

Consolidated Balance Sheets

IBJ Leasing Company, Limited and Consolidated Subsidiaries

As of September 30 and March 31, 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2011	March 31 2011	September 30 2011
ASSETS			
Current Assets:			
Cash and Cash Equivalents	¥ 34,379	¥ 36,110	\$ 448,648
Marketable Securities	67	745	884
Lease Receivables and Investments in Lease (Note 5)	487,386	511,669	6,360,252
Receivables (Note 5):			
Notes and Accounts	32	42	426
Lease	1,926	2,576	25,136
Installment Sales	90,114	95,091	1,175,967
Loans	204,782	198,762	2,672,353
Factoring	40,211	43,162	524,747
Total Receivables	337,066	339,635	4,398,629
Operational Investment Securities	54,938	46,008	716,929
Deferred Tax Assets	1,718	1,745	22,425
Prepaid Expenses and Other	17,404	16,650	227,118
Allowance for Doubtful Receivables	(4,871)	(4,644)	(63,575)
Total Current Assets	928,089	947,921	12,111,310
Property and Equipment:			
Leased Assets (Note 5)	93,113	89,275	1,215,100
Accumulated Depreciation	(56,323)	(55,104)	(735,011)
Net Leased Assets	36,789	34,171	480,089
Own-used Assets	5,732	5,687	74,811
Accumulated Depreciation	(2,287)	(2,215)	(29,849)
Net Own-used Assets	3,445	3,472	44,962
Total Property and Equipment	40,234	37,643	525,051
Investments and Other Assets:			
Investment Securities	10,405	10,339	135,783
Investments in Unconsolidated Subsidiaries and Associated Companies	10,538	10,584	137,519
Long-term Receivables	8,681	10,397	113,286
Goodwill	124	137	1,630
Intangible Leased Assets (Note 5)	358	344	4,674
Deferred Tax Assets	3,324	3,363	43,385
Other	7,589	8,139	99,035
Allowance for Doubtful Receivables	(626)	(851)	(8,177)
Total Investments and Other Assets	40,394	42,454	527,135
Total Assets	¥ 1,008,718	¥ 1,028,020	\$ 13,163,496

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

IBJ Leasing Company, Limited and Consolidated Subsidiaries
As of September 30 and March 31, 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2011	March 31 2011	September 30 2011
LIABILITIES and EQUITY			
Current Liabilities:			
Short-term Borrowings (Note 6)	¥ 454,151	¥ 464,794	\$ 5,926,555
Current Portion of Long-term Debt (Note 6)	154,147	169,292	2,011,586
Lease Payable	12,753	15,359	166,432
Accounts Payable — trade	32,226	35,390	420,551
Accrued Expenses	1,683	1,744	21,967
Income Taxes Payable	3,165	2,972	41,304
Deferred Profit on Installment Sales	504	576	6,578
Accruals for Debt Guarantees	394	425	5,149
Other	15,540	15,334	202,794
Total Current Liabilities	674,567	705,889	8,802,916
Long-term Liabilities:			
Long-term Debt (Note 6)	251,755	243,542	3,285,337
Deposits Received	6,626	6,548	86,471
Retirement Benefits for Employees	429	571	5,604
Retirement Allowance for Directors and Corporate Auditors	214	193	2,797
Other	1,439	1,881	18,783
Total Long-term Liabilities	260,464	252,737	3,398,992
Commitments and Contingent Liabilities (Note 7)			
Equity:(Note 10)			
Common Stock	11,760	11,760	153,467
Authorized, 140,000,000 Shares			
Issued, 36,849,000 Shares as of September 30 and March 31,2011			
Capital Surplus	9,680	9,680	126,328
Retained Earnings	52,759	48,301	688,501
Treasury Stock - at cost	(1,079)	(1,079)	(14,084)
650,407 shares as of September 30,2011 and 650,333 shares as of March 31,2011			
Accumulated Other Comprehensive Income:			
Unrealized Gain on Available-for-sale Securities	792	994	10,339
Deferred Loss on Derivatives under Hedge Accounting	(57)	(46)	(745)
Foreign Currency Translation Adjustments	(1,208)	(1,225)	(15,774)
Total	72,647	68,385	948,032
Minority Interests	1,038	1,007	13,556
Total Equity	73,686	69,392	961,588
Total Liabilities and Equity	¥ 1,008,718	¥ 1,028,020	\$ 13,163,496

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Income

IBJ Leasing Company, Limited and Consolidated Subsidiaries
For the six-month periods ended September 30, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2011	September 30 2010	September 30 2011
Revenues	¥ 128,868	¥ 128,639	\$ 1,681,702
Cost and Expenses	113,820	112,701	1,485,330
Gross Profit	15,047	15,938	196,372
Selling, General and Administrative Expenses	6,407	7,602	83,611
Operating Income	8,640	8,336	112,761
Other Income (Expenses):			
Interest Income	1	1	17
Dividend Income	170	147	2,231
Equity in Earnings of Associated Companies	14	221	189
Profit from Investments	467	106	6,106
Interest Expenses	(159)	(218)	(2,084)
Reversal of Accruals for Debt Guarantees	-	30	-
Loss on Devaluation of Investment Securities	(13)	(239)	(174)
Effect Resulting from the Application of Accounting Standard for Asset Retirement Obligations	-	(102)	-
Other — net	107	25	1,409
Income before Income Taxes and Minority Interests	9,230	8,306	120,455
Income Taxes:			
Current	3,653	3,653	47,679
Deferred	214	(225)	2,798
Total	3,868	3,427	50,477
Net Income before Minority Interests	5,362	4,878	69,978
Minority Interests in Earnings of Consolidated Subsidiaries	35	74	464
Net Income	¥ 5,326	¥ 4,804	\$ 69,514

	Yen		U.S. dollars (Note 1)
	September 30 2011	September 30 2010	September 30 2011
Amounts per Share of Common Stock (Note 9)			
Net Income per Share	¥ 147.16	¥ 132.73	\$ 1.92

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income
IBJ Leasing Company, Limited and Consolidated Subsidiaries
For the six-month periods ended September 30, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	<u>September 30 2011</u>	<u>September 30 2010</u>	<u>September 30 2011</u>
Net Income before Minority Interests	¥ 5,362	¥ 4,878	\$ 69,978
Other Comprehensive Income:			
Unrealized Gain on Available-for-sale Securities	(198)	(583)	(2,597)
Deferred Loss on Derivatives under Hedge Accounting	(18)	(75)	(237)
Foreign Currency Translation Adjustments	49	(220)	652
Share of Other Comprehensive Income in Associated Companies	(21)	16	(284)
Total Other Comprehensive Income	(188)	(862)	(2,466)
Comprehensive Income	¥ 5,173	¥ 4,016	\$ 67,512
Total Comprehensive Income attributable to:			
Owners of the Parent	¥5,130	¥3,943	\$ 66,958
Minority Interests	¥42	¥72	\$ 554

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Equity
IBJ Leasing Company, Limited and Consolidated Subsidiaries
For the periods ended September 30 and March 31, 2011

	<i>Thousands of shares</i>		<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	September 30 2011	March 31 2011	September 30 2011	March 31 2011	September 30 2011
Common Stock:					
Balance at beginning of year	36,849	36,849	¥ 11,760	¥ 11,760	\$ 153,467
Balance at end of year	36,849	36,849	11,760	11,760	153,467
Capital Surplus:					
Balance at beginning of year			9,680	9,680	126,328
Balance at end of year			9,680	9,680	126,328
Retained Earnings:					
Balance at beginning of year			48,301	40,989	630,324
Net Income			5,326	9,025	69,514
Cash Dividends Paid			(868)	(1,665)	(11,337)
Change in Scope of Application of Equity Method			-	(47)	-
Balance at end of year			52,759	48,301	688,501
Treasury Stock:					
Balance at beginning of year	(650)	(650)	(1,079)	(1,078)	(14,082)
Treasury Stock Acquired, net	(0)	(0)	(0)	(0)	(2)
Balance at end of year	(650)	(650)	(1,079)	(1,079)	(14,084)
Accumulated Other Comprehensive Income:					
Unrealized Gain on Available-for-sale Securities:					
Balance at beginning of year			994	1,502	12,983
Net change during year			(202)	(507)	(2,644)
Balance at end of year			792	994	10,339
Deferred Loss on Derivatives under Hedge Accounting:					
Balance at beginning of year			(46)	(100)	(611)
Net change during year			(10)	53	(134)
Balance at end of year			(57)	(46)	(745)
Foreign Currency Translation Adjustments:					
Balance at beginning of year			(1,225)	(857)	(15,996)
Net change during year			16	(367)	222
Balance at end of year			(1,208)	(1,225)	(15,774)
Total Accumulated Other Comprehensive Income:					
Balance at beginning of year			(277)	543	(3,624)
Net change during year			(195)	(821)	(2,556)
Balance at end of year			(473)	(277)	(6,180)
Total			72,647	68,385	948,032
Minority Interests:					
Balance at beginning of year			1,007	1,447	13,142
Net change during year			31	(440)	414
Balance at end of year			1,038	1,007	13,556
Total Equity			¥ 73,686	¥ 69,392	\$ 961,588

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

IBJ Leasing Company, Limited and Consolidated Subsidiaries
For the six-month periods ended September 30, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2011	September 30 2010	September 30 2011
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 9,230	¥ 8,306	\$ 120,455
Adjustments for:			
Income Taxes Paid	(3,532)	(3,574)	(46,096)
Depreciation and Disposal of Fixed Assets	4,072	3,741	53,142
Equity in Earnings of Associated Companies	(14)	(221)	(189)
Profit from Investments	(467)	(106)	(6,106)
Increase in Allowance for Doubtful Receivables	2	1	31
Decrease in Accruals for Debt Guarantees	(30)	(33)	(401)
Loss on Devaluation of Marketable and Investment Securities	13	239	174
Change in assets and liabilities:			
Decrease in Lease Receivables and Investments in Lease	21,845	11,902	285,082
(Increase) Decrease in Receivables	(1,507)	5,587	(19,676)
Increase in Operational Investment Securities	(8,929)	(3,650)	(116,531)
Decrease in Accounts Payable — trade	(3,171)	(1,829)	(41,385)
Purchases of Leased Assets	(6,818)	(3,821)	(88,985)
Proceeds from Sales of Leased Assets	888	3,720	11,595
Decrease in Interest Payable	(102)	(176)	(1,344)
Other — net	4,859	7,256	63,415
Total Adjustments	7,105	19,035	92,726
Net Cash Provided by Operating Activities	16,336	27,341	213,181
Cash Flows from Investing Activities:			
Purchases of Own-used Assets	(507)	(590)	(6,628)
Purchases of Marketable and Investment Securities	(451)	(6)	(5,888)
Proceeds from Sales and Redemption of Marketable and Investment Securities	759	0	9,915
Other — net	349	(1,480)	4,559
Net Cash Provided by (Used in) Investing Activities	150	(2,076)	1,958
Cash Flows from Financing Activities:			
Net (Decrease) Increase in Short-term Borrowings	(10,734)	14,904	(140,087)
Proceeds from Long-term Debt	272,497	221,215	3,556,020
Repayments of Long-term Debt	(279,144)	(265,089)	(3,642,760)
Cash Dividends Paid	(868)	(868)	(11,337)
Other — net	(10)	169	(138)
Net Cash Used in Financing Activities	(18,261)	(29,668)	(238,302)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	44	(38)	584
Net Decrease in Cash and Cash Equivalents	(1,730)	(4,442)	(22,579)
Cash and Cash Equivalents at Beginning of Year	36,110	16,748	471,227
Cash and Cash Equivalents at End of Year	¥ 34,379	¥ 12,305	\$ 448,648

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of IBJ Leasing Company, Limited (“IBJL”) and its consolidated subsidiaries (together with IBJL, “IBJL Group”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the company’s financial statements issued domestically in order to present them in a form of which is more familiar to readers outside Japan. The accompanying consolidated financial statements and notes should be read in conjunction with the consolidated financial statements and related notes for the year ended March 31, 2011.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which IBJL is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥76.63 to US\$1.00, the approximate rate of exchange at September 30, 2011. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. The amounts indicated in millions of yen are rounded down by truncating the figures below one million. As a result, totals may not add up exactly.

2. Scope of Consolidation

The consolidated financial statements include the accounts of IBJL Group including Dai-ichi Leasing Co., Ltd., Nissan Leasing Co., Ltd., IBJ Auto Lease Company, Limited, IBJ Leasing (UK) Ltd., and IBJ Leasing (China) Ltd. The number of the consolidated subsidiaries as of September 30, 2011 was 23.

The number of associated companies accounted for under the equity method as of September 30, 2011 was 4. Major investments in associated companies are in Toshiba Finance Corporation and The Toho Lease Co., Ltd..

3. Summary of Significant Accounting Policies

The accounting policies are the same as those applied in the Consolidated Financial Statements as of and for the year ended March 31, 2011.

4. Additional Information

(1) Memorandum of Understanding signed on September 20, 2011 with respect to purchase of shares of the corporate financial services business to be formed by spinning off of Toshiba Finance Corporation, and purchase of shares of other subsidiary

IBJL, Toshiba Finance Corporation ("Toshiba Finance") and Toshiba Corporation ("Toshiba") have signed a Memorandum of Understanding ("MoU") on September 20, 2011, by which IBJL will purchase 90% of the outstanding shares of the new company (the "Succeeding Company") to be formed by spinning off the corporate financial services business of Toshiba Finance. The MoU also covers IBJL's purchase of 65 % of the outstanding shares of Toshiba Medical Finance Co., Ltd. ("Toshiba Medical"), a subsidiary of Toshiba Finance.

Assets relating to the business to be succeeded by the Succeeding Company as of March, 31, 2011, and total assets of Toshiba Medical as of March 31, 2011 are as follows:

- (a) Assets to be succeeded by the Succeeding Company - ¥359,607 million (\$4,692,770 thousand)
 - (*) The above figure was calculated based on the total assets of corporate division of the company calculated by Toshiba Finance for internal reporting purposes, and assets actually succeeded are to be decided upon consultation among the parties.
- (b) Total assets of Toshiba Medical - ¥55,041 million (\$718,275 thousand)

(2) Application of Accounting Standard for Accounting Changes and Error Corrections

IBJL applied Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009) and Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009) on the accounting changes and error corrections which are made from the beginning of the first quarter of the consolidated fiscal year that begins on or after April 1, 2011.

5. Operating Assets

(1) Operating Assets as of September 30 and March 31, 2011 consisted of the following:

	(Millions of yen)		(Thousands of U.S. dollars)
	September 30, 2011	March 31, 2011	September 30, 2011
Leasing: (*1)			
Finance Lease	¥487,386	¥511,669	\$6,360,252
Operating Lease	37,147	34,515	484,763
Leasing total	524,533	546,185	6,845,015
Installment Sales (*2)	89,610	94,514	1,169,389
Loans and Factoring	244,993	241,925	3,197,100
Other	54,938	46,008	716,929
Total Operating Assets	¥914,075	¥928,633	\$11,928,433

(*1) Leasing total consists of the aggregate of Lease Receivables and Investments in Leases, Leased Assets included in Property and Equipment and Intangible Leased Assets on the consolidated balance sheets at the respective period-ends.

(*2) Installment Sales consist of the Installment Sales Receivables less Deferred Profit on Installment Sales on the consolidated balance sheets at the respective period-ends.

(2) The total amounts of new contracts entered into during the periods ended September 30, 2011 and 2010 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2011	2010	2011
Leasing:			
Finance Lease	¥77,963	¥82,502	\$1,017,402
Operating Lease	6,818	3,821	88,985
Leasing total	84,782	86,323	1,106,387
Installment Sales (*1)	17,440	16,017	227,592
Loans and Factoring	49,425	58,368	644,989
Other	15,028	6,230	196,114
Total	¥166,676	¥166,940	\$2,175,082

(*1) The amount of the Installment Sales is shown as the Installment Sales Receivables less Deferred Profit on Installment Sales.

6. Short-term Borrowings and Long-term Debt

(1) Short-term Borrowings as of September 30 and March 31, 2011 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	September 30, 2011	March 31, 2011	September 30, 2011
Short-term Borrowings			
Short-term Borrowings from banks and other financial institutions	¥123,951	¥137,494	\$1,617,538
Commercial Paper	330,200	327,300	4,309,017
Total	¥454,151	¥464,794	\$5,926,555
Current Portion of Long-term Debt			
Long-term debt from banks and other financial institutions	¥120,321	¥138,857	\$1,570,162
Payables under securitized lease receivables due within one year	33,826	30,434	441,424
Total	¥154,147	¥169,292	\$2,011,586

(2) Long-term Debt as of September 30 and March 31, 2011 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	September 30, 2011	March 31, 2011	September 30, 2011
Long-term Debt			
Long-term debt from banks and other financial institutions	¥250,178	¥240,956	\$3,264,757
Payables under securitized lease receivables due over one year	1,577	2,585	20,580
Total	¥251,755	¥243,542	\$3,285,337

7. Commitments and Contingent Liabilities

Contingent liabilities as of September 30, 2011 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2011	2011
Guarantee Obligations with respect to operating activities	¥24,322	\$317,408
Other Guarantee Obligations	6,463	84,346
Accruals for Debt Guarantees	(394)	(5,149)
Total	¥30,391	\$396,605

8. Segment Information

(1) Information about sales and profit

For the six-month period ended September 30, 2011

	(Millions of yen)						
	2011						
	Reportable segment						
	Leasing	Installment sales	Loans	Other	Total	Reconciliations (*1)	Consolidated
Sales:							
Sales to external customers	¥119,135	¥5,689	¥2,916	¥1,127	¥128,868	¥ -	¥128,868
Intersegment sales and transfers	102	10	92	48	254	(254)	-
Total	119,238	5,699	3,009	1,176	129,123	(254)	128,868
Operating Expenses	110,633	5,196	1,802	756	118,388	1,839	120,228
Segment Profit	¥8,604	¥503	¥1,206	¥420	¥10,734	¥(2,093)	¥8,640

For the six-month period ended September 30, 2010

	(Millions of yen)						
	2010						
	Reportable segment						
	Leasing	Installment sales	Loans	Other	Total	Reconciliations (*)	Consolidated
Sales:							
Sales to external customers	¥117,890	¥6,787	¥2,952	¥1,009	¥128,639	¥ -	¥128,639
Intersegment sales and transfers	78	15	91	43	229	(229)	-
Total	117,968	6,803	3,044	1,052	128,869	(229)	128,639
Operating Expenses	109,531	6,443	2,059	586	118,621	1,681	120,303
Segment Profit	¥8,437	¥359	¥984	¥466	¥10,247	¥(1,911)	¥8,336

For the six-month period ended September 30, 2011

	(Thousands of U.S. dollars)						
	2011						
	Reportable segment						
	Leasing	Installment sales	Loans	Other	Total	Reconciliations (*)	Consolidated
Sales:							
Sales to external customers	\$1,554,691	\$74,240	\$38,061	\$14,710	\$1,681,702	\$ -	\$1,681,702
Intersegment sales and transfers	1,332	135	1,211	638	3,316	(3,316)	-
Total	1,556,023	74,375	39,272	15,348	1,685,018	(3,316)	1,681,702
Operating Expenses	1,443,738	67,809	23,521	9,867	1,544,935	24,006	1,568,941
Segment profit	\$112,285	\$6,566	\$15,751	\$5,481	\$140,083	\$(27,322)	\$112,761

(*1) The details of Reconciliations to Segment Profit for the periods ended September 30, 2011 and 2010 are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2011	2010	2011
Elimination of intersegment transactions	¥(44)	¥(130)	\$(574)
Administrative expenses not allocated to the reportable segments	(2,049)	(1,780)	(26,748)
Total	¥(2,093)	¥(1,911)	\$(27,322)

(*2) Segment Profit is reconciled to Operating Income in the Consolidated Statements of Income.

(2) Impairment loss of long-lived assets or goodwill per reportable segment:

Not applicable for the periods ended September 30, 2011 and 2010

9. Net Income per Share

Details of basic net income per share ("EPS") for the periods ended September 30, 2011 and 2010 are as follows:

	(Millions of yen)	(Thousands of shares)	(Yen)	(U.S. dollars)
	Net income	Weighted average shares	EPS	
For the period ended September 30,2011:				
Basic EPS				
Net income available to common shareholders	¥5,326	36,198	¥147.16	\$1.92
For the period ended September 30,2010:				
Basic EPS				
Net income available to common shareholders	¥4,804	36,198	¥132.73	\$1.73

10. Subsequent Events

(1) On November 1 2011, the Board of Directors of IBJL resolved to approve the payment of the interim cash dividends to its shareholders registered as of September 30, 2011 as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
Interim cash dividends, ¥24.00 (\$0.31) per share	¥868	\$11.337

(2) Definitive agreement signed on November 01, 2011 with respect to purchase of shares of the corporate financial services business to be formed by spinning off of Toshiba Finance, and purchase of shares of other subsidiary

IBJL, Toshiba Finance and Toshiba have signed a definitive agreement on November 01, 2011, by which IBJL will purchase 90% of the outstanding shares of the Succeeding Company to be formed by spinning off the corporate financial services business of Toshiba Finance. The definitive agreement also covers IBJL's purchase of 65 % of the outstanding shares of Toshiba Medical, a subsidiary of Toshiba Finance.

Acquisition costs of the shares of the Succeeding Company and Toshiba Medical are as follows:

(a) Acquisition cost of the shares of the Succeeding Company - ¥13,000 million (\$169,646 thousand)

(b) Acquisition cost of the shares of Toshiba Medical - ¥2,600 million (\$33,929 thousand)

In relation to the spinning off of the business of Toshiba Finance, IBJL will transfer shares of Toshiba Finance, which are currently held by IBJL, to Toshiba. As a result, loss on the transfer of shares of approximately ¥1.7 billion (\$22 million) will be recognized when they are transferred.

We expect to complete the share acquisitions and transfers on February 1, 2012.