interest cost	**34,463**	38,265	**366,628**
Plan participants' contributions	**4,401**	4,390	**46,819**
Plan amendments	**–**	649	**–**
Actuarial loss	**37,338**	77,645	**397,213**
Benefits paid	**(87,009)**	(79,617)	**(925,628)**
Acquisitions and divestitures	**1,974**	(9,736)	**21,000**
Foreign currency exchange impact	**21,629**	(1,359)	**230,096**
Benefit obligation at end of year	**¥ 1,675,280**	¥ 1,607,643	**$ 17,822,128**
Change in plan assets:			
Fair value of plan assets at beginning of year	**¥ 828,636**	¥ 790,399	**$ 8,815,277**
Actual return on plan assets	**91,958**	12,207	**978,277**
Employer contributions	**75,441**	72,769	**802,564**
Plan participants' contributions	**4,401**	4,390	**46,819**
Benefits paid	**(55,722)**	(53,405)	**(592,787)**
Acquisitions and divestitures	**134**	3,234	**1,425**
Foreign currency exchange impact	**14,233**	(958)	**151,415**
Fair value of plan assets at end of year	**¥ 959,081**	¥ 828,636	**$ 10,202,990**
Funded status	**¥ (716,199)**	¥ (779,007)	**$ (7,619,138)**

Amounts recognized in the consolidated balance sheet at March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
March 31	**2013**	2012	**2013**
Other assets	**¥ 198**	¥ 1,175	**$ 2,106**
Other current liabilities	**(947)**	(768)	**(10,074)**
Accrued pension and severance costs	**(715,450)**	(779,414)	**(7,611,170)**
	¥ (716,199)	¥ (779,007)	**$ (7,619,138)**

Amounts recognized in accumulated other comprehensive loss at March 31, 2013 and 2012 are as follows:

March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Unrecognized actuarial loss	**¥ 567,467**	¥ 632,236	**$ 6,036,883**
Unrecognized prior service cost	**(32,272)**	(36,318)	**(343,319)**
	¥ 535,195	¥ 595,918	**$ 5,693,564**

The accumulated benefit obligation at March 31, 2013 and 2012 are as follows:

March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Accumulated benefit obligation	**¥ 1,562,698**	¥ 1,511,834	**$ 16,624,447**

The components of the net periodic pension and severance cost for the years ended March 31, 2013 and 2012 are as follows:

Year ended March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Service cost	**¥ 54,841**	¥ 52,940	**$ 583,415**
Interest cost on projected benefit obligation	**34,463**	38,265	**366,628**
Expected return on plan assets	**(23,793)**	(22,540)	**(253,117)**
Amortization of prior service cost	**(3,476)**	(3,550)	**(36,979)**
Recognized actuarial loss	**37,625**	34,125	**400,266**
Settlement loss	**–**	69	**–**
Net periodic pension and severance cost	**¥ 99,660**	¥ 99,309	**$ 1,060,213**

Other changes in plan assets and benefit obligation recognized in the other comprehensive income (loss) for the years ended March 31, 2013 and 2012 are as follows:

Year ended March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Current year actuarial loss	**¥ (30,827)**	¥ 87,978	**$ (327,947)**
Recognized actuarial loss	**(37,625)**	(34,125)	**(400,266)**
Prior service cost due to plan amendments	**–**	649	**–**
Amortization of prior service cost	**3,476**	3,550	**36,979**
	¥ (64,976)	¥ 58,052	**$ (691,234)**

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 2014	Thousands of U.S. dollars 2014
Prior service cost	¥ (4,076)	$ (43,362)
Actuarial loss	27,342	290,872

For the year ended March 31, 2013, the Company contributed certain marketable equity securities to employee retirement benefit trusts, with no cash proceeds thereon. The fair value of these securities at the time of contribution was ¥18,414 million ($195,894 thousand). The Group expects to contribute ¥66,585 million ($708,351 thousand) to its defined benefit plans, included Cash Balance Plan, in the year ending March 31, 2014.

The following benefit payments are expected to be paid:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2014	¥ 73,679	$ 783,819
2015	80,082	851,936
2016	83,771	891,181
2017	85,017	904,436
2018	86,713	922,479
2019 - 2023	500,098	5,320,191

Weighted-average assumptions used to determine benefit obligations as of March 31, 2013 and 2012 and net periodic pension and severance cost for the years then ended are as follows:

March 31	**2013**	2012
Discount rate	**2.1%**	2.2%
Rate of compensation increase	**3.2%**	3.3%

Year ended March 31	**2013**	2012
Discount rate	**2.2%**	2.6%
Expected long-term rate of return on plan assets	**2.8%**	2.9%
Rate of compensation increase	**3.3%**	3.2%

The Group 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 Group'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 Group 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 Group 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 Group targets its investments in equity securities at 25 percent or more of total investments, and investments in equity securities, debt securities and life insurance company general accounts at 70 percent or more of total investments.

The equity securities are selected primarily from stocks that are listed on the securities exchanges. Prior to investing, the Group has investigated the business condition of the investee companies, and appropriately diversified investments by type of industry and other relevant factors. The debt securities are selected primarily from government bonds, municipal bonds and corporate bonds. Prior to investing, the Group has investigated the quality of the issue, including rating, interest rate, and repayment dates and has appropriately diversified the investments. Pooled funds are selected using strategies consistent with the equity securities and debt securities described above. Hedge funds are selected following a variety of strategies and fund managers, and the Group has appropriately diversified the investments. Real estate is selected for the eligibility of investment and expected return and other relevant factors, and the Group has appropriately diversified the investments. As for investments in life insurance company general accounts, the contracts with the insurance companies include a guaranteed interest and return of capital.

The three levels of input used to measure fair value are more fully described in Note 5. The plan assets that are measured at fair value at March 31, 2013 and 2012 by asset category are as follows:

	Millions of yen			
March 31, 2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	¥ 54,579	¥ –	¥ –	¥ 54,579
Equity securities:				
Japanese companies	138,579	–	–	138,579
Foreign companies	56,348	–	–	56,348
Pooled funds	31,241	119,445	–	150,686
Debt securities:				
Government bonds	88,534	–	–	88,534
Municipal bonds	–	218	–	218
Corporate bonds	–	26,385	–	26,385
Pooled funds	23,282	209,432	5,672	238,386
Other assets:				
Hedge funds	–	–	105,834	105,834
Real estate	–	–	29,039	29,039
Life insurance company general accounts	–	64,431	–	64,431
Other assets	–	6,062	–	6,062
Total	¥ 392,563	¥ 425,973	¥ 140,545	¥ 959,081

	Thousands of U.S. dollars			
March 31, 2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 580,627	$ –	$ –	$ 580,627
Equity securities:				
Japanese companies	1,474,245	–	–	1,474,245
Foreign companies	599,447	–	–	599,447
Pooled funds	332,351	1,270,692	–	1,603,043
Debt securities:				
Government bonds	941,851	–	–	941,851
Municipal bonds	–	2,319	–	2,319
Corporate bonds	–	280,692	–	280,692
Pooled funds	247,681	2,228,000	60,340	2,536,021
Other assets:				
Hedge funds	–	–	1,125,894	1,125,894
Real estate	–	–	308,926	308,926
Life insurance company general accounts	–	685,436	–	685,436
Other assets	–	64,489	–	64,489
Total	$ 4,176,202	$ 4,531,628	$ 1,495,160	$ 10,202,990

Notes: 1) Pooled funds in equity securities invest in listed equity securities consisting of approximately 5% Japanese companies and 95% foreign companies.
2) Government bonds include approximately 60% Japanese government bonds and 40% foreign government bonds.
3) Pooled funds in debt securities invest in approximately 30% Japanese government bonds, 30% foreign government bonds, 40% municipal bonds and corporate bonds.

March 31, 2012	Millions of yen Level 1	Level 2	Level 3	Total
Cash and cash equivalents	¥ 34,585	¥ –	¥ –	¥ 34,585
Equity securities:				
Japanese companies	98,526	–	–	98,526
Foreign companies	44,859	–	–	44,859
Pooled funds	22,760	185,019	–	207,779
Debt securities:				
Government bonds	84,430	–	–	84,430
Municipal bonds	–	224	–	224
Corporate bonds	–	25,926	–	25,926
Pooled funds	16,933	140,644	4,137	161,714
Other assets:				
Hedge funds	–	–	97,117	97,117
Real estate	–	–	24,857	24,857
Life insurance company general accounts	–	44,511	–	44,511
Other assets	–	4,108	–	4,108
Total	¥ 302,093	¥ 400,432	¥ 126,111	¥ 828,636

Notes: 1) Pooled funds in equity securities invest in listed equity securities consisting of approximately 40% Japanese companies and 60% foreign companies.
2) Government bonds include approximately 60% Japanese government bonds and 40% foreign government bonds.
3) Pooled funds in debt securities invest in approximately 20% Japanese government bonds, 35% foreign government bonds, 45% municipal bonds and corporate bonds.

Each level into which assets are categorized is based on inputs used to measure the fair value of the assets, and does not necessarily indicate the risks or ratings of the assets.

Level 1 plan assets represent marketable equity securities, pooled funds and government bonds, which are valued based on quoted market prices in active markets with sufficient volume and frequency of transactions. Level 2 plan assets represent pooled funds that invest in equity securities and debt securities, corporate bonds and life insurance company general accounts. Pooled funds, which are classified as Level 2 asset, are valued at their net asset values that are calculated by the sponsor of the fund. Corporate bonds are valued based on quoted market prices for identical assets in inactive markets. Life insurance company general accounts are valued based on contracts. Level 3 plan assets represent pooled funds that invest in debt securities, hedge funds and real estate, which are valued based on unobservable inputs as the markets for the assets are not active at the measurement date.

An analysis of the changes in Level 3 plan assets measured at fair value for the year ended March 31, 2013 and 2012 are as follows:

	Millions of yen			
Year ended March 31, 2013	Pooled funds	Hedge funds	Real estate	Total
Balance at beginning of year	**¥ 4,137**	**¥ 97,117**	**¥ 24,857**	**¥ 126,111**
Actual return:				
Relating to assets sold	**–**	**1,693**	**(771)**	**922**
Relating to assets still held	**1,535**	**7,458**	**1,397**	**10,390**
Purchases, issuances and settlements	**–**	**(434)**	**3,556**	**3,122**
Balance at end of year	**¥ 5,672**	**¥ 105,834**	**¥ 29,039**	**¥ 140,545**

	Millions of yen			
Year ended March 31, 2012	Pooled funds	Hedge funds	Real estate	Total
Balance at beginning of year	¥ –	¥ 96,724	¥ 17,311	¥ 114,035
Actual return:				
Relating to assets sold	–	149	107	256
Relating to assets still held	180	211	(518)	(127)
Purchases, issuances and settlements	3,957	33	7,957	11,947
Balance at end of year	¥ 4,137	¥ 97,117	¥ 24,857	¥ 126,111

	Thousands of U.S. dollars			
Year ended March 31, 2013	Pooled funds	Hedge funds	Real estate	Total
Balance at beginning of year	**$ 44,010**	**$ 1,033,160**	**$ 264,436**	**$ 1,341,606**
Actual return:				
Relating to assets sold	**–**	**18,011**	**(8,202)**	**9,809**
Relating to assets still held	**16,330**	**79,340**	**14,862**	**110,532**
Purchases, issuances and settlements	**–**	**(4,617)**	**37,830**	**33,213**
Balance at end of year	**$ 60,340**	**$ 1,125,894**	**$ 308,926**	**$ 1,495,160**

Certain of the Company's subsidiaries provide certain health care and life insurance benefits to retired employees. Such benefits were not material for the years ended March 31, 2013 and 2012.

14. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred and amounted to ¥300,028 million ($3,191,787 thousand) and ¥319,418 million for the years ended March 31, 2013 and 2012, respectively.

15. ADVERTISING COSTS

Advertising costs are expensed as incurred and amounted to ¥30,725 million ($326,862 thousand) and ¥33,804 million for the years ended March 31, 2013 and 2012, respectively.

16. OTHER INCOME AND OTHER EXPENSE

FOREIGN EXCHANGE GAINS AND LOSSES

For the years ended March 31, 2013 and 2012, the net foreign exchange impacts were ¥8,102 million ($86,191 thousand) gain and ¥15,614 million loss, respectively.

GAINS AND LOSSES ON SALES OR DISPOSAL OF FIXED ASSETS

For the years ended March 31, 2013 and 2012, the sale and disposal of fixed assets resulted in net gains of ¥11,927 million ($126,883 thousand) and ¥4,383 million, respectively. Gains on sales of fixed assets were ¥21,440 million ($228,085 thousand), and losses on disposal of fixed assets were ¥9,513 million ($101,202 thousand) for the year ended March 31, 2013. Gains on sales of fixed assets were ¥24,275 million, and losses on disposal of fixed assets were ¥19,892 million for the year ended March 31, 2012.

GAINS AND LOSSES ON SALES OF THE SHARES OF TOSHIBA MOBILE DISPLAY CO., LTD.

In November 2011, the Company, Innovation Network Corporation of Japan ("INCJ"), Hitachi, Ltd. and Sony Corporation signed difinitive agreements to integrate their small- and medium-sized display businesses. The Company, INCJ and a new company (currently called Japan Display Inc. ("JDI")) also signed agreements to transfer all of the issued shares of Toshiba Mobile Display Co., Ltd. ("TMD") to JDI. In March 2012, the Company sold all of the issued shares of TMD to JDI and acquired 10% of the shares of JDI. Gains and losses on these transactions were not significant.

LOSSES ON SALES OF THE SHARES OF TOSHIBA FINANCE CO., LTD.

In April 2013, the Company entered into a definitive agreement to transfer all of the issued shares of Toshiba Finance Co., Ltd. ("TFC") to AEON Financial Services Co., Ltd. ("AFS"). In May 2013, the Company sold all of the issued shares of TFC to AFS. Losses on the transaction of ¥16,280 million ($173,191 thousand) were recorded for the year ended March 31, 2013.

17. IMPAIRMENT OF LONG-LIVED ASSETS

Due to a decrease in profitability of the following business, the Group recorded impairment losses related to the property, plant and equipment, and finite-lived intangible assets. Impairment losses recorded for the year ended March 31, 2013 were consisted of ¥935 million ($9,947 thousand) in the Visual Products business, ¥4,641 million ($49,372 thousand) in the PC business, ¥16,130 million ($171,596 thousand) in the Analog Imaging IC business, and ¥4,251 million ($45,223 thousand) in the System LSI business. The impairment losses recognized in the year ended March 31, 2012 consisted of ¥5,157 million in the Visual Products business, ¥3,270 million in the PC business, ¥47,380 million in the Analog Imaging IC business, and ¥3,215 million in the System LSI business. These impairment losses are recorded are included in cost of sales in the consolidated statement of income.

Impairment losses in the Visual Products and the PC businesses are included in the Digital Products segment, while those in the Analog Imaging IC and the System LSI businesses are included in the Electronic Devices & Components segment.

18. INCOME TAXES

The Group is subject to a number of different income taxes which, in the aggregate, result in an effective statutory tax rate in Japan of approximately 38.0 percent and 40.7 percent for the years ended March 31, 2013 and 2012, respectively.

Amendments to the Japanese tax regulations were enacted into law on November 30, 2011. As a result of these amendments, the effective statutory tax rate used to calculate deferred tax assets and liabilities was changed from 40.7 percent to 38.0 percent for temporary difference expected to be eliminated during the period from the fiscal year beginning on April 1, 2012 to the fiscal year beginning on April 1, 2014, and 35.6 percent for temporary difference expected to be eliminated in and after the fiscal year beginning on April 1, 2015. The effect of re-evaluation of deferred tax assets and liabilities for this change in the tax rate was reflected in income taxes in the consolidated statement of income for the year ended March 31, 2012.

A reconciliation table between the reported income tax expense and the amount computed by multiplying the income from continuing operations, before income taxes and noncontrolling interests by the applicable statutory tax rate is as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Expected income tax expense	**¥ 28,472**	¥ 25,001	**$ 302,894**
Increase (decrease) in taxes resulting from:			
Tax credits	**(5,605)**	(1,009)	**(59,628)**
Non-deductible expenses for tax purposes	**5,220**	2,650	**55,532**
Net changes in valuation allowance	**11,847**	(13,438)	**126,032**
Net decrease in deferred tax assets by enacted changes in tax laws and rates	**–**	36,240	**–**
The difference between the current effective statutory tax rate and the future effective statutory tax rate	**4,785**	12,137	**50,904**
Tax rate difference relating to foreign subsidiaries	**(10,397)**	(11,567)	**(110,606)**
Deferred tax liabilities on undistributed earnings of foreign subsidiaries and affiliates	**1,499**	(6,425)	**15,947**
Other	**2,535**	4,851	**26,968**
Income tax expense	**¥ 38,356**	¥ 48,440	**$ 408,043**

The significant components of deferred tax assets and deferred tax liabilities as of March 31, 2013 and 2012 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Gross deferred tax assets:			
Inventories	**¥ 21,710**	¥ 21,177	**$ 230,958**
Accrued pension and severance costs	**129,705**	123,486	**1,379,840**
Tax loss carryforwards	**236,571**	243,253	**2,516,713**
Pension liability adjustment	**177,590**	203,581	**1,889,255**
Accrued expenses	**152,469**	116,149	**1,622,011**
Depreciation and amortization	**62,495**	66,574	**664,840**
Other	**135,671**	127,257	**1,443,309**
	916,211	901,477	**9,746,926**
Valuation allowance for deferred tax assets	**(220,038)**	(211,006)	**(2,340,830)**
Deferred tax assets	**¥ 696,173**	¥ 690,471	**$ 7,406,096**
Gross deferred tax liabilities:			
Inventories	**¥ (1,291)**	¥ (4,570)	**$ (13,734)**
Property, plant and equipment	**(24,107)**	(15,987)	**(256,457)**
Unrealized gains on securities	**(45,406)**	(31,593)	**(483,043)**
Gain on securities contributed to employee retirement benefit trusts	**(15,239)**	(19,269)	**(162,117)**
Undistributed earnings of foreign subsidiaries and affiliates	**(41,883)**	(32,870)	**(445,564)**
Goodwill and other intangible assets	**(93,727)**	(76,859)	**(997,096)**
Other	**(19,914)**	(17,616)	**(211,851)**
Deferred tax liabilities	**(241,567)**	(198,764)	**(2,569,862)**
Net deferred tax assets	**¥ 454,606**	¥ 491,707	**$ 4,836,234**

Deferred tax liabilities included in other current liabilities and other liabilities at March 31, 2013 and 2012 were ¥106,811 million ($1,136,287 thousand) and ¥86,370 million, respectively.

The net changes in the total valuation allowance for the years ended March 31, 2013 and 2012 were an increase of ¥9,032 million ($96,085 thousand) and a decrease of ¥64,268 million, respectively.

The amounts of adjustments of the beginning-of-the-year balance of the valuation allowance because of a change in judgment about the realizability of the related deferred tax assets in future years for the year ended March 31, 2013 were ¥36,041 million.

The Group's tax loss carryforwards for the corporate and local taxes at March 31, 2013 amounted to ¥569,874 million ($6,062,489 thousand) and ¥751,137 million ($7,990,819 thousand), respectively, the majority of which will expire during the period from the year ending March 2014 through 2022. The Group utilized tax loss carryforwards of ¥50,068 million ($532,638 thousand) and ¥126,432 million to reduce current corporate taxes and ¥23,904 million ($254,298 thousand) and ¥120,232 million to reduce current local taxes during the years ended March 31, 2013 and 2012, respectively.

Realization of tax loss carryforwards and other deferred tax assets is dependent on the Group generating sufficient taxable income prior to their expiration or the Group 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.

A reconciliation table of the beginning and ending amount of unrecognized tax benefits is as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Balance at beginning of year	**¥ 4,673**	¥ 3,473	**$ 49,713**
Additions for tax positions of the current year	**346**	737	**3,681**
Additions for tax positions of prior years	**486**	225	**5,170**
Reductions for tax positions of the current year	**(377)**	(14)	**(4,011)**
Reductions for tax positions of prior years	**(24)**	(431)	**(255)**
Lapse of statute of limitations or closed audits	**(414)**	(1,627)	**(4,404)**
Additions from acquisitions	**–**	2,375	**–**
Foreign currency translation adjustments	**659**	(65)	**7,010**
Balance at end of year	**¥ 5,349**	¥ 4,673	**$ 56,904**

The total amounts of unrecognized tax benefits that would reduce the effective tax rate, if recognized, are ¥1,664 million ($17,702 thousand) and ¥1,715 million at March 31, 2013 and 2012, respectively.

The Group recognizes interest and penalties accrued related to unrecognized tax benefits in income taxes in the consolidated statement of income. Both interest and penalties accrued as of March 31, 2013 and 2012, and interest and penalties included in income taxes for the years ended March 31, 2013 and 2012 are not significant.

The Group believes its estimates and assumptions of unrecognized tax benefits are reasonable and based on each of the items of which the Group is aware at March 31, 2013, no significant changes to the unrecognized tax benefits are expected within the next twelve months.

The Group files income tax returns in Japan and various foreign tax jurisdictions. In Japan, the Group is no longer subject to regular income tax examinations by the tax authority for years before the fiscal year ended March 31, 2010 with few exceptions. In other major foreign tax jurisdictions, the Group 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. EQUITY

COMMON STOCK

The total number of authorized shares of the Company is 10,000,000,000. The total number of shares issued for the years ended March 31,2013 and 2012 are 4,237,602,026.

RETAINED EARNINGS

Retained earnings at March 31, 2013 and 2012 included a legal reserve of ¥34,780 million ($370,000 thousand) and ¥29,286 million, respectively. The Corporation Law of Japan provides that an amount equal to 10% of distributions from retained earnings paid by the Company 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 distributions by the resolution of the stockholders.

The amount of retained earnings available for distributions is based on the Company's retained earnings determined in accordance with generally accepted accounting principles in Japan and the Corporation Law of Japan. Retained earnings at March 31, 2013 do not reflect current year-end distributions of ¥16,939 million ($180,202 thousand) which started to be paid from June 1, 2013.

Retained earnings at March 31, 2013 included the Group's equity in undistributed earnings of equity method investees in the amount of ¥115,285 million ($1,226,436 thousand).

ACCUMULATED OTHER COMPREHENSIVE LOSS

Analyses of the changes in accumulated other comprehensive loss, net of tax, for the years ended March 31, 2013 and 2012 are shown below:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Net unrealized gains and losses on securities:			
Balance at beginning of year	**¥ 57,093**	¥ 62,455	**$ 607,373**
Current year change	**21,072**	(5,362)	**224,170**
Balance at end of year	**¥ 78,165**	¥ 57,093	**$ 831,543**
Foreign currency translation adjustments:			
Balance at beginning of year	**¥ (283,834)**	¥ (273,317)	**$ (3,019,511)**
Current year change	**64,288**	(10,517)	**683,915**
Balance at end of year	**¥ (219,546)**	¥ (283,834)	**$ (2,335,596)**
Pension liability adjustments:			
Balance at beginning of year	**¥ (338,348)**	¥ (308,681)	**$ (3,599,446)**
Current year change	**36,764**	(29,667)	**391,106**
Balance at end of year	**¥ (301,584)**	¥ (338,348)	**$ (3,208,340)**
Net unrealized gains and losses on derivative instruments:			
Balance at beginning of year	**¥ (462)**	¥ (62)	**$ (4,915)**
Current year change	**(511)**	(400)	**(5,436)**
Balance at end of year	**¥ (973)**	¥ (462)	**$ (10,351)**
Total accumulated other comprehensive loss:			
Balance at beginning of year	**¥ (565,551)**	¥ (519,605)	**$ (6,016,500)**
Current year change	**121,613**	(45,946)	**1,293,755**
Balance at end of year	**¥ (443,938)**	¥ (565,551)	**$ (4,722,745)**

Tax effects allocated to each component of other comprehensive income (loss) for the years ended March 31, 2013 and 2012 are shown below:

	Millions of yen		
	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
For the year ended March 31, 2013:			
Net unrealized gains and losses on securities:			
Unrealized holding gains arising during year	**¥ 32,510**	**¥ (12,083)**	**¥ 20,427**
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	**1,002**	**(357)**	**645**
Foreign currency translation adjustments:			
Currency translation adjustments arising during year	**109,061**	**(5,138)**	**103,923**
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	**3,155**	**–**	**3,155**
Pension liability adjustments:			
Pension liability adjustments arising during year	**26,664**	**(9,044)**	**17,620**
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	**33,189**	**(11,817)**	**21,372**
Net unrealized gains and losses on derivative instruments:			
Unrealized losses arising during year	**(130)**	**(152)**	**(282)**
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	**(755)**	**322**	**(433)**
Other comprehensive income	**¥ 204,696**	**¥ (38,269)**	**¥ 166,427**
For the year ended March 31, 2012:			
Net unrealized gains and losses on securities:			
Unrealized holding losses arising during year	¥ (13,768)	¥ 5,011	¥ (8,757)
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	5,723	(2,328)	3,395
Foreign currency translation adjustments:			
Currency translation adjustments arising during year	(10,813)	55	(10,758)
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	241	–	241
Pension liability adjustments:			
Pension liability adjustments arising during year	(80,668)	29,619	(51,049)
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	36,058	(14,676)	21,382
Net unrealized gains and losses on derivative instruments:			
Unrealized gains arising during year	231	41	272
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	(1,285)	613	(672)
Other comprehensive loss	¥ (64,281)	¥ 18,335	¥ (45,946)

	Thousands of U.S. dollars		
	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
For the year ended March 31, 2013:			
Net unrealized gains and losses on securities:			
Unrealized holding gains arising during year	$ 345,851	$ (128,543)	$ 217,308
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	10,660	(3,798)	6,862
Foreign currency translation adjustments:			
Currency translation adjustments arising during year	1,160,222	(54,659)	1,105,563
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	33,564	–	33,564
Pension liability adjustments:			
Pension liability adjustments arising during year	283,660	(96,213)	187,447
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	353,075	(125,713)	227,362
Net unrealized gains and losses on derivative instruments:			
Unrealized losses arising during year	(1,383)	(1,617)	(3,000)
Less: reclassification adjustment for losses included in net income attributable to shareholders of the Company	(8,032)	3,426	(4,606)
Other comprehensive income	$ 2,177,617	$ (407,117)	$ 1,770,500

TAKEOVER DEFENSE MEASURE

The Company has a plan for countermeasures to any large-scale acquisitions of the Company's shares (the “Plan”), based on the shareholders' approval of the Plan for the purpose of protection and enhancement of the corporate value of the Company and the common interests of shareholders.

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 in advance to its board of directors. The Special Committee that solely consists of outside directors who are independent from the Company's management will, at its discretion, obtain advice from outside experts, evaluate and consider the details of the acquisition, disclose to the Company's shareholders the necessary information regarding the acquisition, evaluate, consider and disclose any alternative proposal presented by the Company's representative executive 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 countermeasures (a gratis allotment of stock acquisition rights (shinkabu yoyakuken no mushou wariate), with a condition of which will be that they cannot be exercised by acquirers or the like and subject to call to the effect that the Company can acquire stock acquisition rights from those other than such acquirers in exchange for shares of the Company) are to be implemented in accordance with the recommendation by the Special Committee or the resolution passed at the general meeting for confirming shareholders’ intention and the Company will ensure the corporate value of the Company and the common interests of shareholders.

20. NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The following reconciliation table of the numerators and denominators sets forth the computation of basic and diluted net earnings per share attributable to shareholders of the Company for the years ended March 31, 2013 and 2012.

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Income from continuing operations attributable to shareholders of the Company	¥ **15,904**	¥ 4,777	$ **169,191**
Loss from discontinued operations attributable to shareholders of the Company	**(2,479)**	(1,583)	**(26,372)**
Net income attributable to shareholders of the Company	¥ **13,425**	¥ 3,194	$ **142,819**

	Thousands of shares	
Year ended March 31	**2013**	2012
Weighted-average number of shares of common stock outstanding for the year	**4,234,899**	4,235,024
Incremental shares from assumed conversions of dilutive convertible debentures	**–**	56,982
Weighted-average number of shares of diluted common stock outstanding for the year	**4,234,899**	4,292,006

	Yen		U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Earnings from continuing operations per share attributable to shareholders of the Company:			
–Basic	¥ **3.76**	¥ 1.13	$ **0.04**
–Diluted	**3.76**	1.11	**0.04**
Losses from discontinued operations per share attributable to shareholders of the Company:			
–Basic	¥ **(0.59)**	¥ (0.37)	$ **(0.01)**
–Diluted	**(0.59)**	(0.37)	**(0.01)**
Net earnings per share attributable to shareholders of the Company:			
–Basic	¥ **3.17**	¥ 0.75	$ **0.03**
–Diluted	**3.17**	0.74	**0.03**

Due to their anti-dilutive effect, incremental shares from assumed conversions of dilutive convertible debentures are excluded from the calculation of diluted net losses from discontinued operations per share attributable to shareholders of the Company for the year ended March 31, 2012.

21. FINANCIAL INSTRUMENTS

(1) DERIVATIVE FINANCIAL INSTRUMENTS

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

The Group is exposed to credit-related losses in the event of nonperformance by counterparties to derivative financial instruments, but the Group 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 Group 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 Group'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 2013 to 2020.

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 Group effectively reduce fluctuation in fair value of accounts receivable and payable denominated in foreign currencies.

The interest rate swap agreements utilized by the Group 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 statement of income.

Cash Flow Hedge Strategy

The forward exchange contracts and currency options utilized by the Group effectively reduce fluctuation in cash flow from commitments on future trade transactions denominated in foreign currencies for the next 5 years and 2 years, respectively.

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

The Group expects to reclassify ¥973 million ($10,351 thousand) of net income on derivative financial instruments from accumulated other comprehensive loss to net income (loss) attributable to shareholders of the Company 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 Group has entered into certain forward exchange contracts, interest rate swap agreements, currency swap agreements and currency options 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.

The Group'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, 2013 and 2012 are summarized below:

March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Forward exchange contracts:			
To sell foreign currencies	**¥ 110,637**	¥ 167,866	**$ 1,176,989**
To buy foreign currencies	**94,190**	71,688	**1,002,021**
Interest rate swap agreements	**543,520**	403,791	**5,782,128**
Currency swap agreements	**123,376**	164,678	**1,312,511**
Currency options	**25,955**	–	**276,117**

(2) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Group's financial instruments and the location in the consolidated balance sheet at March 31, 2013 and 2012 are summarized as follows:

March 31	Location	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Derivatives designated as hedging instruments:				
Assets:				
Forward exchange contracts	Prepaid expenses and other current assets	**¥ 2,733**	¥ 3,115	**$ 29,074**
Currency options	Prepaid expenses and other current assets	**616**	–	**6,553**
Liabilities:				
Forward exchange contracts	Other current liabilities	**(1,492)**	(2,735)	**(15,872)**
Interest rate swap agreements	Other current liabilities	**(143)**	(1,161)	**(1,521)**
	Other liabilities	**(3,547)**	(477)	**(37,734)**
Derivatives not designated as hedging instruments:				
Assets:				
Forward exchange contracts	Prepaid expenses and other current assets	**2,193**	1,494	**23,330**
Liabilities:				
Forward exchange contracts	Other current liabilities	**(3,336)**	(3,173)	**(35,489)**
Interest rate swap agreements	Other liabilities	**(21)**	(25)	**(224)**
Currency swap agreements	Other current liabilities	**(177)**	(465)	**(1,883)**

	Millions of yen			
	2013		2012	
March 31	Carrying amount	Fair value	Carrying amount	Fair value
Nonderivatives:				
Liabilities:				
Long-term debt, including current portion	**¥ (1,245,214)**	**¥ (1,252,204)**	¥ (1,082,046)	¥ (1,088,464)

	Thousands of U.S. dollars	
	2013	
March 31	Carrying amount	Fair value
Nonderivatives:		
Liabilities:		
Long-term debt, including current portion	**$ (13,246,958)**	**$ (13,321,319)**

The above table excludes the financial instruments for which fair value 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 Group 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 and 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 estimated discounted value of future cash flows when market quotes are not available, and is classified within Level 2 or Level 3. 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 fair value are not necessarily indicative of the amounts that could be realized in a current market exchange.

The effect of derivative instruments on the consolidated statement of income for the year ended March 31, 2013 is as follows:

Cash flow hedge:

	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
Forward exchange contracts	¥ 705	Other income	¥ 309	Other income	¥ 491
Interest rate swap agreements	(1,384)				
Currency options	601	Other income	124	Other income	25

Derivatives not designated as hedging instruments:

	Millions of yen	
	Amount of gain (loss) recognized in income (loss)	
	Location	Amount recognized
Forward exchange contracts	Other income	¥ 2,401

Cash flow hedge:

	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
Forward exchange contracts	$ 7,500	Other income	$ 3,287	Other income	$ 5,223
Interest rate swap agreements	(14,723)				
Currency options	6,394	Other income	1,319	Other income	266

Derivatives not designated as hedging instruments:

	Thousands of U.S. dollars	
	Amount of gain (loss) recognized in income (loss)	
	Location	Amount recognized
Forward exchange contracts	Other income	$ 25,543

The effect of derivative instruments on the consolidated statement of income for the year ended March 31, 2012 is as follows:

Cash flow hedge:

	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
Forward exchange contracts	¥ (178)	Other income	¥ 672	Other income	¥ 686
Interest rate swap agreements	450				

Derivatives not designated as hedging instruments:

	Millions of yen	
	Amount of gain (loss) recognized in income (loss)	
	Location	Amount recognized
Forward exchange contracts	Other income	¥ 404
Currency options	Other income	7

22. LEASES

The Group 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, 2013 and 2012 were ¥90,660 million ($964,468 thousand) and ¥115,110 million, respectively.

The Group also leases certain machinery and equipment which are accounted for as capital leases. As of March 31, 2013 and 2012, the costs of machinery and equipment under capital leases were approximately ¥65,362 million ($695,340 thousand) and ¥64,723 million, and the related accumulated amortization were approximately ¥30,501 million ($324,479 thousand) and ¥30,482 million, respectively.

The costs of machinery and equipment under capital leases from affiliates of the Company and the related accumulated amortization as of March 31, 2013 and 2012, were not significant.

Minimum lease payments for the Group's capital and non-cancelable operating leases as of March 31, 2013 are as follows:

	Millions of yen		Thousands of U.S. dollars	
Year ending March 31	Capital leases	Operating leases	Capital leases	Operating leases
2014	¥ 11,036	¥ 40,415	$ 117,404	$ 429,947
2015	7,954	23,125	84,617	246,010
2016	5,492	19,554	58,426	208,021
2017	3,820	9,796	40,638	104,213
2018	2,514	6,661	26,745	70,862
Thereafter	25,458	21,452	270,830	228,213
Total minimum lease payments	56,274	¥ 121,003	598,660	$ 1,287,266
Executory costs	(1,963)		(20,883)	
Amounts representing interest	(19,402)		(206,405)	
Present value of net minimum lease payments	34,909		371,372	
Less-current portion	(9,611)		(102,244)	
	¥ 25,298		$ 269,128	

23. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments for the purchase of property, plant and equipment, and unconditional purchase obligation for license fees outstanding at March 31, 2013 totaled approximately ¥26,005 million ($276,649 thousand).

As of March 31, 2013, contingent liabilities, other than guarantees disclosed in Note 24, approximated ¥341 million ($3,628 thousand) mainly for recourse obligations related to notes receivable transferred.

24. GUARANTEES

GUARANTEES OF UNCONSOLIDATED AFFILIATES AND THIRD PARTY DEBT

The Group guarantees debt as well as certain financial obligations of unconsolidated affiliates and third parties to support the sale of the Group's products and services. Expiration dates vary from 2013 to 2023 as of March 31, 2013 or terminate on payment and/or cancellation of the obligation. A payment by the Group 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 ¥328,971 million ($3,499,691 thousand) as of March 31, 2013.

GUARANTEES OF EMPLOYEES' HOUSING LOANS

The Group guarantees housing loans of its employees. Expiration dates vary from 2013 to 2032. 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 ¥4,784 million ($50,894 thousand) as of March 31, 2013. However, the Group expects that the majority of such payments would be reimbursed through the Group's insurance policy.

RESIDUAL VALUE GUARANTEES UNDER SALE AND LEASEBACK TRANSACTIONS

The Group has entered into several sale and leaseback transactions in which certain manufacturing equipment was sold and leased back. The Group may be required to make payments for residual value guarantees in connection with these transactions. The operating leases will expire on various dates through September 2017. The maximum potential payments by the Group for such residual value guarantees were ¥18,668 million ($198,596 thousand) as of March 31, 2013.

GUARANTEES OF DEFAULTED NOTES AND ACCOUNTS RECEIVABLE

The Group has transferred trade notes and accounts receivable under several securitization programs. Upon certain sales of trade notes and accounts receivable, the Group holds a repurchase obligation, which the Group 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 ¥7,172 million ($76,298 thousand) as of March 31, 2013.

The carrying amounts of the liabilities for the Group's obligations under the guarantees described above as of March 31, 2013 were not significant.

WARRANTY

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

The following is a reconciliation table of the product warranty accrual for the years ended March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Balance at beginning of year	**¥ 40,902**	¥ 36,961	**$ 435,128**
Warranties issued	**45,675**	45,605	**485,904**
Settlements made	**(53,174)**	(48,070)	**(565,681)**
Foreign currency translation adjustments	**2,870**	(428)	**30,532**
Other	**–**	4,813	**–**
Balance at end of year	**¥ 36,273**	¥ 38,881	**$ 385,883**

Other includes the warranties assumed in the acquisition of Landis+Gyr A.G. (“L+G”).

25. LEGAL PROCEEDINGS

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. Following its own investigation, the Company contends that it has not found any infringement of EU competition laws, and it brought an action to the General Court of the European Union (the "GC") seeking annulment of the Commission's decision in April 2007. In July 2011, the GC handed down a judgment and annulled the entire fine imposed on the Company, but upheld the Commission's determination about alleged anti-competitive behavior. The Company appealed to the European Court of Justice in September 2011, since there was certain inconsistency between the contents of the judgment and the facts as recognized by the Company. The Company has been asserting its position in this appeal proceeding. In June 2012, the Commission adopted a decision re-imposing fines on the Company, by recalculating the above-mentioned fines. In this decision, the Company was individually fined €56.8 million and was also fined €4.65 million jointly and severally with Mitsubishi Electric Corporation. The Company filed an appeal with the GC seeking annulment of this decision in September 2012 on the ground that the procedure and substance of the decision are unreasonable.

In August 2007, General Electric Capital Leasing Corporation (currently General Electric Japan Inc. ("GE Japan")) filed a lawsuit against six companies including the Company and its two subsidiaries for compensation of damages caused by false transactions. Although such transactions were conducted by a former employee of the Group without any relation to the business operation of the Group, GE Japan alleged the damages in accordance with the employer liability clause of Civil Code. In October 2010, GE Japan settled the case with Transcosmos Inc. and Parametric Technology Corporation Japan, both of which were defendants, and assigned the claims to them. In July 2011, Tokyo District Court ordered the Company to pay approximately ¥4,550 million ($48,404 thousand). Although the Company immediately appealed against this court ruling because the Company believes it is not responsible for the illegal transactions conducted by the former employee, the Company and its two subsidiaries decided to strike a basic agreement to settle the case with Transcosmos Inc. and Parametric Technology Corporation Japan in June 2013.

In February 2011, the Ministry of Defense of Japan ("MOD") cancelled contract for development and manufacture of "reconnaissance system for F-15" between MOD and the Company. In July 2011, the Company filed a lawsuit against MOD to Tokyo District Court seeking payment of approximately ¥9,319 million ($99,138 thousand) including payment for parts which have been already completed. In October 2012, MOD filed a counterclaim seeking payment for the penalty of the cancellation of the contract. The Company asserts that it properly executed its duties pursuant to conditions of the contract. Therefore, the Company thinks that MOD's cancellation of the contract and the claim for penalty is unreasonable and will assert its position in the Court.

Since December 2006, in the United States, certain purchasers of LCD panels and related products from the Group and other defendants have filed lawsuits against the Group and other defendants, seeking compensation of damages caused by alleged infringement of U.S. antitrust law. Though the Group settled with the class action plaintiffs, litigations between direct action plaintiffs are still pending. As the Group believes that there was no illegal activity in the LCD business, the Group plans to pursue all available legal avenues to defend in the pending litigations.

In December 2012, the Commission adopted a decision imposing a fine of approximately €28 million on the Company, plus a fine of €87 million jointly and severally with Panasonic Corporation and MT Picture Display Co., Ltd. for infringement of EU Competition Law in the color picture tube (used for Televisions) market. Following its own investigation, the Company contends that it has not found any infringement of EU competition laws, and it brought an action to the GC in February 2013.

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. Due to 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 have a materially adverse effect on the Group's business, results of operations or financial condition.

The Group's Management currently 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 Group 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 Group.

The information provided is about the status as of the submission date of the annual securities report before correction.

26. ENVIRONMENTAL LIABILITIES

The Japanese environmental regulation, "Law Concerning Special Measure against poly chlorinated biphenyl ("PCB") waste" requires PCB waste holders to dispose of all PCB waste by March 2027. The Group accrued ¥8,526 million ($90,702 thousand) and ¥9,021 million at March 31, 2013 and 2012, respectively, for environmental remediation and restoration costs for products or equipment with PCB which some Group's operations in Japan have retained.

The Westinghouse Group, consolidated subsidiaries of the Company, is subject to federal, state and local laws and regulations relating to the discharge of pollutants into the environment, the disposal of hazardous wastes and other related activities affecting the environment, and which have had and will continue to have an impact on the Group. It is difficult to estimate the timing and ultimate costs to be incurred in the future due to uncertainties about the status of laws, regulations and technology; the adequacy of information available for individual sites; the extended time periods over which site remediation occurs; the availability of waste disposal capacity; and the identification of new sites. The Group has, however, recognized an estimated liability of ¥12,013 million ($127,798 thousand) and ¥12,572 million as of March 31, 2013 and 2012, respectively, measured in current dollars, for those sites where it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

The accrual will be adjusted as assessment and remediation efforts progress or as additional technical or legal information become available. Management is of the 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 Group.

27. ASSET RETIREMENT OBLIGATIONS

The Group records asset retirement obligations in accordance with ASC No.410 *"Asset Retirement and Environmental Obligations"*.

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 changes in the carrying amount of asset retirement obligations for the years ended March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Balance at beginning of year	¥ **15,616**	¥ 18,683	$ **166,128**
Accretion expense	**750**	576	**7,979**
Liabilities settled	**(193)**	(1,447)	**(2,053)**
Liabilities incurred	**1,675**	460	**17,819**
Revisions in estimated cash flows	**(934)**	(2,253)	**(9,936)**
Foreign currency translation adjustments	**1,851**	(403)	**19,691**
Balance at end of year	¥ **18,765**	¥ 15,616	$ **199,628**

28. BUSINESS COMBINATIONS

Vital Images, Inc.

On April 27, 2011 (U.S. Eastern Standard Time), Toshiba Medical Systems Corporation (“TMSC”), a consolidated subsidiary of the Company, and Vital Images, Inc. (“VITAL”), a leading provider of advanced visualization and analysis software, entered into a definitive agreement pursuant to which a subsidiary of TMSC (“Merger Sub”) would acquire all of the outstanding shares of VITAL for $18.75 per share. In response to the commencement of the take-over bid, approximately 86.7% of the outstanding shares of VITAL were validly tendered in the offering period. In addition, Merger Sub exercised its option to purchase additional shares directly from VITAL, resulting in the acquisition of more than 90% of the outstanding shares. On June 16, 2011 (Eastern Standard Time), Merger Sub merged with VITAL, and on the same date, remaining shares were converted into the right to receive cash. As a result, VITAL has become a wholly owned subsidiary of TMSC. This transaction will allow TMSC to significantly strengthen its Imaging Solutions business by integrating technologies of TMSC and VITAL to meet the global demand for advanced visualization and imaging informatics provided to healthcare professionals and healthcare IT providers.

The Group allocated the purchase price to the assets acquired and liabilities assumed in accordance with ASC No.805 “Business Combinations” (“ASC No.805”).

The following table summarizes the allocation of the purchase price to the identifiable assets acquired and liabilities assumed as of the acquisition date:

As of the acquisition date		Millions of yen
Purchase price	¥	22,105
Current assets	¥	10,910
Non-current assets		2,091
Intangible assets subject to amortization		4,159
Current liabilities		2,269
Total identifiable net assets acquired	¥	14,891

Identifiable intangible assets acquired mainly consist of customer relationships. The Group is amortizing the intangible assets over a weighted-average estimated life of 8.0 years.

The excess of the purchase price over the fair value of the identifiable assets acquired and liabilities assumed, amounted to ¥7,214 million, which was recorded as goodwill and allocated to Social Infrastructure. Among the factors that contributed to the recognition of goodwill were the efforts of dedicated sales force and the strong relationships developed with hospitals, university medical schools and distribution partners.

Operating results of VITAL are included in the Company's consolidated statement of income from the acquisition date. These amounts are not significant.

Landis+Gyr A.G.

On May 19, 2011 (Japan Standard Time), the Company entered into a definitive agreement to acquire the entire shares of L+G, and consequently acquired L+G for approximately $2.3 billion in cash on July 29, 2011 (Greenwich Time).

Contemporaneously, the Company entered into a shareholders' agreement and a share purchase agreement with INCJ. The agreements prescribe INCJ's participation to invest in L+G. The Company transferred all shares in L+G and a part of receivables ($1.7 billion in total) to a Special Purpose Entity ("SPE") established in Switzerland for the purpose of managing L+G, and sold 40% of share in the SPE ($680 million in total) to INCJ on August 22, 2011 (Japan Standard Time).

L+G is a leading provider of smart meters, a key component for constructing smart grids, with having over 8,000 utility customers and a strong sales network around the world. L+G provides a wide range of smart meter solutions, from advanced interactive communication technologies to various applications and services based on data collected from their meters. This transaction will allow the Company to provide the sophisticated one-stop solutions that offers optimum power management and effective applications based on cloud computing technologies by the combination of L+G's extensive customer networks, advanced services and technologies, with the Company's comprehensive expertise in energy management for utility companies such as power companies and the energy consumers in corporate buildings and household sectors. The Group will position the Smart Community business as a new focus area and is determined to maximize its presence and capabilities in the market. Upon completion of the acquisition, the Company will promote these synergies through alliances, centering on cloud computing and solutions services, and aim to expand its global operations and to grow the Smart Community business.

The Group allocated the purchase price to the assets acquired and liabilities assumed in accordance with ASC No.805. The consolidated financial statements and notes for the year ended March 31, 2012 have been revised to reflect the allocation of the purchase price.

The following table summarizes the allocation of the purchase price and the fair value of noncontrolling interests to the identifiable assets acquired and liabilities assumed as of the acquisition date:

As of the acquisition date		Millions of yen
Purchase price	¥	126,126
Noncontrolling interests		53,179
Total	¥	179,305
Current assets	¥	54,552
Intangible assets subject to amortization		59,221
Non-current assets		32,956
Current liabilities		40,849
Non-current liabilities		35,086
Total identifiable net assets acquired	¥	70,794

Identifiable intangible assets acquired are as follows:

		Millions of yen
Customer Relationships (Weighted-average estimated period: 12.8 years)	¥	36,960
Core and current technologies (Weighted-average estimated period: 10.5 years)		13,419
Brand name (Weighted-average estimated period: 15.7 years)		8,842

The excess of the purchase price and the fair value of noncontrolling interests over the fair value of the identifiable assets acquired and liabilities assumed, amounted to ¥108,511 million, which was recorded as goodwill and allocated to Social Infrastructure.

Operating results of L+G are included in the Company's consolidated statement of income from the acquisition date. L+G's net sales included in the Company's consolidated statement of income for the year ended March 31, 2012 were ¥80,982 million. The amount of net income is not significant.

Toshiba Finance Co., Ltd.

On February 1, 2012, the Company's former affiliate, TFC, transferred its corporate financial services business to its subsidiary, and subsequently transferred 90% of the shares in such subsidiary to IBJ Leasing.

Simultaneously, the Company increased its ownership in TFC by acquiring an additional 65% stake to 100% in cash, and consequently obtained control of TFC.

The Group allocated the purchase price to the assets acquired and liabilities assumed in accordance with ASC No.805.

The following table summarizes the allocation of the purchase price and the fair value of previously held equity interest to the identifiable assets acquired and liabilities assumed as of the acquisition date:

As of the acquisition date		Millions of yen
Purchase price	¥	10,906
Previously held equity interest		5,872
Total	¥	16,778
Current assets	¥	121,226
Non-current assets		25,803
Current liabilities		99,292
Non-current liabilities		23,289
Total identifiable net assets acquired	¥	24,448

The excess of the purchase price and the fair value of previously held equity interest over the fair value of the identifiable assets acquired and liabilities assumed after reassessment of recognition and measurement with careful investigation and analysis, amounted to ¥7,670 million, was recorded in other income as a bargain purchase in the acquisition. The book value of equity interest that the Company held before acquiring the additional stake was ¥10,086 million, and the difference between the book value the fair value remeasured after acquiring the additional stake is included in the statement of income for the year ended March 31, 2012.

Operating results of TFC are included in the Company's consolidated statement of income from the acquisition date. These amounts are not significant.

IBM's Retail Store Solutions business

On April 17, 2012 (Japan Standard Time), TEC entered into an agreement with International Business Machines Corporation ("IBM"), a US company, to acquire IBM's Retail Store Solutions business ("RSS business") for $850 million in cash, and acquired the business on July 31, 2012 (U.S. Eastern Standard Time).

In accordance with this agreement, the business was acquired through Toshiba Global Commerce Solutions Holdings Corporation, a holding company established in Japan ("Holding Company"), and new companies and their branches established in 42 countries and regions including U.S. under the umbrella of the Holding Company. The agreement provides that the Company will acquire the business with a new company and branch established in countries other than the above-mentioned countries and regions through various procedures such as administrative license or authorization, and others. TEC acquired an 80.1% stake and IBM Taiwan Holdings B.V. ("IBM Taiwan") acquired a 19.9% stake in the Holding Company.

According to the price adjustment clause on compensations for acquisition of the business, the purchase price was adjusted to $797 million from $850 million in the original agreement. In this regard, the amount equivalent to 80.1% of the total compensation for acquisition was paid by the submission date of the quarterly report before correction (June 25, 2013), and the final payment will be made by purchasing shares held by IBM Taiwan which are equivalent to 19.9% in January, 2016. Upon the final payment, the Holding Company will become a wholly owned subsidiary of TEC.

After acquisition of the RSS business, TEC will become the foremost retail point of sale systems company that provides new value to customers, globally offering high-level products and solutions in the retail solution market which has been rapidly growing in the Americas, Europe, Japan, Asia, and worldwide.

The Group allocated the purchase price to the assets acquired and liabilities assumed in accordance with ASC No.805.

The following table summarizes the allocation of the purchase price and the fair value of noncontrolling interests to the identifiable assets acquired and liabilities assumed as of the acquisition date:

As of the acquisition date	Millions of yen	Thousands of U.S. dollars
Purchase price	¥ 49,903	$ 530,883
Noncontrolling interests	12,398	131,894
Total	¥ 62,301	$ 662,777
Current assets	¥ 3,953	$ 42,053
Non-current assets	47,164	501,745
Current liabilities	9,511	101,181
Non-current liabilities	147	1,564
Total identifiable net assets acquired	¥ 41,459	$ 441,053

Identifiable intangible assets acquired are as follows:

	Millions of yen	Thousands of U.S. dollars
Customer Relationships (Weighted-average estimated period: 17.0 years)	¥ 27,684	$ 294,511
Core and current technologies (Weighted-average estimated period: 15.7 years)	14,071	149,691
Brand name (Weighted-average estimated period: – year)	1,954	20,787

The excess of the purchase price and the fair value of the noncontrolling interests over the fair value of the identifiable assets acquired and liabilities assumed, amounted to ¥20,842 million ($221,724 thousand), which was recorded as goodwill and allocated to Digital Products.

Operating results of IBM's Retail Store Solutions business are included in the Company's consolidated statement of income from the acquisition date. IBM's Retail Store Solutions business's net sales and net income included in the Company's consolidated statement of income for the year ended March 31, 2013 were ¥45,992 million ($489,277 thousand) and ¥541 million ($5,755 thousand), respectively.

NuFlare Technology, Inc.

On December 26, 2012, the Company increased its ownership in NuFlare Technology Inc. (“NFT”) by acquiring an additional 8.8% stake to more than 50% totaling approximately ¥5,886 million in cash and consequently acquired a controlling financial interest of NFT.

NFT manufactures and sells advanced semiconductor manufacturing equipment and has a close relationship with the Company in development of related technologies. The Company decided to acquire additional shares in consideration of the need to extend its support to NFT in technological and management operations and to retain its advanced technologies, so that NFT will continue its supply of technologically advanced equipment to the market.

The Group allocated the purchase price to the assets acquired and liabilities assumed in accordance with ASC No.805.

The following table summarizes the allocation of the purchase price, the fair value of previously held equity interest, and the fair value of noncontrolling interests to the identifiable assets acquired and liabilities assumed as of the acquisition date:

As of the acquisition date	Millions of yen	Thousands of U.S. dollars
Purchase price	¥ 5,886	$ 62,617
Previously held equity interest	25,886	275,383
Noncontrolling interests	31,439	334,457
Total	¥ 63,211	$ 672,457
Current assets	¥ 53,194	$ 565,894
Non-current assets	4,880	51,915
Intangible assets subject to amortization	26,839	285,521
Current liabilities	22,796	242,511
Non-current liabilities	16,687	177,521
Total identifiable net assets acquired	¥ 45,430	$ 483,298

Identifiable intangible assets acquired mainly consist of core and current technologies. The Group is amortizing the intangible assets over a weighted-average estimated life of 8.9 years.

The excess of the purchase price, the fair value of previously held equity interest, and the fair value of noncontrolling interests over the fair value of the identifiable assets acquired and liabilities assumed, amounted to ¥17,781 million ($189,159 thousand), which was recorded as goodwill and allocated to Electronic Devices. The book value of equity interest that the Company held before acquiring the additional stake was ¥9,466 million ($100,702 thousand), and the difference between the book value and the fair value remeasured after acquiring the additional stake is included in the statement of income for the year ended March 31, 2013.

Operating results of NFT are included in the Company's consolidated statement of income from the acquisition date. NFT's net sales and net income included in the Company's consolidated statement of income for the year ended March 31, 2013 were ¥7,089 million ($75,415 thousand) and ¥1,109 million ($11,798 thousand), respectively.

The following table summarizes the unaudited pro-forma results of operations, as though the above business combinations had taken place on April 1, 2011.

	Billions of yen		Millions of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Net Sales	**¥ 5,775.4**	¥ 6,169.7	**$ 61,440**
Net income attributable to shareholders of the Company	**14.4**	6.7	**153**

29. Variable Interest Entities

The Group recognizes entities, in accordance with ASC No.810, as VIEs that have either (a) equity investors whose voting right is limited and not having an ability to control it effectively or (b) insufficient equity to permit the entity to finance its activities without additional subordinated financial support. The Group retains variable interests through equity investments, loans and guarantees. In evaluating whether the Group is the primary beneficiary of the VIE and consolidates it, the Group assesses if the Group has both (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

Consolidated Variable Interest Entities

VIEs, of which the Group is the primary beneficiary, are involved in Social Infrastructure, and most of those are entities involved in the Power and Social Infrastructure Systems. The Group has both the power to direct the activities that most significantly affect those VIEs' economic performance and the obligation to absorb losses or the right to receive benefits from the VIEs. The Group is also required to contribute capital to each VIE on an as needed basis based on percentage of ownership interest.

As of March 31, 2013 and 2012, the total assets of VIEs on the consolidated balance sheet were ¥18,682 million ($198,745 thousand) and ¥9,544 million, and the total liabilities of VIEs on the consolidated balance sheet were ¥12,432 million ($132,255 thousand) and ¥5,599 million, respectively. The assets consisted primarily of property, plant and equipment. The liabilities consisted primarily of accounts payable. The assets are restricted for use only by those VIEs, and are not available for the Group's general operations. In addition, the creditors or beneficial interest holders of those VIEs do not have recourse to the general credit of the Group.

Unconsolidated Variable Interest Entities

VIEs, of which the Group is not the primary beneficiary but retains significant variable interests, are involved in Electronic Devices and Social Infrastructure. Unconsolidated VIEs involved in Electronic Devices are joint ventures established with SanDisk Corporation (“SanDisk”) for the purpose of strengthening the production of NAND flash memories. For those joint ventures, the Group and SanDisk share power equally. Unconsolidated VIEs involved in Social Infrastructure are established for the purpose of developing nuclear power plants, supplying stable electric power systems, and providing electric services and equipments to electric power operators. The principal VIE involved in Social Infrastructure is an entity which is seeking regulatory approval for the construction of a nuclear power plant. The Group is not the primary beneficiary of those VIEs because the Group does not have the power to direct the activities that most significantly affect those VIEs' economic performance. The Group accounts for those VIEs under the equity method.

As of March 31, 2013 and 2012, the total assets of those VIEs, carrying amounts of assets and liabilities that relate to the Group's variable interests in the VIEs and the Group's maximum exposures to losses as a result of the Group's involvement with the VIEs are summarized as follows:

	Millions of yen	
March 31, 2013	VIEs involved in Electronic Devices	VIEs involved in Social Infrastructure
Total assets of VIEs	¥ 290,182	¥ 106,681
Carrying amounts of assets that relate to the Group's variable interests in the VIEs	142,033	65,655
Carrying amounts of liabilities that relate to the Group's variable interests in the VIEs	19,619	–
Maximum exposures to losses	192,354	65,655

March 31, 2012	Millions of yen VIEs involved in Electronic Devices	 VIEs involved in Social Infrastructure
Total assets of VIEs	¥ 439,850	¥ 91,591
Carrying amounts of assets that relate to the Group's variable interests in the VIEs	176,242	55,283
Carrying amounts of liabilities that relate to the Group's variable interests in the VIEs	24,902	–
Maximum exposures to losses	211,922	55,283

March 31, 2013	Thousands of U.S. dollars VIEs involved in Electronic Devices	 VIEs involved in Social Infrastructure
Total assets of VIEs	**$ 3,087,043**	**$ 1,134,904**
Carrying amounts of assets that relate to the Group's variable interests in the VIEs	**1,510,989**	**698,457**
Carrying amounts of liabilities that relate to the Group's variable interests in the VIEs	**208,713**	**–**
Maximum exposures to losses	**2,046,319**	**698,457**

Carrying amounts of assets that relate to the Group's variable interests in the VIEs consisted primarily of investment in and advances to affiliates. The Group's maximum exposures to losses, which include primarily equity investments, loans and guarantees, generally do not have relations to the losses anticipated to be incurred from the Group's involvement with the VIEs and are considered to exceed the anticipated losses.

30. SEGMENT INFORMATION

The segments reported below are the components of the Group for which discrete financial information is available and whose results are regularly reviewed by the management of the Group to make decisions about allocation on resources and assess performance.

The Group evaluates the performance of its business segments based on segment operating income (loss). The Group's segment operating income (loss) is derived by deducting the segment's cost of sales and selling, general and administrative expenses from net sales. Certain operating expenses such as restructuring charges and gains (losses) from the sales or disposal of fixed assets are not included in it.

The Group has 5 business segments, (1)Digital Products, (2)Electronic Devices, (3)Social Infrastructure, (4)Home Appliances and (5)Others, identified in accordance with the similarities of the nature of the products, the production processes and markets, etc.

Principal products that belong to each segment are as follows.

(1) Digital Products: Personal computers, POS systems, Multi-function peripherals, Visual products, etc.
(2) Electronic Devices: Semiconductors, Hard disk drives, etc.
(3) Social Infrastructure: Energy-related equipment, Medical equipment, IT solutions, Elevators, etc.
(4) Home Appliances: Refrigerators, Washing drying machines, Light fixtures, Air-conditioners, etc.
(5) Others: Logistics Service, etc.

BUSINESS SEGMENTS

Financial information by segments as of and for the years ended March 31, 2013 and 2012 are as follows:

As of and for the year ended March 31, 2013 — Millions of yen

	Digital Products	Electronic Devices	Social Infrastructure	Home Appliances	Others	Total	Corporate and Eliminations	Consolidated
Net sales								
(1) Unaffiliated customers	¥ 1,388,988	¥ 1,169,899	¥ 2,498,112	¥ 569,705	¥ 95,544	¥ 5,722,248	¥ –	¥ 5,722,248
(2) Intersegment	41,668	85,844	69,707	21,762	215,179	434,160	(434,160)	–
Total	¥ 1,430,656	¥ 1,255,743	¥ 2,567,819	¥ 591,467	¥ 310,723	¥ 6,156,408	¥ (434,160)	¥ 5,722,248
Segment operating income (loss)	¥ (55,721)	¥ 41,413	¥ 115,227	¥ 1,737	¥ (11,774)	¥ 90,882	¥ 1,171	¥ 92,053
Identifiable assets	¥ 954,899	¥ 1,298,386	¥ 3,094,976	¥ 369,276	¥ 426,101	¥ 6,143,638	¥ (122,035)	¥ 6,021,603
Depreciation and amortization	19,177	82,008	76,509	14,246	5,003	196,943	–	196,943
Capital expenditures	19,139	125,607	81,518	34,534	6,145	266,943	–	266,943

As of and for the year ended March 31, 2012 — Millions of yen

	Digital Products	Electronic Devices	Social Infrastructure	Home Appliances	Others	Total	Corporate and Eliminations	Consolidated
Net sales								
(1) Unaffiliated customers	¥ 1,615,323	¥ 1,241,317	¥ 2,328,380	¥ 554,408	¥ 256,986	¥ 5,996,414	¥ –	¥ 5,996,414
(2) Intersegment	48,231	89,580	83,975	20,892	247,939	490,617	(490,617)	–
Total	¥ 1,663,554	¥ 1,330,897	¥ 2,412,355	¥ 575,300	¥ 504,925	¥ 6,487,031	¥ (490,617)	¥ 5,996,414
Segment operating income (loss)	¥ (39,439)	¥ 14,196	¥ 115,176	¥ 2,070	¥ 21,223	¥ 113,226	¥ 1,676	¥ 114,902
Identifiable assets	¥ 816,867	¥ 1,286,067	¥ 2,852,713	¥ 327,776	¥ 428,279	¥ 5,711,702	¥ (38,638)	¥ 5,673,064
Depreciation and amortization	13,697	122,363	77,326	14,489	14,242	242,117	–	242,117
Capital expenditures	21,819	173,531	93,912	15,912	33,359	338,533	–	338,533

As of and for the year ended March 31, 2013 — Thousands of U.S. dollars

	Digital Products	Electronic Devices	Social Infrastructure	Home Appliances	Others	Total	Corporate and Eliminations	Consolidated
Net sales								
(1) Unaffiliated customers	$ 14,776,469	$ 12,445,734	$ 26,575,660	$ 6,060,691	$ 1,016,425	$ 60,874,979	$ –	$ 60,874,979
(2) Intersegment	443,276	913,234	741,563	231,511	2,289,139	4,618,723	(4,618,723)	–
Total	$ 15,219,745	$ 13,358,968	$ 27,317,223	$ 6,292,202	$ 3,305,564	$ 65,493,702	$ (4,618,723)	$ 60,874,979
Segment operating income (loss)	$ (592,777)	$ 440,564	$ 1,225,819	$ 18,479	$ (125,255)	$ 966,830	$ 12,457	$ 979,287
Identifiable assets	$ 10,158,500	$ 13,812,617	$ 32,925,277	$ 3,928,468	$ 4,532,989	$ 65,357,851	$ (1,298,245)	$ 64,059,606
Depreciation and amortization	204,011	872,425	813,926	151,553	53,223	2,095,138	–	2,095,138
Capital expenditures	203,606	1,336,245	867,213	367,383	65,372	2,839,819	–	2,839,819

Notes: 1) Transfers between segments are made at arm's length prices.
2) Corporate assets, included in Corporate and Eliminations of Identifiable assets, are mainly marketable securities of the Company.
3) Prior-period data for the fiscal year ended March 31, 2012 has been reclassified to conform to the current classification, mainly due to changes of the structure of the Group's internal organization in the fiscal year ended March 31, 2013.
4) Some data relating to the discontinued operation has been reclassified following corrections to the consolidated financial statements.

A reconciliation table between the total of the segment operating income (loss) and the income from continuing operations, before income taxes and noncontrolling interests for the years ended March 31, 2013 and 2012 are as follows:

Year ended March 31	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
The total of the segment operating income (loss)	¥ 90,882	¥ 113,226	$ 966,830
Corporate and Eliminations	1,171	1,676	12,457
Sub Total	¥ 92,053	¥ 114,902	$ 979,287
Interest and dividends	12,139	10,195	129,138
Equity in earnings of affiliates	21,560	17,035	229,362
Other income	100,755	78,997	1,071,862
Interest	(32,677)	(31,815)	(347,628)
Other expense	(118,904)	(127,887)	(1,264,936)
Income from continuing operations, before income taxes and noncontrolling interests	¥ 74,926	¥ 61,427	$ 797,085

GEOGRAPHIC INFORMATION

Net Sales

Net sales by region based on the location of the customer for the years ended March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2013**	2012	**2013**
Japan	**¥ 2,625,098**	¥ 2,774,249	**$ 27,926,575**
Overseas	**¥ 3,097,150**	¥ 3,222,165	**$ 32,948,404**
Asia	**984,314**	1,071,036	**10,471,426**
North America	**1,067,106**	1,125,851	**11,352,191**
Europe	**725,193**	732,330	**7,714,819**
Others	**320,537**	292,948	**3,409,968**
Total	**¥ 5,722,248**	¥ 5,996,414	**$ 60,874,979**

Property, plant and equipment

Property, plant and equipment by region at March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
March 31	**2013**	2012	**2013**
Japan	**¥ 515,328**	¥ 558,450	**$ 5,482,213**
Overseas	**¥ 306,971**	¥ 223,220	**$ 3,265,649**
Asia	**159,688**	97,905	**1,698,808**
North America	**71,119**	62,249	**756,585**
Europe	**61,505**	54,570	**654,309**
Others	**14,659**	8,496	**155,947**
Total	**¥ 822,299**	¥ 781,670	**$ 8,747,862**

Notes: 1) There are no individually material countries which should be separately disclosed.
2) There are no material sales to a single unaffiliated customer.
3) Some prior-period data relating to the discontinued operation has been reclassified following corrections to the consolidated financial statements.

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Independent Auditor's Report

The Board of Directors of
Toshiba Corporation

We have audited the accompanying consolidated financial statements of Toshiba Corporation (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of income, comprehensive income, equity, and cash flows for the year then ended and the related notes to the consolidated financial statements, all expressed in Japanese yen.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Toshiba Corporation and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in "Restatement of previously issued consolidated financial statements" in the consolidated financial statements, the Company has amended the consolidated financial statements. We issued the Independent Auditor's Report before the restatement of the consolidated financial statements on June 25, 2013.

Our opinion is not qualified in respect of this matter.

Convenience Translation
We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

September 7, 2015

Ernst & Young ShinNihon LLC

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Tree use cycle mark
We believe that it is important to make proactive use of domestic wood products and to grow forests, and we support the Forestry Agency's efforts to promote "tree trainer activities". Domestic timber provided the raw material for the paper on which this report is printed, and its use contributed to increased absorption of CO_2 by native forests.

Printing

Waterless Printing
Waterless printing, a printing process that eliminates the use of water, is adopted, taking advantage of the characteristics of printing plates made of ink-shedding material.

Non-VOC Ink
100% vegetable ink containing no volatile organic compounds (VOCs) is used.