

Business Report

From April 1, 2014 to March 31, 2015

1. Business Environment and Results of the Group

(1) Operation and Results of the Group

While the US economy lost some momentum in the second half of FY2014 (October-March), the UK witnessed a strong performance and the Eurozone sustained a gradual recovery. Despite a slowdown in China, the emerging economies as a whole saw a continued gradual recovery, reflecting solid growth in Southeast Asia and India.

In Japan, the recovery in domestic demand remained slow, due to the still lingering effects of the increase in the consumption tax and a fall in real income. Despite improved performances by export-driven large enterprises, the industrial economy as a whole remained flat, reflecting deteriorated profitability at small and medium enterprises, which largely rely on domestic demand, as did the service economy.

In the first half of FY2015 (April-September), China's economy is expected to slow further, but the overall global economy is expected to see accelerated growth from the second half of FY2014, on a gradual recovery in other countries and regions. The forecast for the Japanese economy is for a gradual recovery, but with subdued growth on a lack of accelerating factors.

In these circumstances, Toshiba Group has endeavored to create value by combining technologies developed in-house and with third parties, and so contribute to a safe, secure and comfortable society. The Group has defined Healthcare that seeks to enhance people's health and lifestyles as a third pillar of business and value creation, alongside Energy and Storage. Furthermore, the Group has launched globally competitive products and services in markets around the world, especially emerging economies.

Toshiba Group's net sales increased by 166.2 billion yen to 6,655.9 billion yen (US\$55,465.8 million), reflecting higher sales in the Energy & Infrastructure, Community Solutions and Electronic Devices & Components segments, despite a decrease in sales in the Lifestyle Products & Services segment. Consolidated operating income decreased by 86.7 billion yen to 170.4 billion yen (US\$1,420.3 million). While the Energy & Infrastructure segment recorded higher operating income, despite an impairment loss on investment and financing for a US developer

of nuclear power plants and other factors, and the Electronic Devices & Components segment saw lower operating income, the result of an impairment loss for Discretes in the Semiconductor business. The Lifestyle Products & Services segment recorded significantly deteriorated operating income (loss) as a result of an impairment loss in its Home Appliances business and other factors.

Income (loss) from continuing operations, before income taxes and noncontrolling interests decreased by 45.7 billion yen to 136.6 billion yen (US\$1,138.7 million). Net income (loss) attributable to shareholders of the Company decreased by 98.0 billion yen to -37.8 billion yen (US\$-315.2 million), due to the effects of reversal of deferred tax assets on the tax system revision and other factors.

As a result of focusing on the expansion of business mainly in emerging economies, the overseas net sales increased by 187.6 billion yen year on year to 3,949.9 billion yen. The overseas sales ratio also increased by 1 percentage points from a year earlier to 59%.

As the Company has decided not to pay the annual dividend with the situation above, the Company also decided not to pay an interim dividend for the first half of FY2015, to September 30 (dividend of surplus for shareholders as of September 30), considering its business environment and financial situation.

About the Inappropriate Accounting Treatment Problem and Correction of Past Financial Statements

In April 2015, the Company established a Special Investigation Committee to examine the appropriateness of the percentage-of-completion method of accounting used for projects undertaken by the Company. The Special Investigation Committee identified instances such as where the total contract cost had been underestimated and where contract loss (including provisions for contract losses) had not been recorded at appropriate times, and also identified other matters requiring further investigation.

For this reason, the Company determined in May 2015 to change the framework of the investigation to an investigation by an independent committee comprising fair and impartial outside experts with no interests in the Company. As a result, in July 2015, the Independent Investigation Committee reported the accounting treatment were inappropriate in (i) accounting in relation to the percentage-of-completion method, (ii) accounting in relation to recording of operating expenses in the Visual Products Business, (iii) accounting in relation to valuation of inventory in the Semiconductor Business, mainly discrete and system LSIs, and (iv) accounting in relation to parts

transactions, etc. in the PC Business. The Company has taken the causal analysis and recommendations on prevention of recurrence contained in the report of the Independent Investigation Committee very seriously, established a Management Revitalization Committee to intensively discuss a new management team and reform of corporate governance, and announced the outline of the measures for reform of governance structure.

For details, please refer to **(2) Basic Management Policy** and the notices on website below.

Notice on Receiving Report from Independent Investigation Committee, and Action to be Taken by Toshiba for Corrections Identified for Past Financial Results

http://www.toshiba.co.jp/about/ir/en/news/20150720_1.pdf

Notice on Publication of the Full Version of the Investigation Report by the Independent Investigation Committee

http://www.toshiba.co.jp/about/ir/en/news/20150721_1.pdf

Notices on Toshiba's New Management Team and Measures to Reform of Governance Structure, and Outline of Correction of Past Financial Statements and Financial Forecast

http://www.toshiba.co.jp/about/ir/jp/news/20150818_2.pdf

Performance by Segment

Net sales and operating income (loss) by segment are as follows:

(Billions of yen)

Segment	Consolidated Net Sales	Change	Consolidated Operating Income	Change
Energy & Infrastructure	2,003.8	+198.3	19.5	+13.0
Community Solutions	1,410.7	+54.0	53.9	(1.6)
Healthcare Systems & Services	412.5	+1.8	23.9	(6.0)
Electronic Devices & Components	1,768.8	+81.5	216.6	(30.2)
Lifestyle Products & Services	1,163.7	(150.9)	(109.7)	(55.1)
Others	529.0	+25.0	7.5	(4.1)
Eliminations	(632.6)	-	(41.3)	-
Total	6,655.9	+166.2	170.4	(86.7)

Business performance and topics by segment are as follows:

Energy & Infrastructure

Main Businesses	As of March 31, 2015
Nuclear power generation systems, Thermal power generation systems, Hydroelectric power generation systems, Fuel cell, Power generation, Photovoltaic power generation systems, Power transmission and distribution systems, Instrumentation and control systems, Automatic railroad station equipment, Transportation equipment, Electrical machineries, Government systems	

Business Overview

Net sales in the Energy & Infrastructure segment increased by 198.3 billion yen to 2,003.8 billion yen (US\$16,698.4 million), reflecting higher sales in all social infrastructure businesses, including Nuclear Power Systems, Thermal & Hydro Power Systems, Transmission & Distribution Systems and Solar Photovoltaic Systems.

Segment operating income increased by 13.0 billion yen to 19.5 billion yen (US\$163.1 million). The Nuclear Power Systems business recorded a significant improvement in operating income despite an impairment loss on investment and financing for a US developer of nuclear power plants and other factors, and the Transmission & Distribution System business also saw improved operating income. The Thermal & Hydro Power Systems and Solar Photovoltaic Systems businesses saw lower operating income.

Topics

(1) Development of the fuel supply and service businesses for nuclear power plants

Westinghouse Electric Company (WEC), a U.S. subsidiary, is proactively expanding its fuel supply and service businesses worldwide for nuclear power plants and won a series of contracts for supply of reload fuel with Ukraine, Sweden, Finland, France, and the U.S. Taking full advantages of its capabilities in an extensive lineup of fuels and its ability to supply high quality fuels, WEC will continue to developing reload fuel supply business for nuclear power plants worldwide.

(2) Receiving more orders for a thermal power generation business in overseas markets

Toshiba received an order for the supply of approximately 470 MW (megawatts) steam turbine and generator for the combined cycle power plant in State of Tennessee of the U.S. With this order received, the total number of ordered sets of steam turbine and power generator in North America reached 100, getting back the largest share in the U.S. for the first time after 2011 (on a capacity basis, surveyed by US research company). The Company will continuously put emphasis on receiving new orders and further

enhance the service business centering on maintenance, with the aim of expanding the thermal power business in North America.

(3) Expanding renewable energy power generation business

Toshiba is the world leader in the manufacture of geothermal steam turbines and generators, with a market share of 24%, and has supplied 52 units with an installed capacity of 3,400MW (on a capacity basis). We newly received an order to supply 3 x 60MW (megawatts) geothermal steam turbines and generators for the geothermal power plant in Indonesia. Two of the 4 sets of steam turbines and generators delivered in Kenya have started commercial operation. The Company also concluded memorandums on development of geothermal power plants respectively with Ethiopian Electric Power Corporation and a Colombian electric power company. Toshiba will work on stable supply of electric power using various recyclable energies such as wind, hydro, and solar energies, as well as geothermal energy, developing activities to receive orders all over the world.

(4) Enhancement of marketing system for railway transportation drive system

English translation of this part will be released at a later date.

(5) Enhancement of efforts to realize a hydrogen society

Toshiba started joint verification of the effectiveness of "H₂OneTM", Independent Energy Supply System utilizing renewable energy and hydrogen with Kawasaki City, Japan.

This system supplies electricity and hot water produced by fuel cells that use electricity generated from photovoltaic installations and hydrogen produced from water. Even if the electric power supply is cut off in times of disaster, it can provide electric power and hot water to 300 people for a week. From now on, utilizing the technology of solar, wind and hydroelectric power generation system, or fuel cells, we will continue to contribute to the realization of clean hydrogen society that does not emit CO².

Community Solutions

Main businesses	As of March 31, 2015
Broadcasting systems, Road equipment systems, Water supply and sewerage systems, Environmental systems, Elevators, Escalators, LED lights, Light fixtures, Industrial light parts, Light Bulbs, Commercial air-conditioner, Compressors, POS systems, Multi-function peripherals	

Business Overview

Net sales in the Community Solutions segment increased by 54.0 billion yen to 1,410.7 billion yen (US\$11,755.7 million), reflecting higher sales in the Water & Environmental Systems, Elevator and Building Systems, Commercial Air-Conditioners and Retail Information Systems and Office Equipment businesses.

Segment operating income decreased by 1.6 billion yen to 53.9 billion yen (US\$449.2 million), reflecting lower operating income in the Retail Information Systems and Office Equipment business, despite higher operating income in the Water & Environmental Systems, Elevator and Building Systems and Commercial Air-Conditioners businesses.

Topics

(1) Strategic alliance in the commercial air-conditioning business

Toshiba and United Technologies Corporation providing building technologies and industrial systems have entered into an agreement concerning the strategic collaboration in air-conditioning business through their joint venture, Toshiba Carrier Corporation in charge of air-conditioning business. Both companies have set a target to accelerate growth of revenues of Toshiba Carrier Corporation. Additionally, both parties will advance the collaboration on smart cities taking account of environment by saving resources.

(2) Delivery of LED Lighting to Phoenix Hall of Byodo-in Temple

Toshiba Lighting & Technology Corporation delivered LED lamps to light up Phoenix Hall of Byodo-in Temple (Uji City, Kyoto Prefecture) which went through major refurbishment in Heisei era. These lamps control the power consumption to less than half of existing lighting. Furthermore, when installing the lighting system, colors and brightness were considered so that the objects look beautiful in every way.

This project won the 33rd Lighting Technology Award from The Illuminating Engineering Institute of Japan.

(3) Digital receipt service "Smart Receipt"

In Co-ops in Iwate, Yamagata, Miyagi and Fukushima prefectures, Toshiba TEC

Corporation started a service in which electronic receipts can be received using a smartphone. The service is convenient for customers to manage receipts in digital data and receive useful information from the stores introducing this system. In addition, the stores can reduce the costs of printing paper receipts and environmental loads.

Healthcare Systems & Services

Main businesses	As of March 31, 2015
Diagnostic X-ray systems, CT systems, MRI systems, Diagnostic ultrasound systems, Clinical analysis systems	

Business Overview

Net sales in the Healthcare Systems & Services segment increased by 1.8 billion yen to 412.5 billion yen (US\$3,437.6 million). While sales of medical imaging systems were solid in North America and emerging economies, especially of mainstay computerized tomography (CT) systems, sales in Japan were lower, affected by a revision of the medical fee reimbursement system and other factors.

Segment operating income decreased by 6.0 billion yen to 23.9 billion yen (US\$198.9 million), reflecting continued up-front investments made to drive forward future growth, particularly in R&D of next-generation CT systems.

Topics

(1) Opening Healthcare Technology Center

In December 2014, Toshiba opened the Healthcare Technology Center. At this center, Toshiba will accelerate creation of new products and services using genomic analysis and biological sensors and also promote development of the next-generation products through collaboration with outside research institutes for diagnostic imaging systems such as MRI and ultrasound systems for which growth is expected. Presently, in the healthcare systems & services business, increases in R&D cost and the number of researchers are globally planned. In the future, the business will be enhanced, centering on the following areas: "diagnosis and treatment"; "prevention"; "prognosis and nursing care"; and "health promotion".

(2) Efforts for DNA testing system business

As a specific approach toward the new area, Toshiba launched GenelyzerTMII, a platform that makes DNA detection and analysis automatically and Test Kits for Food Allergens to be set on this platform. With this combination, time required for test and determination can be largely reduced from some days to about two hours. The Company plans to contribute to secure and reliable food through spreading the system in food and restaurant industries, etc., and launch a variety kind of kits which can be applied in medical and other various areas.

Electronic Devices & Components

Main businesses	As of March 31, 2015
Small-signal devices, Power devices, Optoelectronic devices, Logic LSIs, Mixed signal ICs, Image sensors, NAND flash memories, Storage devices, Semiconductor manufacturing equipments	

Business Overview

Net sales in the Electronic Devices & Components segment increased by 81.5 billion yen to 1,768.8 billion yen (US\$14,739.6 million). In the Semiconductor business, Memories saw higher sales on increased sales volume, but Discretes and System LSIs reported lower sales. The Storage Products business recorded higher sales.

Segment operating income decreased by 30.2 billion yen to 216.6 billion yen (US\$1,805.4 million), reflecting a significant deterioration and an impairment loss in Discretes. Memories also saw lower operating income despite continued high profitability, while System LSIs saw an improvement in operating income. The Storage Products business also saw higher operating income.

Topics

(1) Commercialization of three dimensional flash memory called "BiCS FLASHTM"

Toshiba started sample shipments of "BiCS FLASHTM", 128-gigabit 3D flash memory, based on the world's first 48-layer stacking process. The BiCS enhances the reliability of write /erase endurance and boosts write speed comparing to existing products. The Company will meet the various market needs in development centering on solid state drives (SSD), storage devices using a flash memory. The Company will continuously fulfill a variety of market needs, such as larger capacity and downsizing of memory which is required for SSD for smartphone, tablet PCs, memory cards, data centers, etc.

(2) Semiconductor for Image Recognition Processors for Automotive Applications

Toshiba started sample shipments of ViscontiTM4 series, the image recognition processors for automotive applications which recognize traffic lanes and vehicles, among others, around vehicles using camera-based vision systems. This product can identify pedestrians even at night, and detect unexpected obstacles on a street unlike conventional products. In recent years, demands for automobiles equipped with advanced driver assistance system have been increasing, and needs for automated driving are also expected to increase in the future. Therefore, the Company will actively develop the automotive semiconductor business which can be expected to largely grow.

(3) New fabrication facility in Yokkaichi Operations

Toshiba celebrated the opening of the second phase of the No. 5 semiconductor fabrication facility at Yokkaichi Operations, Toshiba's NAND flash memory plant in Mie Prefecture, Japan. Mass production in phase 2 began, with 15nm NAND flash memory process technology. Furthermore, in order to secure space to install mass production equipment exclusively for 3D flash memory "BiCS FLASHTM", the Company is pushing ahead with construction of the new No. 2 fabrication facility, which is scheduled to be completed in the first half of 2016. The Company will firmly maintain a market leadership by promoting development of cutting-edge nanotechnology and "BiCS FLASHTM" to further enhance its competitiveness.

Lifestyle Products & Services

Main businesses	As of March 31, 2015
Personal computers, Tablets, Televisions, BD recorders and other video recording/playback devices, Refrigerators, Washing machines, Home air-conditioners, Vacuum cleaners, Cookware, Home appliances repair services	

Business overview

Net sales in the Lifestyle Products & Services segment decreased by 150.9 billion yen to 1,163.7 billion yen (US\$9,697.4 million). The Visual Products business and the PC business saw lower sales, due to a shift in focus to redefined sales territories, and the Home Appliances business also recorded lower sales.

Segment operating loss increased by 55.1 billion yen to 109.7 billion yen (US\$-914.6 million). The Visual Products and PC businesses saw a deterioration in operating income, and the Home Appliances business saw a significant fall, the result of recording an impairment loss.

Topics

(1) Accelerating the business structural reform

In April 2014, Toshiba established Toshiba Lifestyle Products & Services Corporation to manage Visual Products and White Goods business integrally under the harsh business conditions.

In the Visual Products business, additional business structural reforms were forced through in order to improve profitability. To be more specific, the business of television for North America was transferred to Compal Electronics, Inc. in Taiwan in the business structure of brand licensing. The Company is also aiming at transferring the global TV business for other overseas areas in a similar way.

With regard to personal computers, Toshiba also accelerated a structural change to corporate business that, for example, provides solution systems to solve various business issues, while largely cutting back consumer business.

(2) Robot vacuum cleaner "TORNEO ROBO" enjoying brisk sales

Toshiba Lifestyle Products & Services Corporation launched "TORNEO ROBO" as a robot vacuum cleaner, market of which is growing with the number of working women increasing. The vacuum cleaner is enjoying brisk sales, as its dust collection ability is higher with an advanced sensor and a well-designed brush equipped, and the frequency of emptying trash bag is reduced to once a month by adopting charging stand with automatic dust collection mechanism.

Others

Main businesses	As of March 31, 2015
IT solutions, Logistics service	

Business Overview

The Others segment recorded operating income of 7.5 billion yen (US\$62.3 million) on sales of 529.0 billion yen (US\$4,408.5 million).

Topics

(1) Reorganization to strengthen IoT-Related Business

Toshiba consolidated the departments related to ICT (Information Communications Technology) into its in-house Cloud & Solutions Company and changed the company name into "Industrial ICT Solutions Company" to proactively promote the business that exploits the Internet of Things (IoT) - the interconnection of diverse devices to the Internet. Through the reorganization, concentrating ICT-related human resources in the Group to enhance abilities of development, the company will create new IoT businesses which connect "things" such as devices to networks and comprehensively monitor, analyze, and control them.

(2) Starting production and shipment of Vegetables at Plant Factory

Toshiba started production and shipment of vegetables which will be less damaged by germs at a clean room plant factory equipped with Toshiba's wide range of technologies and know-how. The Company will mass-produce mizuna, spinach, and other vegetables which can be fresh for a long time, and expand sales channels mainly to supermarkets, convenience stores, and restaurants. Aiming at expanding the business, the Company will also mass-produce vegetables at a large-scale plant factory to be constructed outside Japan, and sell equipment and systems for plant factory applications.

(Notes)

1. The Company states the matters concerning the business results of the Group based on the consolidated financial statements pursuant to the provisions of Article 120, Paragraph 2 of the Ordinance for Enforcement of the Companies Act.
2. Toshiba's consolidated financial statements are based on U.S. generally accepted accounting principles ("GAAP") pursuant to the provisions of Article 120, Paragraph 2 of the Ordinance on Accounting of Companies. 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 allocations of resources and to assess performance. Some items that are classified as operating income (loss) under U.S. GAAP, such as restructuring charges and litigation settlement costs, may be presented as non-operating income (loss).
3. The Group indicated a "net income (loss) attributable to shareholders of the Company" under the U.S. GAAP as the net income (loss).
4. Mobile Broadcasting Corporation, the Mobile Phone business and the ODD business have been classified as discontinued operations in the consolidated accounts in accordance with Accounting Standards Codification 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. Toshiba Group's net income (loss) is calculated by reflecting these business results to income (loss) from continuing operations, before income taxes and noncontrolling interests. Accordingly, some figures are reclassified.
5. Descriptions such as "World's first", "Japan's first" and "World's highest" are based on data surveyed by Toshiba Group as of the time of announcement and release, unless otherwise noted.

(2) Basic Management Policy

Toshiba Corporation (the “Company”) expresses its sincere apologies for inappropriate accounting treatment that has severely undermined the trust of shareholders, customers, employees and all other stakeholders.

The investigation report that the Company received from the Independent Investigation Committee particularized the major direct causes of inappropriate accounting as including institutionalized behavior that included the involvement of certain members of top management, their objective of overstating apparent current-period profit, a policy of over-riding emphasis on current-period profit, and strong pressure to achieve budget targets.

It is also considered that the chief, albeit indirect, cause of issues related to inappropriate accounting was that the non-functioning of certain internal controls for financial reporting due to such top-management involvement resulted in the non-functioning of the monitoring function of the Board of Directors, including the Audit Committee, the internal audit function, and the checks and balances functions, etc. of corporate divisions.

The Company presumes that these causes resulted from pressure caused by an awareness of concerns in the capital market and the Company’s need to find new business opportunities in a harsh business environment where individual divisions of the Company were recording weak performances as a result of the negative impacts of the collapse of Lehman Brothers, the Great East Japan Earthquake, the flooding in Thailand and an extremely strong yen, all at a time when traditional business markets were shrinking.

Immediately after receiving the investigation report by the Independent Investigation Committee, the Company acted on this analysis of causes by establishing the Management Revitalization Committee, whose members include the Company’s four Outside Directors, an attorney-at-law and a certified public accountant, both from outside the company, and which also called on independent observers. In addition, once new nominees for Outside Directors were selected, they also joined the committee. The committee has been tasked with carrying out intensive discussions on a new management team and prevention of any recurrence, which includes discussions on the reform of corporate governance.

Going forward, resolving management issues and improving the Company’s business environment are all imperatives for the Company, together with putting measures into practice to prevent recurrence. The Company will accelerate business selection and concentration, fundamentally reformulate its business structure and revamp its financial structure, by taking measures to ensure efficient use of assets, including asset sales.

Preventive measures that have been discussed so far are described below.

Outline of Reform of Corporate Governance Structure

The Company has determined, based on the discussions by the Management Revitalization Committee, the basic policy described below.

I. Composition and Reinforcement of the Board of Directors' Functions

The Company reconfirms that the functions of the Board of Directors are to “monitor and supervise business execution” and “to determine the Company’s basic strategies,” and has decided to implement the policies described below.

(1) Composition of the Board of Directors

i. Reducing the number of members of the Board of Directors to approximately 11 people

To ensure substantive and productive deliberations, the Company has decided to reduce the membership of the Board of Directors from the former number of 16 people (the Articles of Incorporation states “20 people or less”) to approximately 11 people.

ii. Increasing the ratio of Outside Directors to more than half

To secure the effectiveness of the “monitor and supervise business execution” function, the Company has decided that Outside Directors will constitute over half the members of the Board of Directors.

iii. Ensuring the composition of a Board of Directors that takes the expertise of its members into account

Recognizing that there were inadequacies in its accounting audit function and compliance inspections, the Company will, where possible, appoint Directors who are management executives, legal and accounting professionals, or experts in other areas, in order to diversify the composition of the Board of Directors.

iv. Enabling an Outside Director to become Chairman of the Board of Directors

The Company will propose a change in its articles of incorporation at the Extraordinary General Meeting of Shareholders, in order to allow the appointment of an Outside Director as Chairman of the Board of Directors.

(2) Reinforcement of the Board of Directors' Supervisory Function

i. Reinforcing the support structure for Outside Directors

The function and headcount of the Audit Committee Office will be expanded in order to provide support for Outside Directors. By utilizing independent outside experts (including attorneys-at-law and certified accountants) and others, the Audit Committee Office will reinforce its powers of investigation. This will provide the Outside Directors with stronger report collection and investigation abilities and reinforce their capabilities.

ii. Establishment of ‘Executive Sessions’

The Company will establish ‘Executive Sessions,’ meetings that consist of only Outside Directors to stimulate information exchanges among Outside Directors and to increase their understanding of the Company’s business.

II. Reinforcement of the Audit Committee’s Supervisory Function

The Company has decided to implement the measures described below in order to reinforce the internal controls (audit function) managed by the Audit Committee.

(1) Composition of the Audit Committee

i. An Audit Committee composed, in principle, only of independent Outside Director members

The Company has decided that, in principle, all members of the Audit Committee, about five in number, must be independent Outside Directors.

ii. An Audit Committee composed of Outside Directors with a high level of expertise

The Company has decided that members of the Audit Committee must include Outside Directors with a high level of expertise and extensive experience in the fields of accounting, law or management, so as to reinforce the functions of accounting auditing and compliance inspections.

(2) Reinforcement of the Audit Function of the Audit Committee

i. Reinforcement of the Audit Committee Office

To ensure that the Audit Committee Office is able to collect reports and conduct investigations based on instructions from the Audit Committee, the Company will increase the size of the Audit Committee Office’s staff, expand opportunities to use outside experts, and implement other measures. The Company will also appoint the Executive Officer responsible for auditing as the head of the Audit Committee Office.

ii. Reinforcement of the audit function of the Audit Committee through establishment of an internal reporting system

In addition to the internal whistleblower system on the business execution side, the Company will establish an internal reporting function in the Audit Committee Office. The Company will also clarify that all members of the Audit Committee have the right of access to all reports made to the business execution side using the whistleblower system.

iii. Securing the independence of the Audit Committee Office

The Audit Committee will have the right to approve the appointment of, dismiss, and veto the dismissal of, the head and staff members of the Audit Committee Office.

- iv. Elimination of the Corporate Audit Division, establishment of the Internal Audit Division, and direct control of the Audit Committee

The Company will eliminate the current Corporate Audit Division, separate the internal audit function of the Corporate Audit Division from the business execution side, and reestablish these functions in an Internal Audit Division under the direct control of the Audit Committee.

- v. Reinforcement of the audit function in accounting and compliance inspections by the Internal Audit Division

The Company will limit and focus the work of the Internal Audit Division to audits of accounting, compliance inspections, audits of appropriateness and audits of internal control. Responsibility for management consultation, formerly carried out by the Corporate Audit Division, will be shifted to the business execution side, and the execution and supervisory functions will be clearly separated. The Company will appoint the executive officer in charge as general manager of the Internal Audit Division.

- vi. Reinforcement of accounting audits and compliance inspections in in-house companies

Several members of the Internal Audit Division will be resident in each in-house company. The Internal Audit Division will cooperate with in-house companies and accounting auditors and build a structure for sharing information.

- vii. Securing the independence of the Internal Audit Division

The Company will give the Audit Committee the right to approve the appointment of, dismiss, and veto the dismissal of, the head of the Internal Audit Division.

III. Reinforcing the Nomination Committee and ensuring the transparency of nomination procedures

In order to prevent any recurrence, the Company will clarify the standards of eligibility for appointment top-management positions and establish a structure that secures appropriate decisions on the eligibility of potential candidates.

(1) Composition of the Nomination Committee

- i. A Nomination Committee composed, in principle, only of independent Outside Director members

In principle, all members of the Nomination Committee, around five in number, must be independent Outside Directors.

(2) Ensuring the fairness of nomination procedures

- i. Formulation of a Succession Plan

To ensure the objectivity and fairness of the process for nominating the successor of the President and Chief Executive Officer, the Nomination Committee will formulate a Succession Plan.

- ii. Clarification of the basis for election and appointment of Executive Officers and Representative Executive Officers and election and appointment processes

The Nomination Committee will clearly set out the standards for electing Executive Officers and appointing Representative Executive Officers. The Nomination Committee will have the authority to conduct periodic interviews with all candidates, and the Company will introduce a system for evaluation of the President and Chief Executive Officer by senior management (a vote-of-confidence system).

IV. Consideration of compensation planning from a medium- to long-term perspective

To motivate top management to draw up reasonable and feasible long-term management plans, the Company will consider compensation planning based on medium- to long-term corporate value, such as increasing the component of compensation that moves in tandem with medium- to long-term performance.

Other Preventive Measures

I. Corporate culture reform

(1) Review of budgetary control

The Company will end the policy of an over-riding emphasis on current-period profit, and review the procedures for drawing up mid-term business plans and budget plans and also its business performance management, with the aim of setting feasible and sensible budgets from a long-term management perspective, and commensurate with the Company's capabilities.

(2) Improved awareness and strengthening of compliance

The Director and Chairman of the Board, concurrently serving as Representative Executive Officer and President and Chief Executive Officer, has sent a message to all employees expressing a firm commitment to steadily implementing the corporate governance reform discussed by the Management Revitalization Committee and to reviving Toshiba Group. His message also declared a determination for the whole Company to work together in order to regain public trust. The Company will also conduct an employee survey in order to gather candid opinions. In addition, the Company will conduct an awareness improvement seminar only for top-management members in early October for improving the awareness of the top management.

(3) Education on accounting compliance

In addition to the awareness improvement seminar for top management, the Company will also hold seminars by rank and function, according to posts held and work areas, to enhance the effectiveness of accounting compliance. The Company will consider continuing implementation of these seminars.

II. Measures for strengthening internal control

(1) Reform of the finance organization

In order to reinforce the internal control function of the finance and accounting divisions, the Company will transfer the right to approve the appointment and performance evaluation of the company CFO of each in-house company (CCFO) from the presidents of each in-house company to the Executive Officer in charge of finance and accounting in his or her capacity as the Chief Financial Officer (CFO), so as to secure the independence of the finance and accounting functions.

(2) Reform of the internal reporting system

Together with establishing a confidential reporting function in the Audit Committee Office in addition to the internal whistleblower system on the business execution side, the Company will endeavor to make its whistleblower system more accessible to employees by ensuring that all employees are fully aware that a whistleblower system is available to them and that the anonymity of whistleblowers is strictly ensured.

III. Business process reform

Responding to material inadequacies found in the current internal control system in respect of financial reporting, the Company is now reviewing accounting rules in the following areas for which it delegated investigation to the Independent Investigation Committee and where inappropriate accounting treatment was found, as well as in other similar accounting procedures: (1) accounting in relation to the percentage-of-completion method; (2) accounting in relation to recording of operating expenses in the Visual Products business; (3) accounting in relation to valuation of inventory in the Semiconductor business, mainly Discrete and System LSIs; and (4) accounting in relation to component transactions, etc. in the PC business. The Company is studying required action items to reform business processes in line with changes to the accounting rules. The Company will execute improved business processes based on the determined action items.

The Company expresses its sincere apologies for any concerns or inconvenience caused on this occasion. The Company will revitalize its management structure and unite as a whole to make every effort to reform the Toshiba Group and regain trust.

2. Group Business Results and Asset Conditions for the Four-Year Period

(1) The Group (Consolidated)

Item	173rd Period	174th Period	175th Period	176th Period (current period)
	FY2011	FY2012	FY2013	FY2014
Net Sales (Billions of yen)	5,996.4	5,722.2	6,489.7	6,655.9
Net income (loss) (Billions of yen)	32	13.4	60.2	△37.8
Net income (loss) per share (Yen)	0.75	3.17	14.23	△8.93
Total Assets (Billions of yen)	5,673.1	6,021.6	6,172.5	6,334.8

(Note) Net income (loss) attributable to shareholders of the Company in accordance with U.S. Generally Accepted Accounting Standards(“U.S.GAAP”), is presented as Net income (loss) in this section.

(2) The Company (Non-consolidated)

Item	173rd Period	174th Period	175th Period	176th Period (current period)
	FY2011	FY2012	FY2013	FY2014
Net Sales (Billions of yen)	3,204.8	2,899.0	3,289.0	3,232.4
Net income (loss) (Billions of yen)	△13.6	33.4	54.1	△60.0
Net income (loss) per share (Yen)	3.21	7.90	12.77	△14.17
Total Assets (Billions of Yen)	3,874.9	3,951.4	4,023.1	3,768.5

3. The Company's Policy on Decisions of Dividends, etc.

While giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, the Company 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.

Though the Company had decided to pay 4.0 yen per share as the interim dividend, as for the year-end dividend, the Company has decided not to pay because the Company could not meet the deadline to finalize its financial statements for the purpose of dividend payment procedures.

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4. Outline of Main Group Companies

As of March 31, 2015

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
Energy & Infrastructure	Toshiba Plant Systems & Services Corporation	11,876 (Millions of yen)	61.5	Engineering, construction, trial operation, alignment, maintenance and service of power systems and social infrastructure & industrial systems	Yokohama
	Toshiba Nuclear Energy Holdings (US) Inc.	4,000,000 (Thousands of U.S. dollars)	87.0	Holding company of nuclear power business	U.S.
	Toshiba Nuclear Energy Holdings (UK) Ltd.	1,400,000 (Thousands of U.S. dollars)	87.0	Holding company of nuclear power business	U.K.
Community Solutions	Toshiba TEC Corporation	39,971 (Millions of yen)	52.9	Development, design, manufacture, sales, and maintenance of retail information systems and office equipment	Shinagawa-ku, Tokyo
	Toshiba Elevator and Building Systems Corporation	21,408 (Millions of yen)	80.0	Development, design, manufacture, sales, installation, maintenance, repair and renewal of elevators and escalators, and total management of building-related facilities	Kawasaki
Healthcare Systems & Services	Toshiba Medical Systems Corporation	20,700 (Millions of yen)	100.0	Development, design, manufacture, sales and maintenance of medical equipment/information systems	Otawara
Electronic Devices & Components	Toshiba America Electronic Components, Inc.	60,393 (Thousands of U.S. dollars)	100.0	Sales of Semiconductors and electronic devices	U.S.
Lifestyle Products & Services	Toshiba Lifestyle Products & Services Corporation	13,500 (Millions of yen)	100.0	Development, manufacture, and sales of TVs and home electric appliances	Ome
Others	Toshiba Solutions Corporation	23,500 (Millions of yen)	100.0	Consultation, building, development, design, sales, maintenance, operation and management of IT solutions. Provision of related engineering work	Kawasaki
	Toshiba America, Inc.	1,002,550 (Thousands of U.S. dollars)	100.0	Holding company of operating companies in the U.S.	U.S.
	Taiwan Toshiba International Procurement Corporation	26,000 (Thousands of Taiwan dollars)	100.0	Procurement and export of personal computers, TV, and semiconductors	Taiwan

(Notes)1. The Company has 584 consolidated subsidiaries (including the companies listed above) in accordance with U.S.GAAP, and 217 affiliated companies accounted for by the equity method. The main affiliated companies accounted for by the equity method are Shibaura Mechatronics Corporation, Toshiba Machine Co., Ltd., and Topcon Corporation.

- 2..The Company had its consolidated subsidiary, Toshiba Home Appliances Corporation, succeed the Visual Products business and established Toshiba Lifestyle Products & Services Corporation which integrates the visual products business and the home appliances business in April, 2014.
3. Toshiba Nuclear Energy Holdings (US) Inc. substantially owns all of the equity of Westinghouse Electric Company L.L.C.
4. Voting rights ratio include those which are held indirectly.

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5. Shares and Stock Acquisition Rights of the Company

As of March 31, 2015

- (1) Total Number of Authorized Shares: 10,000,000,000
 (2) Total Number of Issued Shares: 4,237,602,026
 (3) Total Number of Shareholders: 391,614
 (4) Principal Shareholders

Name of Shareholder	Number of shares (in thousands)	Shareholding ratio (Percentage)
The Master Trust Bank of Japan, Ltd. (Trust accounts)	202,102	4.8
Japan Trustee Services Bank, Ltd. (Trust accounts)	163,776	3.9
Toshiba Employees Shareholding Association	118,166	2.8
The Dai-ichi Life Insurance Company, Limited	115,159	2.7
Nippon Life Insurance Company	110,352	2.6
Japan Trustee Services Bank, Ltd. (Trust accounts No. 4)	60,517	1.4
Mizuho Bank, Ltd.	56,343	1.3
THE BANK OF NEW YORK MELLON SA/NV 10	56,070	1.3
STATE STREET BANK WEST CLIENT – TREATY 505234	52,800	1.2
Sumitomo Mitsui Banking Corporation	51,003	1.2

For the purpose of calculation of shareholding ratio, treasury shares are excluded from total number of issued shares (denominator).

(5) Shareholding Ratio by Category :

Category	Government and local public entities	Financial institutions	Securities companies	Other entities	Overseas entities and others		Individuals and others
					Other than individuals	Individuals	
Ratio	% 0.0	33.9	2.8	3.0	30.9	0.0	29.4

For the purpose of calculation of shareholding ratio, treasury shares are excluded from total number of issued shares (denominator).

(6) Stock Acquisition Rights:

There is no relevant item.

6. Main Lenders of the Group

As of March 31, 2015

Lender	Loans Outstanding (Billions of yen)
Mizuho Bank, Ltd	144.6
Sumitomo Mitsui Banking Corporation	143.0
Sumitomo Mitsui Trust Bank, Limited	82.0
The Bank of Tokyo-Mitsubishi UFJ, Limited	63.4

7. Financing of the Group

For prematurity redemption of subordinated unsecured bonds issued in June 2009, the Group procured funds of 180 billion yen through subordinated syndicated loan in June 2014.

To repay borrowings, among others, the Group procured funds of 30 billion yen in July 2014 by issuing unsecured straight bonds.

The funds for capital investment and others were appropriated mainly from own funds and borrowings, etc.

8. Capital expenditure of the Group

(1) Overview

In FY2014, as a result of making investments in priority businesses to achieve growth through creativity and innovation, the total amount of investment and loan amounted to 391.7 billion yen. In relation to capital investment, the Group carefully selected projects in fields in which growth is expected, placing importance on efficiency of investment. Consequently capital expenditure on ordering basis amounted to 353.1 billion yen, increasing by 12.9 billion yen from 340.2 billion yen in the previous year.

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.

(Billions of yen)

Segment	Capital Expenditures (Note 1)	Investment and loan (Note 2)	Total amount
Energy & Infrastructure	57.9	34.7	92.6
Community Solutions	30.9	1.2	32.1
Healthcare Systems & Services	9.3	1.0	10.3
Electronic Devices & Components	221.8	1.3	223.1
Lifestyle Products & Services	11.9	0.0	11.9
Others	21.3	0.4	21.7
Total	353.1	38.6	391.7

(Note) 1. Including intangible fixed assets, on ordering basis

2. On payment basis

(2) Primary Capital Investment

	Segment	Outline
Completed during the term	Healthcare	<ul style="list-style-type: none"> • Manufacturing facility for medical diagnostic imaging system (Malaysia)
	Electronic Devices & Components	<ul style="list-style-type: none"> • Manufacturing building, facilities, interior decorating and power equipment, and manufacturing facilities for NAND flash memory (the Company's Yokkaichi Operations)
Ordered during the term	Energy & Infrastructure	<ul style="list-style-type: none"> • Equipment for power transmission and distribution systems business (India)
	Electronic Devices & Components	<ul style="list-style-type: none"> • Manufacturing building, interior decorating and power equipment, and manufacturing facilities for NAND flash memory (the Company's Yokkaichi Operations)

(3) Primary Investment and Loan

Segment	Outline
Energy & Infrastructure	<ul style="list-style-type: none"> • Acquisition of stake in NuGeneration Limited in the U.K. (making it a consolidated subsidiary) • Acquisition of Mangiarotti spa in Italy

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9. Names, Responsibilities, etc. of the Company's Directors / Officers

As of March 31, 2015

		Responsibility	Status of significant concurrent holding of positions
Chairman of the Board and Director	Masashi Muromachi	Member of the Nomination Committee, Member of the Compensation Committee	➤ Outside Company Auditor, H ₂ O RETAILING CORPORATION
Vice Chairman of the Board and Director	Norio Sasaki		
Director	Hisao Tanaka	Member of the Compensation Committee	
Director	Hidejiro Shimomitsu		
Director	Masahiko Fukakushi		
Director	Kiyoshi Kobayashi		
Director	Toshio Masaki		
Director	Naoto Nishida		
Director	Keizo Maeda		
Director	Fumiaki Ushio		
Director	Makoto Kubo	Chairman of the Audit Committee	
Director	Seiya Shimaoka	Member of the Audit Committee	
Outside Director	Hiroyuki Itami	Member of the Nomination Committee, Member of the Compensation Committee	➤ Professor, Graduate School of Innovation Studies, Tokyo University of Science ➤ Outside Company Auditor, JFE Holdings, Inc. ➤ Outside Company Auditor, Mitsui O.S.K. Lines, Ltd.
Outside Director	Ken Shimanouchi	Chairman of the Compensation Committee, Member of the Audit Committee	
Outside Director	Kiyomi Saito (Name on the Family Register: Kiyomi Takei)	Member of the Audit Committee, Member of the Compensation Committee	➤ President, JBond Totan Securities Co., Ltd ➤ Outside Director, Japan Post Insurance Co., Ltd. ➤ Outside Company Auditor, Showa Denko K.K.

		Responsibility	Status of significant concurrent holding of positions
Outside Director	Sakutaro Tanino	Chairman of the Nomination Committee, Member of the Audit Committee	<ul style="list-style-type: none"> ➤ Adviser, Japan - China Friendship Center ➤ Outside Director, ALCONIX Corporation ➤ Outside Director, Suzuki Motor Corporation

- (Notes) 1. Chairman of the Board, Mr. Atsutoshi Nishida, three (3) Directors, Messrs. Hideo Kitamura, Akira Sudo, and Fumio Muraoka, and Outside Director, Mr. Takeo Kosugi left their office due to expiration of their respective terms at the close of the Ordinary General Meeting of Shareholders for the 175th fiscal period held on June 25, 2014.
2. Four (4) Directors, Messrs. Naoto Nishida, Keizo Maeda, and Seiya Shimaoka, and Outside Director Sakutaro Tanino were newly elected and assumed office at the Ordinary General Meeting of Shareholders for the 175th fiscal period.
3. Chairman of the Audit Committee, Mr. Makoto Kubo, has long taken charge of accounting and finance and has considerable knowledge about financial affairs and accounting.
4. Four (4) Outside Directors, Messrs. Hiroyuki Itami, and Ken Shimanouchi and Sakutaro Tanino, and Ms. Kiyomi Saito are independent directors in accordance with the rules of the Tokyo Stock Exchange, etc.
5. Status of significant concurrent holding of position of directors who concurrently serve as executive officers are written in a table of “(3) Executive Officers”, if any.
6. All the sixteen (16) Directors were re-elected at the Ordinary General Meeting of Shareholders for the 176th fiscal period held on June 25, 2015.
However, following eight (8) Directors were resigned from their respective offices on July 21.
Messrs. Norio Sasaki, Hisao Tanaka, Hidejiro Shimomitsu, Masahiko Fukakushi, Kiyoshi Kobayashi, Toshio Masaki, Keizo Maeda and Makoto Kubo.
On July 22, Outside Director, Mr. Noriyuki Itami has taken his office of the Chairman of the Audit Committee.

(2) Outside Directors

1) Relationship between the Company and entities at which outside directors hold significant concurrent positions

The Company has an ongoing business relationship with the JFE Group which consists of JFE Holdings, Inc. and its subsidiaries and Showa Denko K.K. in addition, Showa Denko K.K. is contributing the Company's shares and the Company is contributing the shares of Showa Denko K.K..

In the cases above, there is no materiality that may affect the independence of outside directors.

There is no relationship to be disclosed between the Company and other entities at which outside directors hold significant concurrent positions.

2) Main Activities

a. Attendance of board meetings and Audit Committee meetings.

During the FY2014, the Board of Directors met 13 times, and the Audit Committee 14 times, where the Outside Directors commented as necessary. The Outside Directors received explanations about the matters to be resolved at the board meetings from the staff in charge, etc. in advance. They also attended the monthly liaison conferences of Executive Officers in

an effort to communicate and share information with the Executive Officers.

The Outside Directors who were members of the Audit Committee were supported by the full-time staff of the Audit Committee Office. The Outside Directors who were members of the Nomination Committee or the Compensation Committee were supported by the staff in charge, etc.

Name	Responsibility	Activities
Hiroyuki Itami	Member of the Nomination Committee, Member of the Compensation Committee	Attended the meeting of the Board of Directors 13 times (100%). Commented as necessary based on his wealth of experience and knowledge as a specialist of business administration and an administrator of a university.
Ken Shimanouchi	Chairman of the Compensation Committee, Member of the Audit Committee	Attended the meeting of the Board of Directors 13 times (100%) and that of the Audit Committee 14 times (100%). Commented as necessary based on his wealth of experience and knowledge as an ex-diplomat.
Kiyomi Saito	Member of the Audit Committee, Member of the Compensation Committee	Attended the meeting of the Board of Directors 13 times (100%) and that of the Audit Committee 14 times (100%). Commented as necessary based on her wealth of experience and knowledge as a top executive.
Sakutaro Tanino	Chairman of the Nomination Committee, Member of the Audit Committee	(After June 2014 when he was elected) Attended the meeting of the Board of Directors 9 times (100%) and that of the Audit Committee 10 times (100%). Commented as necessary based on his wealth of experience and knowledge as an ex-diplomat.

b. Actions taken on the Company's facts which are illegal or inappropriate execution

The Independent Investigation Committee found that the Company carried out inappropriate accounting treatments with respect to accounting treatment. Although Messrs. Hiroyuki Itami, Ken Shimanouchi, and Sakutaro Tanino, and Ms. Kiyomi Saito did not become aware of the facts until they were discovered, on occasions such as meetings of the Board of Directors they regularly expressed opinions from the viewpoint of the reinforcement of compliance and the need for its permeation throughout the organization. As such, they have been proposing the measures for the clarification of causes.

3) Limited Liability Contracts

The Company has signed a limited liability contract with each of the four Outside Directors, Messrs. Hiroyuki Itami and Ken Shimanouchi, Ms. Kiyomi Saito, and Mr. Sakutaro Tanino, to limit their liabilities as provided in Article 423, Paragraph 1 of the Companies Act to 31.2 million yen or the minimum liability amount stated in Article 425, Paragraph 1 of the Companies Act, whichever is larger.

(3) Executive Officers

		Responsibility	Status of significant concurrent holding of positions.
Representative Executive Officer President and Chief Executive Officer (*)	Hisao Tanaka		<ul style="list-style-type: none"> ➤ Chairman, Home Electric Appliance Fair Trade Conference ➤ Chairman, Association for Electric Home Appliance
Representative Executive Officer Corporate Senior Executive Vice President (*)	Hidejiro Shimomitsu	<ul style="list-style-type: none"> ➤ Support of the President ➤ Responsible for Community Solutions Group ➤ General Executive, Marketing Division ➤ General Executive, Corporate Communications Division ➤ General Executive, Design Center ➤ General Executive, Branch Offices 	Outside Director, Toshiba TEC Corporation
Representative Executive Officer Corporate Senior Executive Vice President (*)	Masahiko Fukakushi	<ul style="list-style-type: none"> ➤ Support of the President ➤ General Executive, Strategic Planning Division ➤ Project Manager, Global Action for Innovative Enterprise Project Team 	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Kiyoshi Kobayashi	<ul style="list-style-type: none"> ➤ Support of the President ➤ Responsible for Electronic Devices & Components Group ➤ General Executive, Quality Promotion Division 	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Toshio Masaki	<ul style="list-style-type: none"> ➤ Support of the President ➤ Responsible for Energy & Infrastructure Group 	
Representative Executive Officer Corporate Executive Vice President (*)	Keizo Maeda	<ul style="list-style-type: none"> ➤ General Executive, Finance & Accounting Division 	
Executive Officer Corporate Executive Vice President	Hiroshi Saito	<ul style="list-style-type: none"> ➤ General Executive, Risk Management Division 	

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Executive Vice President	Shigenori Shiga	➤ President and CEO, Power Systems Company (in-house company)	➤ President, Toshiba Nuclear Energy Holdings (US) Ltd. ➤ President, Toshiba Nuclear Energy Holdings (UK) Ltd.
Executive Officer Corporate Executive Vice President	Yasuo Naruke	➤ President and CEO, Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Executive Vice President (*)	Naoto Nishida	➤ General Executive, Technology & Innovation Division ➤ General Executive, Information Systems Division ➤ General Executive, New Business Development Division ➤ General Executive, Corporate Research & Development Center ➤ General Executive, Corporate Software Engineering Center	
Executive Officer Corporate Senior Vice President	Masaaki Osumi	➤ Corporate Representative - America	Chairman and CEO, Toshiba America, Inc.

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Senior Vice President	Masayasu Toyohara	➤ Corporate Representative - China	Chairman, Toshiba China Co., Ltd.
Executive Officer Corporate Senior Vice President	Hironobu Nishikori	➤ President and CEO, Cloud & Solutions Company (in-house company)	President, Toshiba Solution.
Executive Officer Corporate Senior Vice President	Osamu Maekawa	➤ Executive Vice President, Power Systems Company (in-house company) ➤ Project Manager, New Energy Solutions Project Team	Outside Company Auditor, Toshiba Plant Systems Inc.
Executive Officer Corporate Senior Vice President	Shigenori Tokumitsu	➤ Responsible for Lifestyle Products & Services Group	Chairman, TOSHIBA EL ARABY VISUAL PRODUCTS COMPANY
Executive Officer Corporate Senior Vice President	Naoki Takenaka	➤ General Manager, Marketing Division	
Executive Officer Corporate Senior Vice President (*)	Fumiaki Ushio	➤ General Executive, Legal Affairs Division ➤ General Executive, Human Resources & Administration Division	Chairman, Japan Overseas Medical Fund
Executive Officer Corporate Senior Vice President	Shinichiro Akiba	➤ President and CEO, Community Solutions Company (in-house company)	

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Senior Vice President	Takeshi Yokota	➤ President and CEO, Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Senior Vice President	Yoshihiro Aburatani	➤ Vice President, Thermal & Hydro Power Systems and Services Division, Power Systems Company (in-house company)	
Executive Officer Corporate Senior Vice President	Satoshi Tsunakawa	➤ Responsible for Healthcare Systems & Services Group ➤ President and CEO, Healthcare Company (in-house company)	
Executive Officer Corporate Vice President	Masakazu Kakumu	➤ Executive Vice President, Healthcare Company (in-house company)	
Executive Officer Corporate Vice President	Hiroshi Igashira	➤ General Manager, Corporate Audit Division	
Executive Officer Corporate Vice President	Kiyoshi Okamura	➤ Assistant To President and CEO, Power Systems Company (in-house company)	Chairman, Westinghouse Electric Company L.L.C.
Executive Officer Corporate Vice President	Takemi Adachi	➤ Executive Vice President, Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Vice President	Shigeyoshi Shimotsuji	➤ Executive Vice President, Cloud & Solutions Company (in-house company)	
Executive Officer Corporate Vice President	Shigeru Tasaki	➤ General Manager, Kansai Branch Office	
Executive Officer Corporate Vice President	Yukihiko Kazao	➤ General Manager, Power and Industrial Systems Research and Development Center	
Executive Officer Corporate Vice President	Hiroshi Kurihara	➤ Assistant to President and CEO, Social Infrastructure Systems Company (in-house company)	Chairman, Landis+Gyr A.G.
Executive Officer Corporate Vice President	Seiichi Mori	➤ Vice President, Memory Division, Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Vice President	Noriaki Hashimoto	➤ Corporate Representative - Europe	President and CEO, Toshiba of Europe Ltd.
Executive Officer Corporate Vice President	Hidehito Murato	➤ President and CEO, Personal & Client Solutions Company (in-house company)	Chairman, Toshiba Personal Computer & Network (Shanghai) Co., Ltd

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Vice President	Nobuo Hayasaka	➤ Chief Technology Executive, Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Vice President	Shiro Saito	➤ Director, Research & Development Center	President, Specified Non Profit Corporation Japan Multiplex bio-Analysis Consortium
Executive Officer Corporate Vice President	Fumio Otani	➤ Corporate Representative - Asia	President and CEO, Toshiba Asia Pacific Pte., Ltd.
Executive Officer Corporate Vice President	Koichi Harazono	➤ Vice President, Transmission & Distribution Systems Division, Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Vice President	Isahiro Hasegawa	➤ General Executive, Productivity Planning Division ➤ General Executive, Procurement Division ➤ General Executive, Corporate Manufacturing Engineering Center	

(Notes)1. (*) indicates that the Executive Officer concurrently serves as a Director.

2. Following six (6) Executive Officers were retired from their respective offices due to expiry of the term of office at the close of the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 175th fiscal period held on June 25, 2014:

Representative Executive Officer, Corporate Senior Executive Vice President, Messrs. Hideo Kitamura, Makoto Kubo, and Akira Sudo

Executive Officer, Corporate Executive Vice President, Mr. Yasuharu Igarashi

Executive Officer, Corporate Vice President, Messrs. Masazumi Yoshioka and Teruo Kiriya

3. Following six (6) Executive Officers were newly elected and assumed office at the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 175th fiscal period:

Executive Officer, Corporate Senior Vice President, Mr. Satoshi Tsunakawa

Executive Officer, Corporate Vice President Messrs. Nobuo Hayasaka, Shiro Saito, Fumio Otani, and Isahiro Hasegawa

4. The following Changes occurred as of April 2015.

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Executive Vice President (*)	Naoto Nishida	➤ General Executive, Research & Development Division	

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Senior Vice President	Hironobu Nishikori	➤ President and CEO, Industrial ICT Solutions Company (in-house company)	President, Toshiba Solution.
Executive Officer Corporate Vice President	Kiyoshi Okamura	➤ Assistant To President and CEO, Power Systems Company (in-house company)	President & CEO, Toshiba America Energy Systems Corporation
Executive Officer Corporate Vice President	Shigeyoshi Shimotsuji	➤ Executive Vice President, Industrial ICT Solutions Company (in-house company)	
Executive Officer Corporate Vice President	Shiro Saito	➤ General Manager, Research & Development Center	
Executive Officer Corporate Vice President	Isahiro Hasegawa	➤ General Executive Productivity Planning & Manufacturing Engineering Division ➤ General Executive, Procurement Division	

5. All the thirty-seven (37) Executive Officers were re-elected and assumed office at the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 176th fiscal period held on June 25, 2015.

However, following five (5) Representative Executive Officers were resigned from their respective offices on July 21.

Representative Executive Officer, President and Chief Executive Officer, Mr. Hisao Tanaka

Representative Executive Officer, Corporate Senior Executive Vice President, Messrs Hidejiro Shimomitsu, Masahiko Fukakushi, Kiyoshi Kobayashi and Toshio Masaki.

Also, Representative Executive Officer Keizo Maeda was resigned from his office on July 21.

6. Executive Officer, Mr. Masaaki Osumi resigned his office on July 29, 2015.

7. Executive Officer, Mr. Keizo Maeda resigned his office on August 31, 2015.

10. Compensation Policy and the Amount of Compensation

(1) Compensation Policy

The Compensation Committee establishes compensation policy regarding compensation of each Director and/or Executive Officer as follows;

Since the main responsibility of Directors is to supervise the execution of the overall Group's business, compensation for Directors is determined at an adequate level to secure highly competent personnel and ensure effective work of the supervisory function.

Since the responsibility of Executive Officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, compensation for Executive Officers is divided into the fixed compensation and the performance-based compensation, and determined at an adequate level to secure highly competent personnel and ensure effective function of their compensation package as an incentive to improve business performance.

i. Director's Compensation

The fixed compensation is paid to Directors who do not concurrently hold office as an

Executive Officer based on his/her status as a full-time or part-time Director and his/her duties.

The fixed compensation is paid to Directors who concurrently hold office as an Executive Officer in addition to the Executive Officer's compensation specified in (ii).

ii. Executive Officer's Compensation

Executive Officer's compensation is comprised of the basic compensation based on the Executive Officer's rank (eg. Representative Executive Officer, President and Chief Executive Officer, Representative Executive Officer, Corporate Senior Executive Vice President) and the service compensation calculated according to his/her duties as an Executive Officer.

40-45% of the service compensation will fluctuate from zero (no compensation) to 2 times according to the year-end performance of the Company or of the division for which the Executive Officer is responsible.

iii. Compensation Standards

Compensation standards are determined at suitable levels as a global company, with the aim of securing highly competent management personnel. The compensation standards of other listed companies and payroll and benefits of employees are considered when determining the Company's compensation standards of management.

(2) Amount of Compensation

Item	Number of Directors/Executive Officers	Amount
	Persons	Millions of yen
Directors	21	401
(Outside Directors)	(5)	(62)
Executive Officers	45	1,294

- (Notes) 1. The amount of compensation includes compensation to Directors who retired at the end of the General Ordinary Meeting for 175th fiscal year, held on June 25 2014, and compensation to the Executive Officers who retired at the conclusion of the Board Meeting held on the said date for the term from April 2014 to the day of retirement.
2. The amount of compensation for Executive Officers includes the differences between the amount of compensation actually paid in FY2014 for performance-based bonus to the Executive Officers enrolled in 2013 and the amount of provisions of reserve for bonus paid disclosed in the Business Report 2013.

11. The Company's accounting auditor

(1) Name of the Company's accounting auditor

Ernst & Young ShinNihon LLC

- (Note) Of the main Group companies, following companies were audited by accounting auditors other than Ernst & Young ShinNihon LLC: Toshiba Nuclear Energy Holdings (US), Inc., Toshiba Nuclear Energy Holdings (UK), Limited, Toshiba America Electronic Components, Inc., Toshiba America, Inc., and Taiwan Toshiba International Procurement Corporation.

(2) Amount of economic benefits paid by the Group to accounting auditors

Category	Fees paid for audit & assurance services	Fees paid for non-audit services (million yen)	Total (million yen)
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	(million yen)		
The Company	506	9	515
Consolidated subsidiaries	519	197	716
Total	1,025	206	1,231

(Note) The audit engagement between the Company and its accounting auditors does not distinguish the fees for auditing required under the Company Law from the fees for auditing required under the Financial Instruments and Exchange Law. Because of this, the amount shown as “fees paid for audit & assurance services” is the total amount of these two types of fees.

(3) Non-audit services

The Company has paid compensation to Ernst & Young ShinNihon LLC in consideration of advices about International Financial Reporting Standards (IFRS) , which is a business other than the businesses provided for in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Policy of the dismissal or non-reappointment of accounting auditors

i. The Audit Committee will, if it considers that any accounting auditor comes under any of the items of Article 340, Paragraph 1 of the Companies Act, dismiss such accounting auditor by the agreement of all of its members.

ii. The Audit Committee will, if it considers that any accounting auditor comes under any of the following items, decide to propose the appointment of a new accounting auditor and the dismissal and non-reappointment of such accounting auditor at the General Meeting of Shareholders:

- a. If the accounting auditor received an administrative punishment for violation of any law or regulation;
- b. If the accounting auditor was punished, etc. in accordance with the regulations of the Japanese Institute of Certified Public Accountants;
- c. If the Company receives from the accounting auditor a notice to the effect that the auditor does not continue the audit engagement with the Company; or
- d. If the Company intends to make the audit service more proper or more efficient.

12. System for Ensuring the Appropriate Performance of the Company's Business (Internal Control System), etc.

(1) Systems to Ensure the Appropriateness of Business Operations

The Board of Directors resolved systems to ensure the appropriateness of business operations as follows:

- i. System to ensure that Executive Officers' compliance with laws and regulations and the Articles of Incorporation.
 - a. Executive Officers periodically report to the Board of Directors on their execution of their duties and are required to report on necessary items to the Board of Directors, as necessary.
 - b. The General Manager of the Corporate Audit Division periodically reports to the Board of Directors on management audit results.
 - c. The Audit Committee periodically interviews Executive Officers and the General Manager of the Corporate Audit Division reports to the Audit Committee on

- management audit results.
- d. Executive Officers report to the Audit Committee on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.
- ii. System for retention and management of information concerning Executive Officers' execution of their duties.
 - a. In accordance with the Rules concerning the Document Retention Period, Executive Officers appropriately retain and manage material documentation, such as information materials for the Management Meetings and decision-making documents, and other documents such as account books and records.
 - b. Executive Officers run a system that allows Directors to access significant information, such as information materials for the Management Meetings, decision-making documents, financial statements and records and business reports.
- iii. Rules and other systems concerning risk of loss management
 - a. In accordance with the Basic Rules concerning Risk-Compliance Management, the Chief Risk-Compliance Management Officer (hereinafter referred to as the "CRO") formulates and promotes measures concerning crisis and risk management in his/her capacity as the chairman of the Risk-Compliance Committee.
 - b. Executive Officers formulate and promote measures necessary for continuously clarifying business risk factors and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.
- iv. System to ensure that Executive Officers efficiently execute their duties
 - a. The Board of Directors determines the basic management policy and approves the mid-term business plan and annual budgets prepared by the Executive Officers.
 - b. The Board of Directors delegates authority and responsibilities to each Executive Officer in an appropriate manner and Executive Officers clarify the authority and responsibilities of the Executive Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.
 - c. Executive Officers set concrete targets and roles of organizations and employees.
 - d. Executive Officers make decisions on business operations based on appropriate procedures in accordance with the Board of Directors Rules, the Corporate Decision Making Rule, the In-house Company Decision Making Rule and other rules.
 - e. Executive Officers follow up annual budget implementation and appropriately evaluate performance evaluation by means of monthly meetings and the Performance Evaluation Committee.
 - f. Executive Officers promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.
- v. System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation
 - a. The Representative Executive Officer, President and CEO ensures, through continuous execution of employee education, etc., that employees comply with the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees.

- b. The CRO formulates and promotes measures concerning compliance with laws and regulations in his/her capacity as the chairman of the Risk-Compliance Committee in accordance with the Basic Rules concerning Risk-Compliance Management.
- c. The Executive Officer in charge endeavors to detect problems early and deal with them in an appropriate manner by making use of the whistle-blower system.
- vi. System to ensure the appropriateness of business operations of Toshiba Group
 - a. Toshiba Corp. requests its subsidiaries to adopt and implement the Toshiba Group Standards of Conduct.
 - b. Toshiba Corp. requests its subsidiaries to report to Toshiba Corp. in accordance with the Operational Communication Arrangement in the event that material issues arise in their business operations.
 - c. Toshiba Corp. formulates appropriate measures for internal control, including that of its subsidiaries, and requests its subsidiaries to promote the measures according to their situations.
 - d. Toshiba Corp. requests its subsidiaries to establish audit systems in accordance with the Toshiba Group Auditors' Audit Policy.
 - e. Toshiba Corp. executes management audits of its subsidiaries, as necessary.

(2) Items Necessary for the Audit Committee's Performance of its Duties

The Board of Directors resolved items necessary for the Audit Committee's performance of its duties as follows;

i. Employees assigned to assist the Audit Committee in the performance of its duties

- a. In order to assist the Audit Committee in the performance of its duties, the Audit Committee Office consisting of around five staff is established. No director is assigned to assist the Audit Committee in the performance of its duties.

ii. Independence of employees mentioned in the preceding paragraph from Executive Officers

- a. Personnel transfer of employees of the Audit Committee Office is discussed with the Audit Committee in advance.

iii. System for reporting by Executive Officers and employees to the Audit Committee and other systems concerning reporting to the Audit Committee

- a. Executive Officers and employees report to the Audit Committee in accordance with the Rules concerning Reporting to the Audit Committee in the event that any material issue arises that may affect operation and financial performance.
- b. The Representative Executive Officer, President and CEO provides members of the Audit Committee designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.

iv. Other system to ensure that audits by the Audit Committee are conducted effectively

- a. The Representative Executive Officer, President and CEO periodically dialog with the Audit Committee.
- b. Executive Officers and employees report the execution of their duties to the Audit Committee by means of the periodical interviews conducted by the Audit Committee and circuit interviews.
- c. The General Manager of the Corporate Audit Division discusses the policy and the plan

for management audits at the beginning of each fiscal year with the Audit Committee in advance and timely reports the management audit results to the Audit Committee.

- d. The Audit Committee has accounting auditors provide explanations and reports concerning the accounting audit plan at the beginning of each fiscal year, the situation of accounting audits during each term and the results of the accounting audits at the end of each fiscal year.
- e. The Executive Officer in charge provides explanations to the Audit Committee concerning the interim settlement of accounts and settlement of accounts at the end of fiscal year as well as quarterly settlement of accounts prior to the approval by the Board of Directors.
- f. The Representative Executive Officer, President and CEO informs the Audit Committee in advance and provides explanations concerning the assignment of the General Manager of the Corporate Audit Division, taking into consideration the independence of the General Manager of the Corporate Audit Division from other Executive Officers and organizations.

13. Basic Policy on the Control of the Company and Takeover Defense Measure

The Company has adopted its basic policy regarding the persons who control decisions on the Company's financial and business policies and the outlines of its content (the matter listed in Article 118, Paragraph 3 of the Enforcement Regulations for the Companies Act) are as follows:

(1) Basic Policy

In order for the Toshiba Group (the "Group") to earn appropriate profit for return to our shareholders, and to achieve sustainable, continuous growth in the corporate value and common interests of shareholders, we believe it is essential to maintain and develop a proper and good relationship with our shareholders and with other stakeholders, such as customers, business partners, vendors, employees and regional communities, and to adequately consider the interests of these stakeholders.

Also, when we receive a proposal for acquisition for the Company's shares, in order to make a suitable determination regarding the effect that such acquisition would have on our corporate value and the common interests of our shareholders, we believe it is necessary to gain an adequate understanding of the synergies that could potentially be achieved through a combination of business fields, the current business condition of the Group, and other factors that contribute to the corporate value of the Company.

In light of the required considerations described above, the Company's Board of Directors believes that any party acquiring a large amount of the Company's shares, or making a proposal to do so, that does not contribute to protecting and enhancing the corporate value of the Company and the common interests of shareholders, is an inappropriate party to be in control of decisions about the financial and business policy of the Company. It is necessary for the Company to ensure its corporate value and common interests of shareholders by taking necessary and appropriate countermeasures against the large-scale acquisition of the Company's shares by such a person or party.

(2) Special Measures to Contribute to Realizing the Basic Policy

The Group continues and deepens the restructuring of businesses for the establishment of the financial business structure, tolerable for the environmental changes and profitable. The Group strongly promotes the transformation of business structure toward the establishment of the revenue base as well.

(3) Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy (Takeover Defense Measure)

The Company adopted a plan for countermeasures to any large-scale acquisitions of the Company's shares (the "Plan"), based on the shareholders' approval at the Ordinary General Shareholders Meeting held in each June 2006, 2009 and 2012.

The Plan was introduced for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders by explicitly setting out the procedures to be followed when a large-scale acquisition of the Company's shares is made, ensuring that shareholders are provided with necessary and adequate information and time in order to make appropriate decisions, and securing the opportunity for the Company to negotiate with the acquirer.

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 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 Officer, 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 and the Company will ensure the corporate value of the Company and the common interests of shareholders.

(4) Rationale of the Plan

For the reasons set out below, the Company's board of directors believes that the Plan complies with the Basic Policy, is not detrimental to the corporate value of the Company and the common interests of its shareholders, and is not designed with the purpose of maintaining the positions of management of the Company.

As mentioned below, the Plan fully satisfies all of the three principles (1) principle of ensuring or enhancing corporate value and common interests of shareholders, 2) principle of prior disclosure and shareholders' intention and 3) principle of necessity and appropriateness) set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan also reflects practical experiences and discussions regarding takeover defense measures at the related parties including legal community.

a. Reflection of the intent of shareholders

The Plan was adopted upon the shareholders' approval at the Ordinary General Shareholders Meeting held in each June 2006, 2009 and 2012.

The Board of Directors may convene the Shareholder's Intent Confirmation Meeting and confirm the intent of the Company's shareholders regarding the implementation of propriety of the plan in the cases of certain situation.

b. Decisions of Independent Outside Parties and Information Disclosure

As a company with committees, the Company establishes the Special Committee composed of no less than three outside directors alone who are independent and supervise the Company's executive officers to eliminate arbitrary decisions by the Company management and to secure objective and rational decisions. Also, the Company believes the Special Committee can properly weigh up the effect an Acquisition would have on the Company's corporate value and the common interests of its shareholders by giving consideration to the actual situation of the Company and any other factors that constitute the Company's corporate value.

In addition, in order to increase the transparency of the Special Committee's decision making, the Company will promptly disclose to shareholders, as a general rule, an outline of the Acquisition Document received from an Acquirer, the opinion of the Company's representative executive officers on the Acquisition terms proposed by the Acquirer, an outline of an alternative plan, and any other matters that the Special Committee deems appropriate.

c. Establishment of reasonably objective requirements for triggering the Plan

The Plan is established so that it will not be triggered unless reasonable and objective requirements determined beforehand have been satisfied, and ensures a structure to eliminate arbitrary triggering by the Company's officers.

d. The acquisition of expert opinion as a third party

Special Committee can receive advices by independent third parties, including Financial Advisers, Certified Public Accountants, Attorneys at Law, Licensed Tax Accountants, Consultants and the other experts, at the expense of the Company. This would securely enhance the fairness and objectivities of the decision made by the Special Committee.

(Note) The above is just the summary of our Takeover Defense Measure. For details, please refer to the Company's web site:
(http://www.toshiba.co.jp/about/ir/jp/news/20120508_1.pdf)¹.

The Plan had been expired at the close of the Ordinary General Shareholders Meeting for the 176th period held in June 2015.

14. The Group's Employees

As of March 31, 2015

Segment	Number of Employees
Energy & Infrastructure	54,382
Community Solutions	48,770
Healthcare Systems & Services	9,601
Electronic Devices & Components	34,171
Lifestyle Products & Services	24,216
Others	24,107
Group-wide (shared)	3,494
Total	198,741

(Note) The Company has 35,278 employees.

¹ Note for English translation: English version is available at
http://www.toshiba.co.jp/about/ir/en/news/20120508_1.pdf

15. Main Places of Business and Facilities of the Group

As of March 31, 2015

(1) The Company

Segment	Major Distribution	
Company-wide	Offices	Principal Office (Minato-ku, Tokyo and Kawasaki), Hokkaido Branch Office (Sapporo), Tohoku Branch Office (Sendai), Kanto Branch Office (Tokyo), 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, etc.	Corporate Research & Development Center (Kawasaki), Software Engineering Center (Kawasaki), Corporate Manufacturing Engineering Center (Yokohama), Yokohama Complex (Yokohama)
Energy & Infrastructure	Laboratories	Power and Social Systems Research and Development Center (Yokohama), Isogo Nuclear Engineering Center (Yokohama)
	Production Facilities	Kashiwazaki Operations (Kashiwazaki), Fuchu Complex (Fuchu, Tokyo), Fuchu Operations-Power Systems(Fuchu, Tokyo), Fuchu Operations-Social Infrastructure Systems (Fuchu, Tokyo),Komukai Complex (Kawasaki), Hamakawasaki Operations (Kawasaki), Keihin Product Operations (Yokohama), Mie Operations (Asahi Cho, Mie)
Community Solutions	Production Facilities	Fuchu Operations-Community Solutions (Fuchu, Tokyo)
Electronic Devices & Components	Laboratories	Center For Semiconductor Research & Development (Kawasaki)
	Production Facilities	Fukaya Complex (Fukaya), Yokkaichi Operations (Yokkaichi), Himeji Operations – Semiconductor (Taishi, Hyogo), Oita Operations (Oita)
Lifestyle Products & Services	Production Facilities	Ome Complex (Ome)

Note: As of April 2015, Software Engineering Center was reorganized into IoT Technology Center.

(2) The Group Companies

The names and locations of the main companies in the Group are noted in “4. Outline of Main Group Companies”.

Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Equity

Notes to Consolidated Financial Statements*

For the year ended March 31, 2015

The 176th term

Toshiba Corporation

*English translation of the Notes to Consolidated Financial Statements will be released at a later date.

Consolidated Balance Sheet

As of March 31, 2015

Assets	(Millions of yen)
Current assets	3,338,406
Cash and cash equivalents	199,366
Notes and accounts receivable, trade	1,428,620
Notes	38,397
Accounts	1,426,531
Allowance for doubtful notes and accounts	(36,308)
Inventories	1,004,739
Deferred tax assets	198,066
Prepaid expenses and other current assets	507,615
Long-term receivables and investments	649,823
Long-term receivables	9,937
Investments in and advances to affiliates	362,787
Marketable securities and other investments	277,099
Property, plant and equipment	886,323
Land	94,246
Buildings	948,137
Machinery and equipment	2,077,734
Construction in progress	81,712
Less - Accumulated depreciation	(2,315,506)
Other assets	1,460,226
Deferred tax assets	190,802
Others	1,269,424
<hr/> Total assets	<hr/> 6,334,778

Consolidated Balance Sheet (Continued)

As of March 31, 2015

Liabilities	(Millions of yen)
Current liabilities	2,910,868
Short-term borrowings	89,104
Current portion of long-term debts	207,275
Notes and accounts payable, trade	1,226,330
Accounts payable, other and accrued expenses	519,527
Accrued income and other taxes	67,274
Advance payments received	398,127
Other current liabilities	403,231
Long-term liabilities	1,858,553
Long-term debt	1,045,005
Accrued pension and severance costs	582,671
Other liabilities	230,877
Total liabilities	4,769,421
Equity	
Equity attributable to shareholders of the Company	1,083,996
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	402,008
Retained earnings	383,231
Accumulated other comprehensive loss	(139,323)
Treasury stock, at cost	(1,821)
3,394,424 shares	
Equity attributable to noncontrolling interests	481,361
Total equity	1,565,357
Commitments and contingent liabilities	
Total liabilities and equity	6,334,778

Consolidated Statement of Income

For the year ended March 31, 2015

	(Millions of yen)
Sales and other income	6,805,592
Net sales	6,655,894
Interest and dividends	10,886
Equity in earnings of affiliates	20,763
Other income	118,049
Costs and expenses	6,668,948
Cost of sales	5,079,028
Selling, general and administrative	1,406,427
Interest	24,984
Other expense	158,509
Income before income taxes and noncontrolling interests	136,644
Income taxes:	155,659
Current	69,538
Deferred	86,121
Net loss before noncontrolling interests	(19,015)
Less: Net income attributable to noncontrolling interests	18,810
Net loss attributable to shareholders of the Company	(37,825)

Consolidated Statement of Equity

For the year ended March 31, 2015

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Equity attributable to shareholders of the Company	Equity attributable to noncontrolling interests	Total equity
Balance at March 31, 2014	439,901	401,830	454,931	(267,786)	(1,687)	1,027,189	418,805	1,445,994
Capital transactions with noncontrolling interest and other		178				178	18,697	18,875
Dividends to shareholders of the Company			(33,875)			(33,875)		(33,875)
Dividends to non-controlling interest							(8,067)	(8,067)
Comprehensive income (loss)								
Net loss			(37,825)			(37,825)	18,810	(19,015)
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				19,643		19,643	3,021	22,664
Foreign currency translation adjustments				96,089		96,089	33,000	129,089
Pension liability adjustments				8,330		8,330	(3,289)	5,041
Net unrealized gains and losses on derivative instruments				4,401		4,401	384	4,785
Comprehensive income (loss)						90,638	51,926	142,564
Purchase of treasury stock, net, at cost					(134)	(134)		(134)
Balance at March 31, 2015	439,901	402,008	383,231	(139,323)	(1,821)	1,083,996	481,361	1,565,357

(For reference) Consolidated Statement of Cash Flows

For the year ended March 31, 2015

	(Millions of yen)
Cash flows from operating activities	330,442
Cash flows from investing activities	(190,130)
(Free cash flow)	140,312
Cash flows from financing activities	(125,795)
Effect of exchange rate changes on cash and cash equivalents	13,509
Net increase in cash and cash equivalents	28,026
Cash and cash equivalents at beginning of the year	171,340
Cash and cash equivalents at end of the year	199,366

Non-Consolidated Balance Sheet

Non-Consolidated Statement of Income

Non-Consolidated Statement of Changes in Net Assets

Notes to Non-Consolidated Financial Statements*

For the year ended March 31, 2015

The 176th term

Toshiba Corporation

*English translation of the Notes to Non-Consolidated Financial Statements will be released at a later date.

Balance Sheet

As of March 31, 2015

Assets	(Millions of yen)
Current assets	1,713,252
Cash and cash equivalents	52,764
Notes receivables	9,318
Accounts receivables	796,657
Finished products	203,036
Raw materials	47,192
Work in process	174,382
Advance payments	27,970
Prepaid expenses	16,610
Deferred tax assets	101,853
Other current assets	398,601
Allowance for doubtful accounts	(115,134)
Fixed assets	2,055,199
Tangible fixed assets	407,048
Buildings	170,562
Structures	13,608
Machinery and equipment	88,780
Delivery equipment	209
Tools, fixtures and furniture	40,521
Land	54,174
Lease assets	3,783
Construction in progress	35,407
Intangible fixed assets	37,689
Software	31,126
Other intangible fixed assets	6,562
Investments and others	1,610,461
Investment securities	98,669
Security investments in affiliates	1,114,811
Other investments	624
Other investments in affiliates	133,787
Long-term loans	109,490
Long-term prepaid expenses	7,229
Deferred tax assets	92,954
Other assets	52,953
Allowance for doubtful accounts	(58)
Total assets	3,768,452

Balance Sheet (Continued)

As of March 31, 2015

Liabilities	(Millions of yen)
Current liabilities	1,873,128
Notes payable	744
Accounts payable	732,092
Short-term loans	189,131
Current portion of debentures	70,000
Lease obligations	1,253
Accrued liabilities	42,017
Accrued expenses	270,059
Corporate and other taxes payable	67
Advance payments received	99,130
Deposits received	295,784
Allowance for warranty and others	5,280
Allowance for losses on construction contracts	45,127
Allowance for losses on business of affiliates	63,327
Other current liabilities	59,110
Long-term liabilities	1,178,042
Debentures	300,000
Long-term loans	700,508
Lease obligations	3,904
Allowance for retirement benefits	156,918
Allowance for recycle of personal computers	3,206
Asset retirement obligations	1,445
Other long-term liabilities	12,059
Total liabilities	3,051,170
Net Assets	
Shareholders' equity	687,045
Common stock	439,901
Capital surplus	380,837
Other capital surplus	380,837
Retained earnings	(131,871)
Legal retained earnings	13,974
Other retained earnings	(145,846)
Reserves for deferral of gains on sales of property	3,805
Retained earnings brought forward	(149,651)
Treasury stock	(1,821)
Difference of appreciation and conversion	30,235
Net unrealized gains (losses) on investment securities	27,933
Deferred profit (loss) on hedges	2,302
Total net assets	717,281
Total liabilities and net assets	3,768,452

Statement of Income

For the year ended March 31, 2015

	(Millions of yen)
Net sales	3,232,394
Cost of sales	2,626,962
Gross margin	605,431
Selling, general and administrative expenses	471,158
Net operating income	134,272
Non-operating income	127,585
Interest income	2,748
Dividend income	80,383
Miscellaneous income	44,453
Non-operating expenses	80,849
Interest expenses	14,724
Miscellaneous expenses	66,125
Recurring income	181,008
Extraordinary gains	52,990
Gains from sales of securities	20,122
Settlement received	32,867
Extraordinary losses	227,508
Losses on valuation of shares of subsidiaries and affiliates	131,388
Losses on valuation of investment securities	5,978
Provision of allowance for losses on business of subsidiaries and affiliates	46,940
Provision of allowance for doubtful accounts	26,157
Impairment loss	8,617
Surcharge	8,427
Income before taxes	6,491
Corporate tax, inhabitant tax and business tax	(3,260)
Taxes deferred	69,760
Net loss	60,008

Statement of Changes in Net Assets

For the year ended March 31, 2015

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus	Retained earnings				Treasury stock	Total shareholders' equity
		Other capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
				Reserves for deferral of gains on sales of property	Retained earnings brought forward			
Balance at beginning of the term	439,901	380,838	10,587	3,684	(53,232)	(38,960)	(1,687)	780,091
Cumulative effect of changes in accounting policies					973	973		973
Balance at beginning of the term after changes in accounting policies	439,901	380,838	10,587	3,684	(52,259)	(37,987)	(1,687)	781,064
Changes in the term								
Dividends from surplus			3,387		(37,262)	(33,875)		(33,875)
Reversal of reserves for deferral of gains on sales of property				120	(120)	0		0
Net loss					(60,008)	(60,008)		(60,008)
Purchase of treasury stock							(139)	(139)
Disposal of treasury stock		—					5	4
Net changes of items other than shareholders' equity								
Total changes in the term	0	—	3,387	120	(97,392)	(93,884)	(133)	(94,018)
Balance at end of the term	439,901	380,837	13,974	3,805	(149,651)	(131,871)	(1,821)	687,045

	Difference of appreciation and conversion			Total net assets
	Net unrealized gains (losses) on investment securities	Deferred profit (loss) on hedges	Total difference of appreciation and conversion	
Balance at beginning of the term	18,510	455	18,966	799,057
Cumulative effect of changes in accounting policies				973
Balance at beginning of the term after changes in accounting policies	18,510	455	18,966	800,030
Changes in the term				
Dividends from surplus				(33,875)
Reversal of reserves for deferral of gains on sales of property				0
Net loss				(60,008)
Purchase of treasury stock				(139)
Disposal of treasury stock				4
Net changes of items other than shareholders' equity	9,422	1,846	11,269	11,269
Total changes in the term	9,422	1,846	11,269	(82,749)
Balance at end of the term	27,933	2,302	30,235	717,281