TOSHIBA

Leading Innovation >>>

2015 Annual Report

Year ended March 31, 2015 **Operational Review**

Human Smart Community

by lifenology - the technology life requires

To Our Shareholders

We will make every effort to revitalize Toshiba and recover stakeholder trust.

I would like to open this message by expressing my sincerest apologies for any concern or inconvenience caused due to the inappropriate accounting issue at Toshiba.

Following delays due to the inappropriate accounting issue, we submitted our FY2014 Annual Securities Report on September 7, 2015. At the end of the same month, our new management team was launched following the approval by our shareholders at the extraordinary general meeting. Based on this, we are now able to present to you our annual report for FY2014, and apologize for the delay in its publication.

Toshiba deeply regrets betraying the trust of our shareholders and all other stakeholders and for causing confusion in the market due to the inappropriate accounting issue. We have received numerous stern opinions and criticisms from our stakeholders. We take such reproaches seriously, and under the new management team we will continue to reform our corporate governance. In tandem with this, we are also working to redefine our corporate culture, including changing the mindset of top management, so as to ensure that our reformed corporate governance system functions properly. In addition, we will also examine all possibilities in taking decisive action on certain businesses whose performance is recognized as an issue for management.

Our net income for FY2014 was negative ¥37.8 billion, due in part to the effects of factors such as reversal of deferred tax assets due to tax reforms. In addition, we inform you again with sincerest apologies that we have regretfully decided not to pay a dividend in respect of FY2014 earnings or a dividend with a September 30, 2015 date of record, in light of factors such as the business environment and the financial situation.

Toshiba also received notices from the Tokyo Stock Exchange and Nagoya Stock Exchange to the effect that they had designated our shares as "Securities on Alert" as of September 15, 2015, due to their finding that there are serious issues in the internal control systems and the like of Toshiba and that improvement in these areas is highly necessary. We take the "Securities on Alert" designation, which is a measure proportional to delisting, very seriously, and with advice from the relevant authorities, all members of Toshiba will strive together as one to make every effort towards the designation being removed.

It is with great shame that Toshiba recognizes the immense blemish that the accounting issue has left on our 140 year history. The resilience of Toshiba during our long history to overcome multiple difficulties and crises and continue to survive to this day as a corporation that contributes to society through technology and quality is due

none other than to the high regard and support shown to us by our shareholders and other stakeholders. We are acutely aware that our actions have severely undermined the confidence in Toshiba cultivated by our predecessors, and must all reflect deeply on this.

The management philosophy of the Toshiba Group is: *"We, the Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community."* That commitment will remain unchanged under the new management team. We will engage in CSR management that contributes to society through business activities that place top priority on human life, safety and compliance, and are committed to making every effort to revitalize Toshiba as a company that enjoys the trust of all stakeholders. I humbly request your ongoing support.

M. Muromachi

Masashi Muromachi
President and CEO

Basic Commitment of the Toshiba Group

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

Commitment to People

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

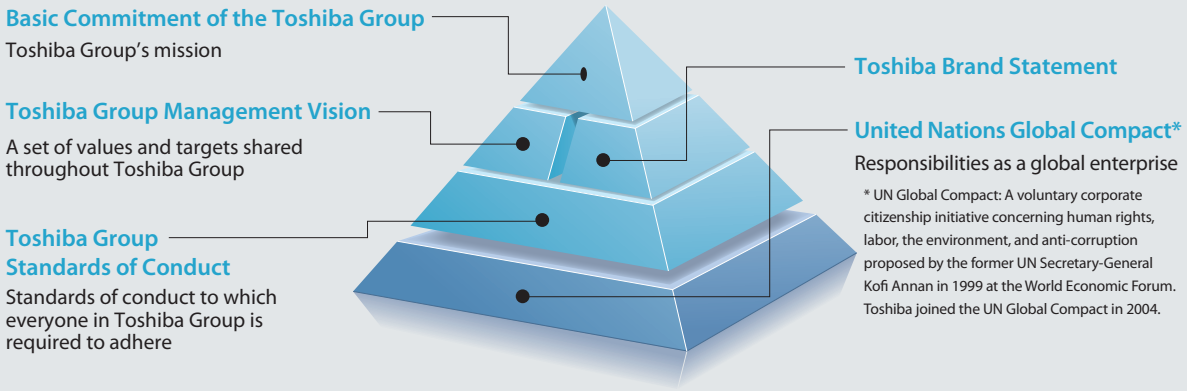
Commitment to the Future

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

■ ■ ■

Committed to People,
Committed to the Future. TOSHIBA

Framework of Toshiba Group's Management Philosophy



Toshiba Group's Corporate Philosophy emphasizes respect for people, creation of new value, and contribution to society.
The Group slogan—"Committed to People, Committed to the Future. TOSHIBA."—expresses the essence of our corporate philosophy.
We recognize that it is our corporate social responsibility (CSR) to put our philosophy and slogan into practice in our day-to-day business activities. In doing so, we accord the highest priority to human life and safety and to compliance.

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Inappropriate Accounting Issues and the Correction of Past Financial Results

Toshiba expresses sincere apologies to all shareholders for any inconvenience or concerns caused by the inappropriate accounting issue.

The following report covers the sequence of events thus far, an outline of the accounting treatments subject to correction, the action taken to clarify managerial responsibility, and the status of action taken on matters such as the new management team, governance structure and recurrence prevention measures, based on the matters that the Company had identified or decided by the time of the Extraordinary General Meeting of Shareholders held on September 30, 2015.

Any further disclosures of new information on this issue will be posted on the Toshiba website in a timely manner.

1. Sequence of events

February 12, 2015	**Received a report order from the Securities and Exchange Surveillance Commission**
Late March	**Identified matters requiring investigation in relation to accounting pertaining to the percentage-of-completion method for certain infrastructure projects undertaken by the Company**
April 3	**Established the Special Investigation Committee**
May 8	**Established the Independent Investigation Committee**
July 20	**Received the Investigation Report from the Independent Investigation Committee**
September 7	**Made corrections to the financial statements for FY2009 to FY2013**

The Company received a report order under Article 26 of the Financial Instruments and Exchange Act from the Securities and Exchange Surveillance Commission on February 12, 2015, and was subject to a disclosure statements inspection in relation to matters such as the percentage-of-completion accounting method.

Subsequently, in a self-led investigation conducted by the Company in response to matters pointed out during the disclosure statements inspection regarding the percentage-of-completion accounting method, the Company identified matters requiring investigation in relation to accounting for fiscal 2013 pertaining to the percentage-of-completion method for certain infrastructure projects undertaken by the Company, and on April 3, 2015, the Company established a Special Investigation Committee comprising internal committee members from the Company as well as an outside attorney-at-law and public certified accountant, and conducted a self-led investigation into the relevant facts. 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 as of May 8, 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. The specific scope of the investigation delegated to the Independent Investigation Committee was (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 members of the Independent Investigation Committee were as follows:

Chairman:	Koichi Ueda	Attorney-at-Law (former Superintending Prosecutor, Tokyo High Public Prosecutors Office)
Members:	Hideki Matsui	Attorney-at-Law (Co-representative of Marunouchi Sogo Law Office)
	Taigi Itoh	Certified Public Accountant (former Deputy Chairman of the Japanese Institute of Certified Public Accountants)
	Kazuyasu Yamada	Certified Public Accountant

Subsequently, on July 20, 2015, the Company received the Investigation Report from the Independent Investigation Committee.

Parallel to the above investigations, the Company conducted a self-check of the Company and all of its consolidated subsidiaries as of March 31, 2015, regarding matters such as whether there had been any cases in which accounting standards or accounting rules etc. had not been complied with or other cases of inappropriate accounting treatment, and whether there was any awareness thereof, including minor instances, for any of the fiscal quarters during the period from fiscal 2009 to fiscal 2014 and from April to the end of May of 2015.

As a result of conducting validation procedures in respect thereof the Company determined that it was necessary to correct the financial results of past fiscal years in relation to the matters stated in 2. below, and the Company made corrections to the financial statements it had reported to shareholders for the 171st fiscal year (from April 1, 2009 to March 31, 2010) through the 175th fiscal year (from April 1, 2013 to March 31, 2014).

2. Outline of corrected accounting treatments

The outline of the accounting treatments corrected based on matters such as the results of the investigation in 1. above is as follows:

Instances relating to the percentage-of-completion method of accounting

These include instances in which the total estimated cost of contract work was calculated without being based on the latest information regarding incurred costs; instances in which provisions for contract losses were not recorded at the time when it became clear that losses would arise; and instances in which the total estimated cost of contract work was calculated based on expected cost reductions that lacked concrete substantiation.

Instances relating to the recording of operating expenses in the Visual Products Business

These include instances in which some operating expenses were not accounted for on an accrual basis; instances in which unrealized profits that had been recognized due to temporary increases in transactions with affiliated companies were not eliminated; and instances in which supplier discounts were recognized despite the absence of any substantive cost reductions, such as by being predicated on adjustment or inflation of the procurement price in subsequent periods.

Instances relating to valuations of inventory in the Semiconductor Business

These are instances in which valuation losses were not recorded at the timing when works-in-progress or the like were actually disposed of; and instances in which the cost of sales was under-recorded as a result of the book value of term-end intermediate products and term-end completed products being overstated, due to a loss of continuity between the revising of the standard cost for standard cost calculation in the front-end process and in the back-end process.

Instances relating to parts transactions etc. in the PC Business

These include instances relating to parts transactions with original design manufacturers in which some operating costs were not accounted for on an accrual basis, in addition to recognizing amounts equivalent to profits in each accounting period that should not have been recognized; and instances involving transactions with affiliated companies in which profits were recorded that should not have been realized.

Other instances

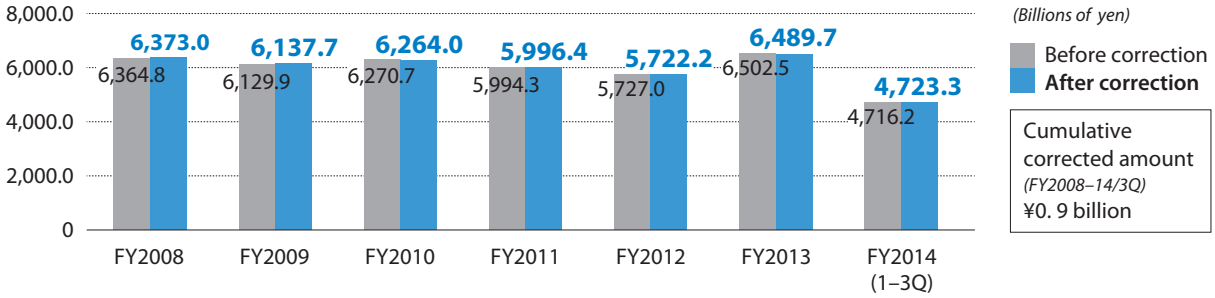
Instances other than the foregoing that were identified through self-checks, and misrepresentations etc. identified in the course of the audit by the independent auditor but which were not corrected from the perspective of materiality.

Incidental impacts due to the foregoing corrections

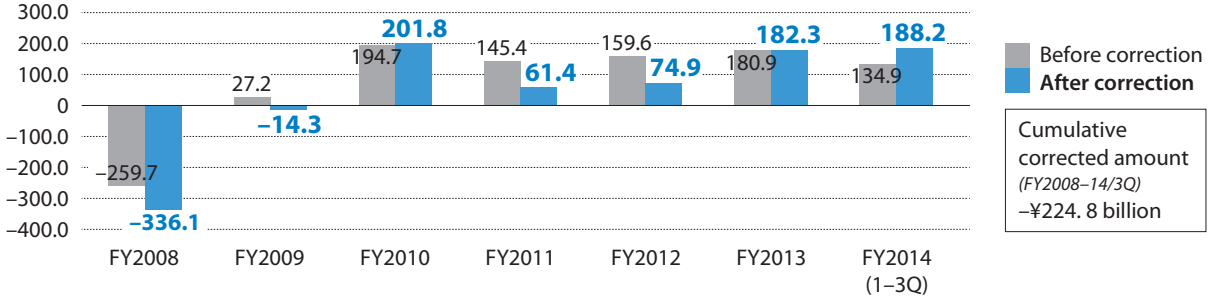
Incidental to the foregoing accounting treatments, the Company also made corrections such as to the recognition or timing of recognition of impairments of fixed assets pertaining to the visual products business, the PC business and the semiconductor business (mainly discrete and system LSIs), and made corrections to depreciation costs in accordance with the foregoing corrections, and retrospectively corrected tax calculations as well.

Restatement of Past Financial Results FY2008–FY2014/3Q

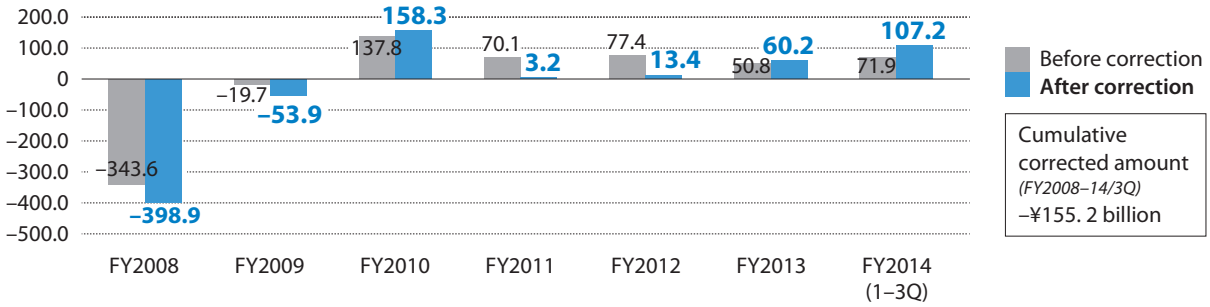
Net sales



Income (loss) before income taxes and noncontrolling interests



Net income (loss)



Income (Loss) before Income Taxes
Restatement of Past Financial Results and Effects of Restatement (by element)

(Billions of yen)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 (1–3Q cumulative)	Cumulative (2008–14/3Q)
(Before correction) Income (loss) before income taxes	–259.7	27.2	194.7	145.4	159.6	180.9	134.9	583.0
Percentage-of-completion method	–3.6	0.1	7.0	–7.9	–18.0	–24.5	–1.0	–47.9
Recording of operating expenses, etc. in the visual products business	–5.3	–7.8	–6.5	12.7	–2.8	0.8	2.8	–6.1
Component transactions, etc. in the PC business	–19.8	–28.6	11.3	–22.3	–28.1	10.4	19.3	–57.8
Valuation of inventory, etc. in the semiconductor business	0.0	–4.4	–1.6	–10.3	–36.6	16.3	–0.5	–37.1
Self-check, etc.	–6.0	–3.8	–3.4	–7.3	–12.9	–12.2	16.2	–29.4
Amount for impairment of fixed assets (incl. effect of depreciation/gain (loss) on sale or disposal)	–41.7	3.0	0.3	–48.9	13.7	10.6	16.5	–46.5
Total amount of correction	–76.4	–41.5	7.1	–84.0	–84.7	1.4	53.3	–224.8
(After correction) Income (loss) before income taxes	–336.1	–14.3	201.8	61.4	74.9	182.3	188.2	358.2

3. Action taken to clarify managerial responsibility

In response to the results of the investigation by the Independent Investigation Committee, and effective as of July 21, 2015, Hisao Tanaka, Representative Executive Officer, President and Chief Executive Officer and Director; Norio Sasaki, Vice Chairman of the Board and Director; Hidejiro Shimomitsu, Representative Executive Officer, Corporate Senior Executive Vice President and Director; Masahiko Fukakushi, Representative Executive Officer, Corporate Senior Executive Vice President and Director; Kiyoshi Kobayashi, Representative Executive Officer, Corporate Senior Executive Vice President and Director; Toshio Masaki, Representative Executive Officer, Corporate Senior Executive Vice President and Director; and Makoto Kubo, Chairman of the Audit Committee and Director, all resigned from their positions in the Company; and Keizo Maeda, Representative Executive Officer, Corporate Executive Vice President and Director, resigned from his positions as Representative Executive Officer and Director. In addition, Atsutoshi Nishida, Adviser to the Board, resigned from his position as of the same day.

Further, Masaaki Osumi, Executive Officer and Corporate Senior Vice President, resigned as of July 29, 2015; Keizo Maeda, Executive Officer and Corporate Executive Vice President, resigned as of August 31; and partial reductions in monthly compensation were implemented for directors (including outside directors) and executive officers.

On the other hand, the Company established the Executive Liability Investigation Committee on September 17, 2015. The Executive Liability Investigation Committee consists of fair and impartial legal experts who do not have any interests in relation to current and former directors and executive officers, in order for the Company to make an appropriate and fair judgment on whether current and former directors and executive officers of the Company bear liability for negligence in their duties related to the inappropriate accounting, and whether the Company should enforce liability against current and former directors and executive officers.

4. Action taken in respect of governance structure and recurrence prevention measures

The investigation report from the Independent Investigation Committee particularized the major direct causes of inappropriate accounting as institutionalized behavior in certain projects, including 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 indirect cause of issues was the non-functioning of certain internal controls for financial reporting, as top-management involvement resulted in the insufficient 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.

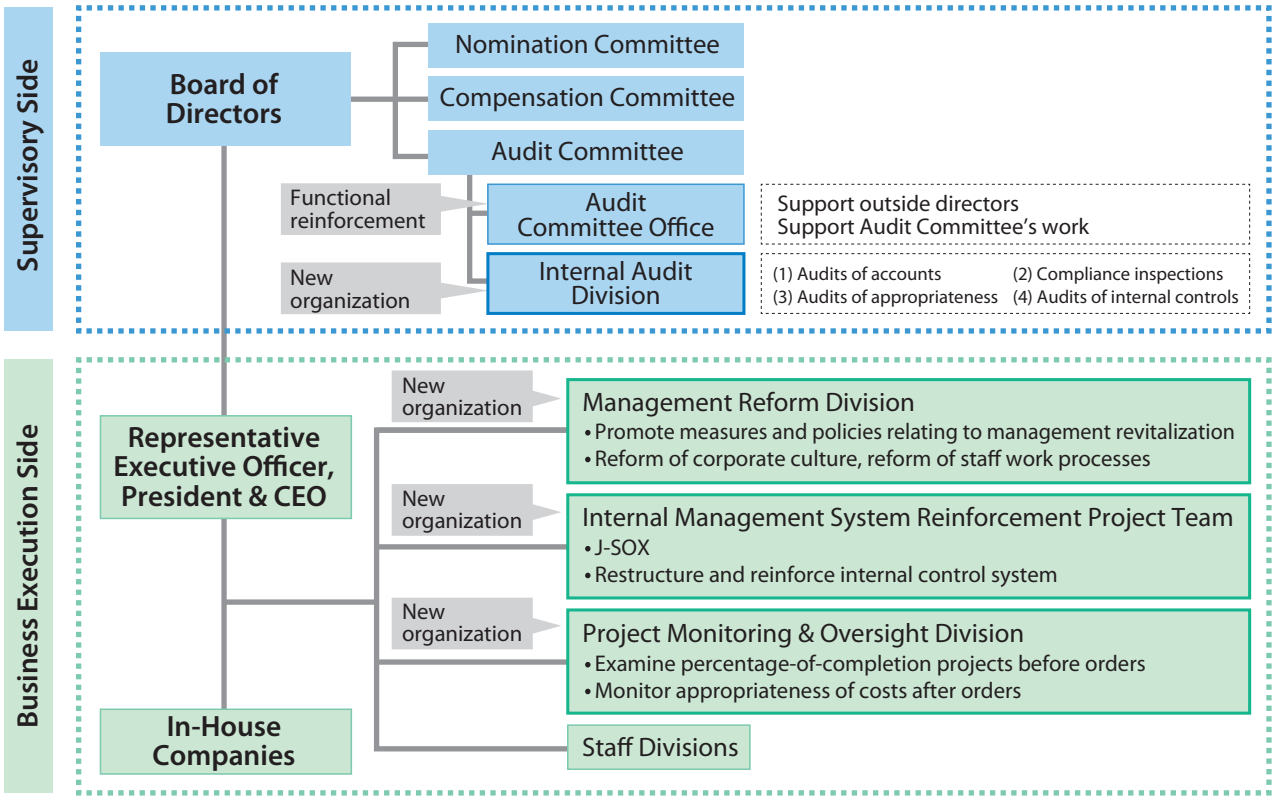
The Company presumes that these causes resulted from pressure caused by an awareness of concerns in the capital market, and a need to find new business opportunities in a harsh environment where individual divisions were recording weak performances as a result of negative impacts from the financial crisis,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

On receiving the investigation report, the Company acted on its analysis of causes by establishing the Management Revitalization Committee, whose members included 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. Once new nominees for outside directors were selected, they also joined the committee. The committee was tasked with carrying out intensive discussions on a new management team and prevention of any recurrence, including reform of corporate governance.

Going forward, resolving management issues, improving the Company's business environment and taking measures against recurrence are all imperatives for the Company. 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.

Outline of Reform of Corporate Governance Structure

Management Revitalization Promotion Structure
(After September 30, 2015)



The Company has determined, based on the discussions by the Management Revitalization Committee, the basic policies described below, and has been implementing them in sequence.

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

The Company reconfirmed that the Board of Directors has to "monitor and supervise business execution" and "determine the Company's basic strategies," and is implementing the policies described below.

Composition of the Board of Directors

i. Reduced the Board of Directors to 11 people

To ensure substantive and productive deliberations, the Company reduced membership of the Board of Directors from 16 to 11 people (the Articles of Incorporation states "20 people or less").

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

To secure an effective "monitor and supervise business execution" function, the Company 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 the inadequacies in its accounting audit function and compliance inspections, the Company appointed outside 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 the Chairman of the Board of Directors

The Company's amendment to its Articles of Incorporation allowing the appointment of an outside director as the chairman of the Board of Directors was approved at the Extraordinary General Meeting of Shareholders. Subsequently, Mr. Shinzo Maeda, an Outside Director, was appointed as Chairman of the Board of Directors.

Reinforcement of the Board of Directors' Supervisory Function

i. Reinforcement of the support structure for Outside Directors

The function and headcount of the Audit Committee Office was 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 reinforces its powers of investigation. This provides the outside directors with stronger report collection and investigation abilities.

ii. Establishment of 'Executive Sessions'

The Company established 'Executive Sessions,' meetings that consist of outside directors to stimulate their information exchanges and to increase their understanding of the Company's business.

II. Reinforcement of the Audit Committee's Supervisory Function

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

Composition of the Audit Committee

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

In principle, all members of the Audit Committee, around five in number, must be independent outside directors.

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

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.

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 increased the size of the Audit Committee Office's staff, expanded opportunities to use outside experts, and implemented other measures. The Company also appointed the executive officer in charge 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 established an internal reporting function in the Audit Committee Office. The Company also clarified that all members of the Audit Committee have the right to access all reports made to the business execution side using the whistleblower system.

iii. Securing the independence of the Audit Committee Office

The Audit Committee has 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 eliminated the Corporate Audit Division, separated the internal audit function of the Corporate Audit Division from the business execution side, and reestablished these functions in the 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 limits and focuses 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, was shifted to the business execution side, and the execution and supervisory functions were clearly separated. The Company appointed 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 are resident in each in-house company. The Internal Audit Division cooperates with in-house companies and accounting auditors and builds a structure for sharing information.

vii. Securing the independence of the Internal Audit Division

The Audit Committee has 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 to top-management positions and establish a structure that secures appropriate decisions on the eligibility of potential candidates.

Composition of the Nomination Committee

i. The 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.

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 is linked to medium- to long-term performance.

Other Preventive Measures

I. Corporate Culture Reform

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 commensurate with the Company's capabilities.

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, 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 revitalizing Toshiba Group. His message also declared a determination for the whole Company to work together in order to regain public trust. The Company also conducted an employee survey in order to gather candid opinions. In addition, the Company held an awareness improvement seminar for members of top management in early October 2015 toward improving the awareness of top managers.

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 continued implementation of these seminars.

II. Measures for Strengthening Internal Control

Reform of the finance and accounting organization

In order to reinforce the internal control function of the finance and accounting divisions, the Company transferred 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.

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 particularly 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 also studying concrete action items to reform business processes in line with such 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.

Financial Highlights (consolidated basis)

→ Please see P. 55 for the 7-year consolidated financial summary.

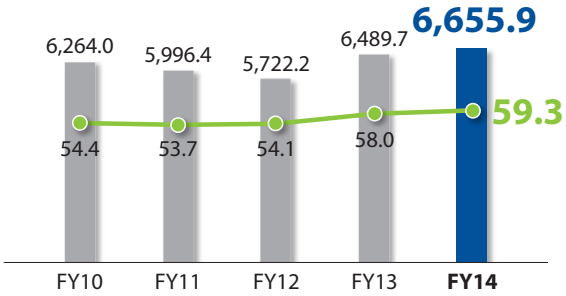
(Billions of yen)

	FY10	FY11	FY12	FY13	FY14
Financial performance					
Net sales (Total)	¥6,264.0	¥5,996.4	¥5,722.2	¥6,489.7	**¥6,655.9**
Net sales—Japan	2,858.0	2,774.2	2,625.0	2,727.4	**2,706.0**
—Overseas	3,406.0	3,222.2	3,097.2	3,762.3	**3,949.9**
Operating income *(Note 1)*	244.5	114.9	92.1	257.1	**170.4**
Income from continuing operations, before income taxes and noncontrolling interests	201.8	61.4	74.9	182.3	**136.6**
Net income (loss) *(Note 2)*	158.3	3.2	13.4	60.2	**(37.8)**
Financial position and indicators					
Total assets	5,351.3	5,673.1	6,021.6	6,172.5	**6,334.8**
Equity attributable to shareholders of Toshiba Corporation *(Note 3)*	793.9	718.7	824.6	1,027.2	**1,084.0**
Interest-bearing debt	1,083.8	1,235.8	1,471.6	1,388.4	**1,341.4**
Shareholders' equity ratio (%)	14.8	12.7	13.7	16.6	**17.1**
Debt/equity ratio (Times)	1.4	1.7	1.8	1.4	**1.2**
Investment					
R&D expenditures	318.8	319.4	300.0	327.9	**352.7**
Capital expenditures (Property, plant and equipment)	229.9	298.1	237.3	229.5	**218.5**
Depreciation (Property, plant and equipment)	209.2	198.9	153.8	125.9	**133.1**
Return indicators (%)					
Return on investment (ROI) *(Note 4)*	11.0	5.1	3.7	9.3	**5.9**
Return on equity (ROE)	21.1	0.4	1.7	6.5	**(3.6)**
Return on assets (ROA)	2.9	0.1	0.2	1.0	**(0.6)**
Free cash flow					
Net cash provided by operating activities	371.6	337.5	132.3	284.1	**330.4**
Net cash used in investing activities	(214.7)	(377.2)	(196.3)	(244.1)	**(190.1)**
Free cash flow	156.9	(39.7)	(64.0)	40.0	**140.3**
Per share of common stock (yen)					
Net income (loss) *(Note 5)*					
—basic	37.38	0.75	3.17	14.23	**(8.93)**
—diluted	35.90	0.74	—	—	**—**
Cash dividends	5.00	8.00	8.00	8.00	**4.00**
Number of employees (Thousands)					
Number of employees	203	210	206	200	**199**
Japan	121	117	113	112	**111**
Overseas	82	93	93	88	**88**

Notes: 1. Operating income is derived by deducting the cost of sales and selling, general and administrative expenses from net sales.
2. Net income (loss) attributable to shareholders of Toshiba Corporation is described as Net income (loss).
3. Equity attributable to shareholders of Toshiba Corporation is based on U.S. GAAP.
4. ROI = Operating income/(Average equity attributable to shareholders of Toshiba Corporation + Average equity attributable to noncontrolling interests + Average interest-bearing debt) × 100
5. Basic earnings (losses) per share attributable to shareholders of Toshiba Corporation (EPS) is computed based on the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the dilution that could occur if convertible bonds were converted or stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.
6. According to the restatement of past financial results, prior-period data up to FY2013 has been restated above.

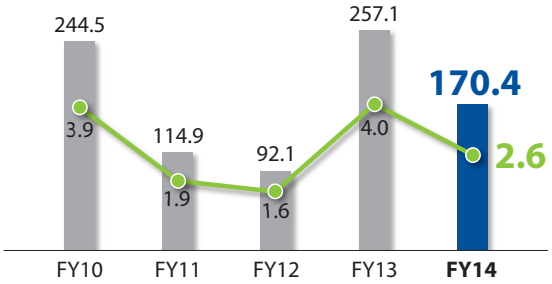
→ Please see the Data Section from P. 57 for Consolidated Financial Statements.

Net sales *(Billions of yen)*
Ratio of overseas sales *(%)*



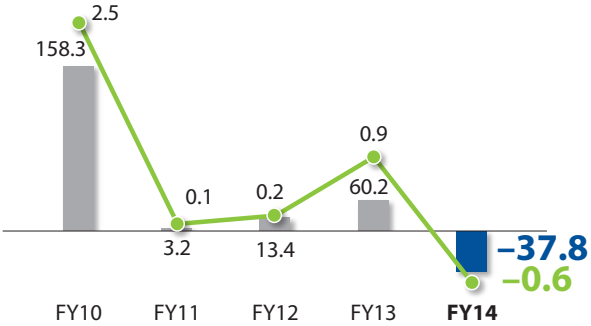
Net sales increased by ¥166.2 billion YoY to ¥6,655.9 billion, reflecting higher sales in the Energy & Infrastructure, Community Solutions and Electronic Devices & Components segments, despite a decrease in sales in the Lifestyle Products & Services segment.

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



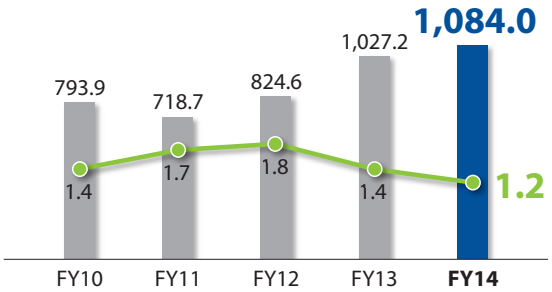
Operating income decreased by ¥86.7 billion YoY to ¥170.4 billion, as a result of impairment losses for discretes business in the Electronic Devices & Components segments and home appliances business in the Lifestyle Products & Services segment, while the Energy & Infrastructure segment recorded higher operating income.

Net income (loss) *(Billions of yen)*
Return on sales *(%)*



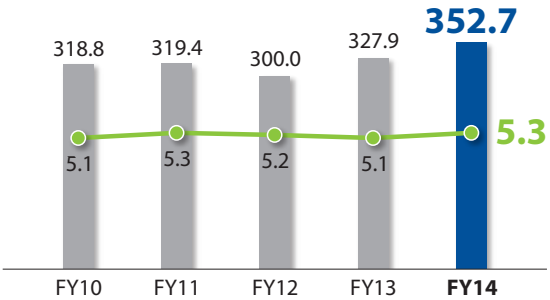
Net income (loss) attributable to shareholders of the Company decreased by ¥98.0 billion YoY to –¥37.8 billion, due to the effects of reversal of deferred tax assets on the tax system revision and other factors.

Total equity attributable to shareholders of Toshiba Corporation *(Billions of yen)*
Debt/equity ratio *(Times)*



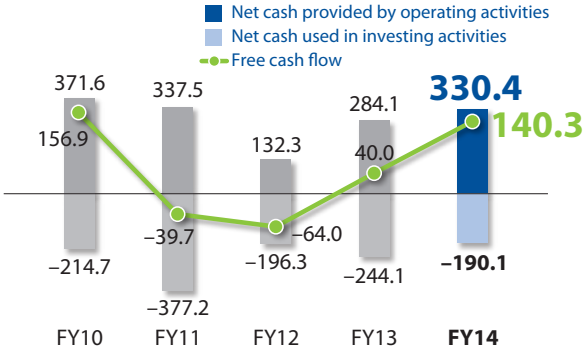
Equity attributable to the shareholders of the Company was ¥1,084.0 billion, an increase of ¥56.8 billion YoY. This reflects a significant improvement in the accumulated other comprehensive loss, due to the continued yen depreciation and a buoyant stock market. The debt-to-equity ratio was improved YoY to 1.2.

R&D expenditures *(Billions of yen)*
R&D/sales ratio *(%)*



R&D expenditures increased by 8% YoY to ¥352.7 billion, and the R&D to sales ratio increased to 5.3%.

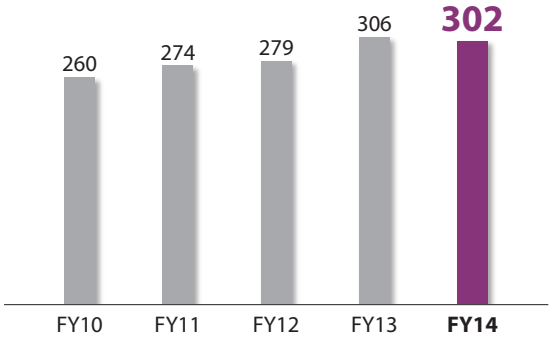
Free cash flow *(Billions of yen)*



Free cash flow increased by ¥100.3 billion YoY to ¥140.3 billion, due to improvement in operating capital as a result of efficient business operations, and sales of securities.

Non-Financial Highlights (consolidated basis)

[Environment]
Total Emissions of Greenhouse Gases *(10kt-CO_2)*

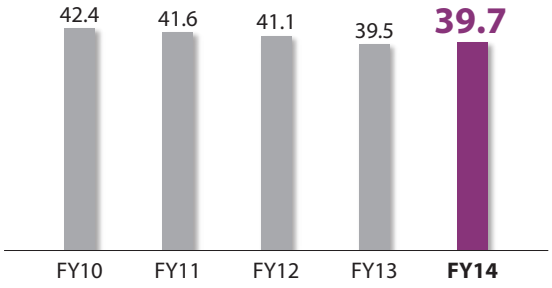


* The CO_2 emissions coefficient for electricity in Japan used 4.87t-CO_2/10,000kWh in FY2012.

In FY2014, Toshiba Group reduced Greenhouse Gases (GHG) emissions by 40,000 tons year on year mainly by installing PFC removal equipment and promoting energy-saving measures.

Going forward, we will continue to make steady efforts to reduce total GHG emissions by investing proactively in high-efficiency equipment.

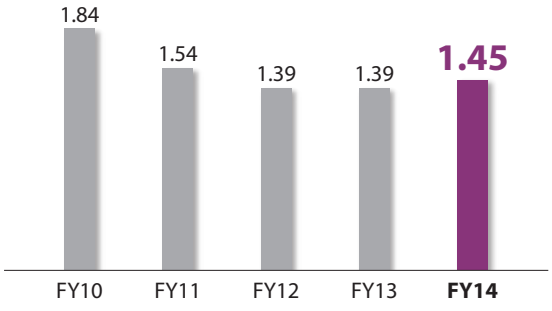
[Environment]
Volume of Water Received *(1,000km^3)*



In FY2014, the total amount of water received was almost flat year on year, though Toshiba Group has improved the efficiency of the water purification process.

Going forward, we will continue to promote the reuse and recycling of water notably in the Electronic Devices & Components segment, which accounts for 78% of the water received by Toshiba Group.

[Environment]
Emission of substances targeted for reduction *(kt)*

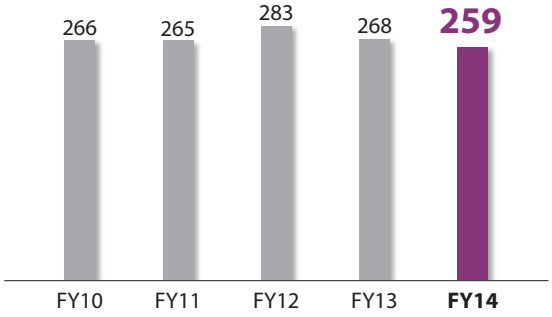


* 551 substances, including chemical substances designated as Type 1 under the PRTR law (Concerning Pollutant Release and Transfer Register) as well as volatile organic compounds (VOC) and other substances.

In FY2014, the emission of substances targeted for reduction increased by 60 tons year on year.

Going forward, we will promote the use of alternative substances and increase material efficiency by improving processes as an incoming countermeasure, and introduce emission removal and collection equipment as an outgoing countermeasure.

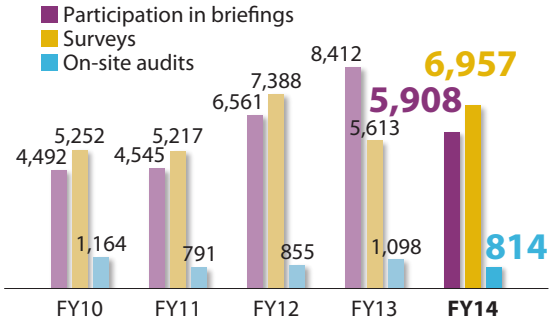
[Environment]
Total Waste Generated *(kt)*



In FY2014, Toshiba Group reduced total waste generated by 9,000 tons year on year.

Going forward, we will target the creation of a diversified circle of resources recycling, for instance by exploring new recyclers at overseas sites and vitalizing dialogue with related parties both inside and outside Toshiba Group.

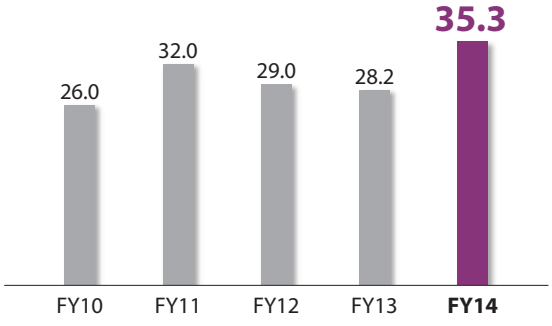
[Number of Suppliers Covered by CSR Survey]
*(Cumulative number of Companies *)*



* Cumulative number of Companies: As Toshiba Group companies conduct surveys based on each contract, we count one contract in case multiple contracts are concluded with one supplier.

Toshiba Group requests its suppliers to consider human rights, labor, occupational health and safety and the environment in their operations, and we hold briefings on CSR management in the supply chain and monitor its implementation at business sites in Japan and overseas. In FY2014, we held briefings on the policy to 5,908 companies (cumulative numbers), conducted CSR surveys in 6,957 companies (cumulative numbers) and requested to perform self-checks to 814 companies (cumulative numbers).

[Expenditures on Corporate Citizenship Activities]
(100 millions of yen)



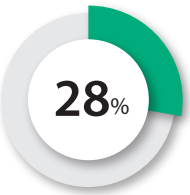
* Expenditures include cash contributions to support disaster recovery.

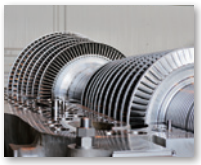
Toshiba Group conducts a wide range of social contribution activities globally to support science & technology education, sports & culture promotion, social welfare, healthcare, protection of the natural environment, and international exchanges and friendship. The total amount in FY2014 increased compared to the previous year due to the increase of expenditure on science & technology activities.

Business Review

FY2014 Sales by Segment | **Main products**

Energy & Infrastructure → P.19




Steam turbines

Control rod clusters

Transformers

Rechargeable battery SCiB™

Railway systems

Community Solutions → P.21

Water treatment systems

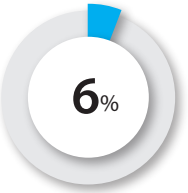
Elevators

Commercial air-conditioning systems

Lighting systems

POS systems

Healthcare Systems & Services → P.22



CT scanners

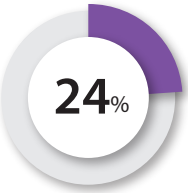
X-ray angiography systems

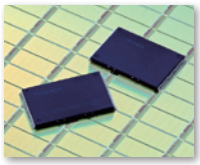
Heavy-ion radiotherapy systems

DNA analysis systems

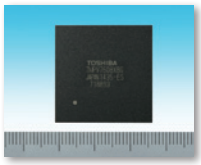
Fitness tracker "Actiband™"

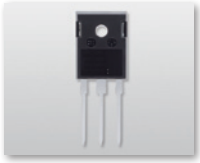
Electronic Devices & Components → P.23




NAND flash memory

SSDs


System LSI


Power devices

Memory cards with wireless LAN "FlashAir™"

Lifestyle Products & Services → P.25

PCs

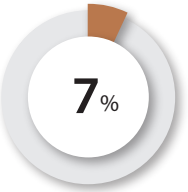
Stylus-operated tablets

TVs

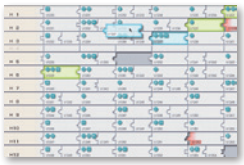
Washing machines

Robot vacuum cleaners

Others → P.26

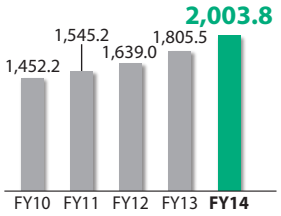


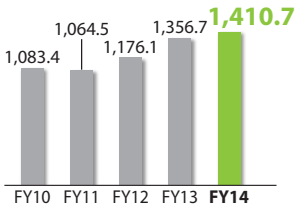
Storage solutions

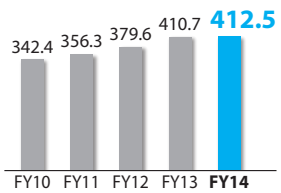

Cloud-based transit scheduling system

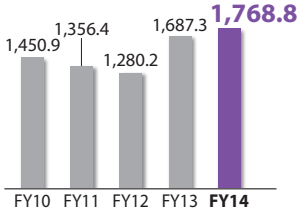
HR & payroll systems

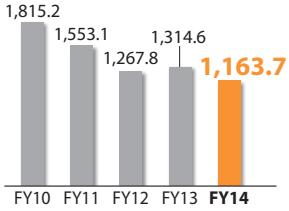
Sales *(Billions of yen)*

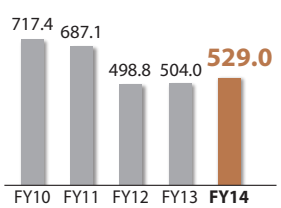




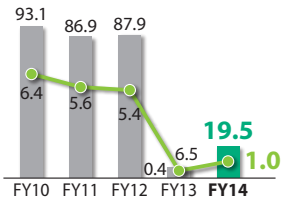


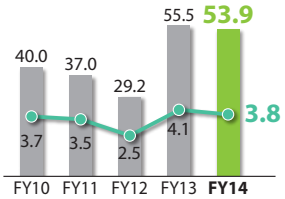


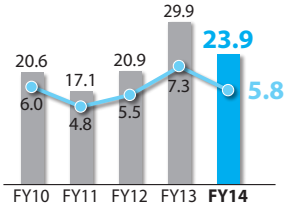


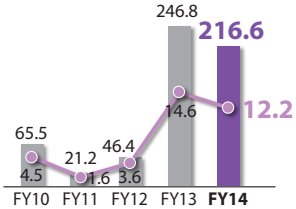


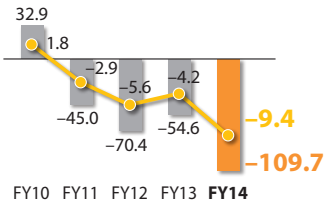
Operating income (loss) *(Billions of yen)*
Operating income ratio *(%)*

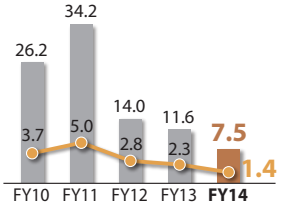




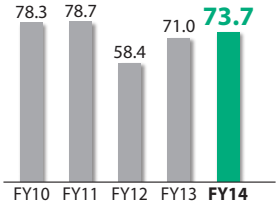


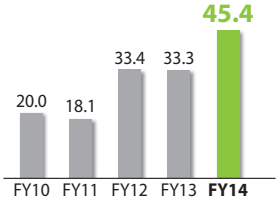


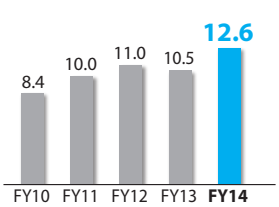


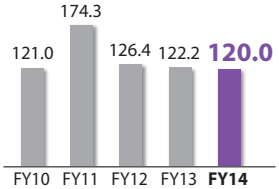


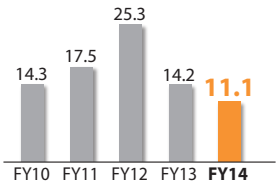
Capital expenditures *(Billions of yen)*
(Payment basis)

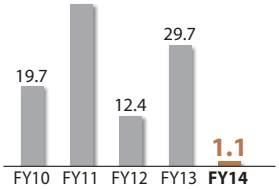




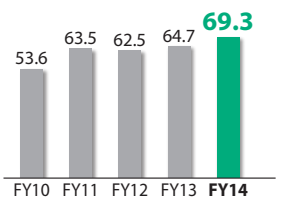


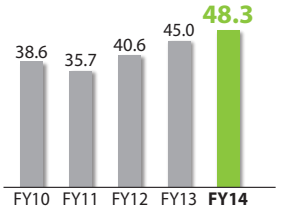


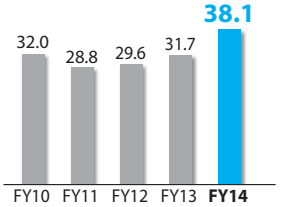


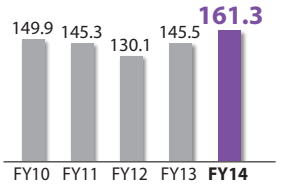


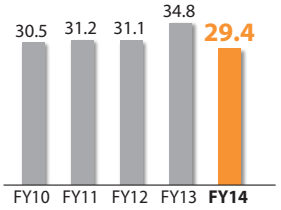
R&D expenditure *(Billions of yen)*

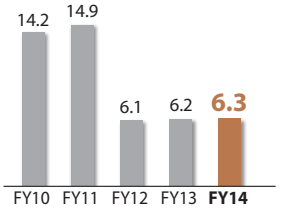










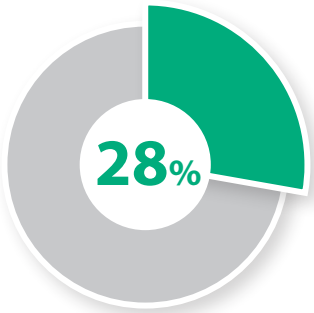


Energy & Infrastructure

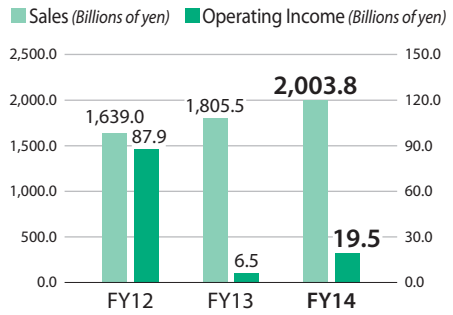
Main products & services

Nuclear power generation systems, Thermal power generation systems, Hydroelectric power generation systems, Fuel cells, Power generation, Solar photovoltaic power generation systems, Power transmission and distribution systems, Instrumentation and control systems, Automatic railroad station equipment, Transportation equipment, Electrical machinery, Government systems

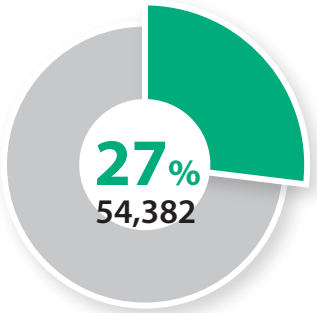
Sales by Segment



Sales/Operating Income



Number of Employees by Segment



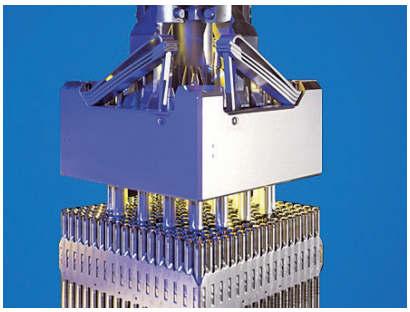
Business Overview

Net sales in the Energy & Infrastructure segment increased by ¥198.3 billion to ¥2,003.8 billion (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 to ¥19.5 billion (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.

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

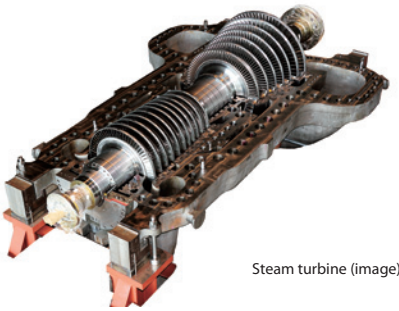
Westinghouse Electric Company (WEC), a U.S. subsidiary, is proactively expanding its fuel supply and service businesses worldwide for nuclear power plants and won a series of contracts for supply of reload fuel with Ukraine, Sweden, Finland, France, and the U.S. Taking full advantages of its capabilities 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.



Westhighouse's fuel assembly

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 since 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.



Steam turbine (image)

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 26% (on a capacity basis 2015/7 Bloomberg New Energy Finance), and has supplied 52 units with an installed capacity of 3,400MW. We newly received an order to supply 3 x 60MW 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.

Kenya's geothermal power complex which started commercial operation

Enhancement of marketing system for railway transportation drive system

Toshiba has delivered drive systems to multiple railway companies in Japan for use in railway car traction which realized reduction of power consumption, acoustic noise, and maintenance work cost with permanent-magnet synchronous motor (PMSM). A joint venture company, Railise Pte Ltd, was established with Singapore Rail Engineering Pte Ltd, the engineering subsidiary of Singapore's SMRT Corporation Ltd, which is engaged in engineering, sales and installation for the drive system. The joint venture company will develop business for railway companies all over the world.

Railway car of SMRT in Singapore which will adopt Toshiba's drive system

Enhancement of efforts to realize a hydrogen society

Toshiba started joint verification of the effectiveness of "H_2One™," 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 about 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 CO_2.

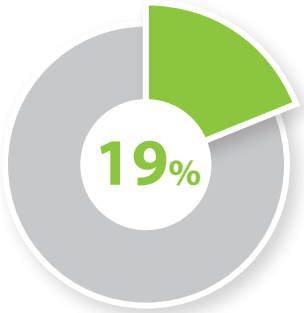
Stand-alone energy supply system H_2One™ installed at Kawasaki Marien public facility and Higashi-Ogishima-Naka park

Community Solutions

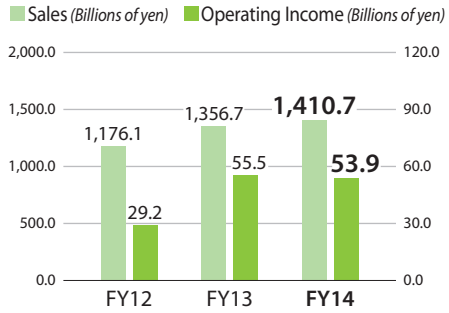
Main products & services

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

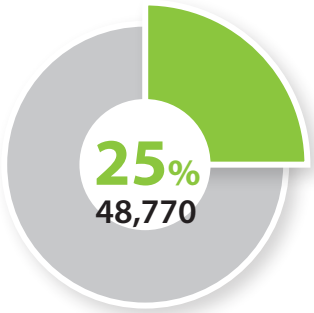
Sales by Segment



Sales/Operating Income



Number of Employees by Segment



Business Overview

Net sales in the Community Solutions segment increased by ¥54.0 billion to ¥1,410.7 billion (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 to ¥53.9 billion (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.

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.

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.

Illuminated view of Phoenix Hall of Byodo-in temple

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.

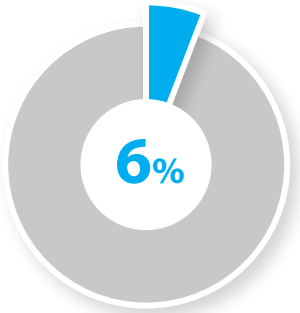
Smart Receipt
(screen image on a smartphone)

Healthcare Systems & Services

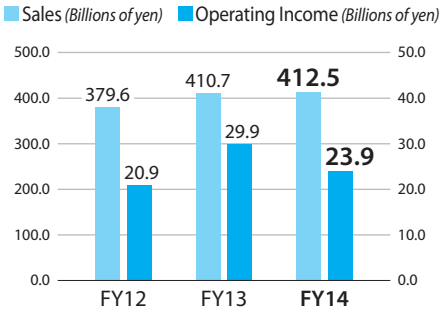
Main products & services

Diagnostic X-ray systems, Computerized tomography (CT) systems, MRI systems, Diagnostic ultrasound systems, Clinical analysis systems

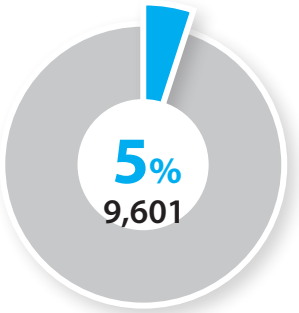
Sales by Segment



Sales/Operating Income



Number of Employees by Segment



Business Overview

Net sales in the Healthcare Systems & Services segment increased by ¥1.8 billion to ¥412.5 billion (US$3,437.6 million). While sales of medical imaging systems were solid in North America and emerging economies, especially of mainstay 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 to ¥23.9 billion (US$198.9 million), reflecting continued up-front investments made to drive forward future growth, particularly in R&D of next-generation CT systems.

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."

Healthcare Technology Center in Kawasaki City

Efforts for DNA testing system business

As a specific approach toward the new area, Toshiba launched Genelyzer™II, 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.

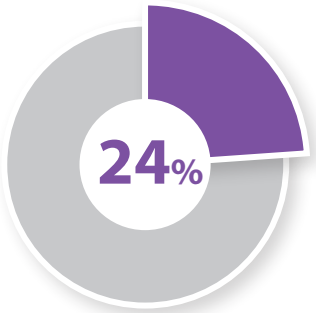
DNA testing system Genelyzer™

Electronic Devices & Components

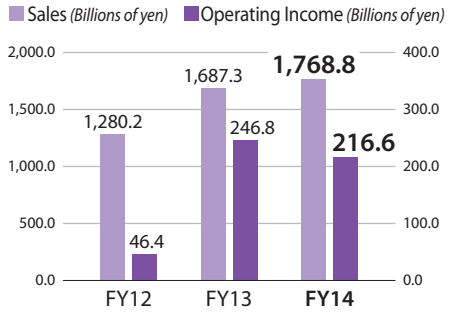
Main products & services

Small-signal devices, Power devices, Optoelectronic devices, Logic LSIs, Mixed signal ICs, Image sensors, NAND flash memories, Storage devices, Semiconductor manufacturing equipment

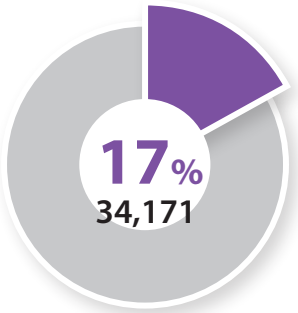
Sales by Segment



Sales/Operating Income



Number of Employees by Segment



Business Overview

Net sales in the Electronic Devices & Components segment increased by ¥81.5 billion to ¥1,768.8 billion (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 to ¥216.6 billion (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.

Commercialization of three dimensional flash memory called "BiCS FLASH™"

Toshiba started sample shipments of "BiCS FLASH™," 128-gigabit 3D flash memory, based on the world's first 48-layer stacking process. The BiCS FLASH™ 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.

3D flash memory "BiCS FLASH™" based on the world's first 48-layer stacking process

Semiconductor for Image Recognition Processors for Automotive Applications

Toshiba started sample shipments of new series of 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.

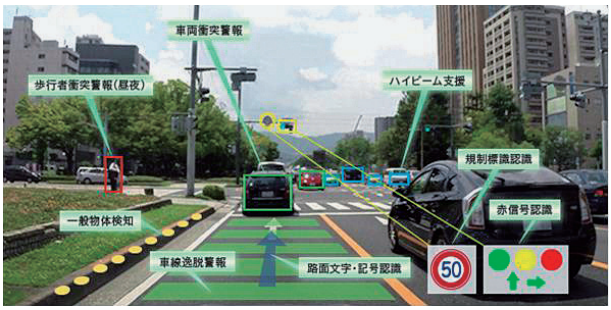


Image of advanced driver assistance system equipped with the new image recognition processors

New fabrication facility at 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 FLASH™," 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 FLASH™" to further enhance its competitiveness.

New No.2 fabrication facility (rendering) at Yokkaichi Operations which is for mass production of 3D flash memory

Structural Reform of Toshiba's System LSI Business and Discrete Semiconductor Business

In October 2015, as a part of a fundamental restructuring, we made policy decisions in respect of structural reform of the System LSI business and Discrete semiconductor business, part of the Semiconductor business.

In the system LSI business, we have decided to withdraw from the CMOS image sensor business, in line with a strategy for clarifying focus businesses and reducing fixed costs. In this connection, we have signed a Letter of Intent with Sony Corporation (Sony) in respect of the transfer of assets related to the 300mm wafer production line at Oita Operations to Sony. We have also determined to advance preparations for establishing a new company, which will consolidate Oita Operations and Iwate Toshiba Electronics Co., Ltd. into a single business entity, to secure efficient management of the 200mm and 150mm wafer production lines. Going forward, we will concentrate management resources in areas where we anticipate market growth and enjoy a technological advantage, such as analog IC and motor control drivers for automotive and other applications.

In the Discrete semiconductor business, we have decided to discontinue the White LED business and to concentrate management resources on the power semiconductor, optical devices, and small-signal devices businesses where we position as the main focus and anticipate market expansion.

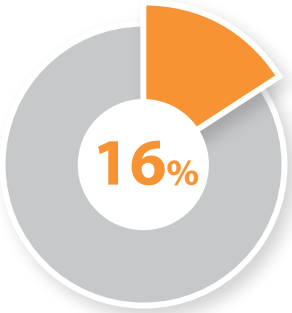
With measures above, we will aim to record an operating surplus in FY2016 in these businesses.

Lifestyle Products & Services

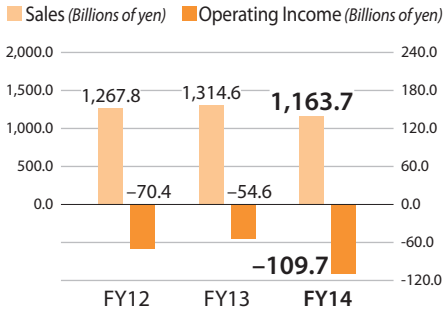
Main products & services

PCs, Tablets, TVs, BD recorders and players, Refrigerators, Washing machines, Home air-conditioners, Vacuum cleaners, Cookware, Home appliances repair services

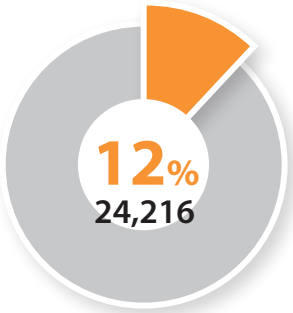
Sales by Segment



Sales/Operating Income



Number of Employees by Segment



Business Overview

Net sales in the Lifestyle Products & Services segment decreased by ¥150.9 billion to ¥1,163.7 billion (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 to ¥109.7 billion (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.

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.

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.

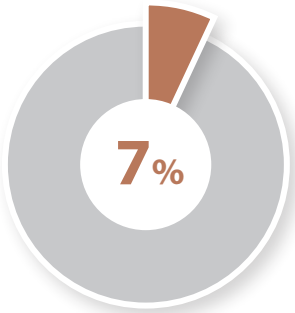
Robot vacuum cleaner "TORNEO ROBO"

Others

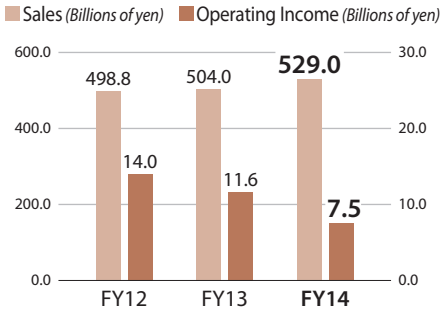
Main products & services

IT solutions, Logistics service

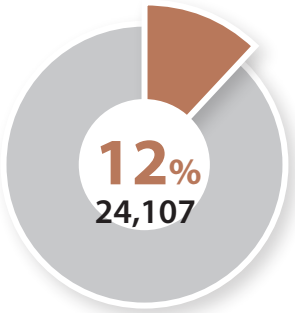
Sales by Segment



Sales/Operating Income



Number of Employees by Segment



Business Overview

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

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.

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.

Plant factory "Toshiba Clean Room Farm Yokosuka"

Research & Development and Intellectual Property

Research & Development

Toshiba Group is concentrating its attentions on businesses that will drive future growth, and towards this has expanded R&D to the global scale. Beyond that, we are ensuring our ability to take full advantage of R&D results by reinforcing our global intellectual property (IP) strategy. Through our R&D and IP, we will continue to meet the challenges of generating innovations.

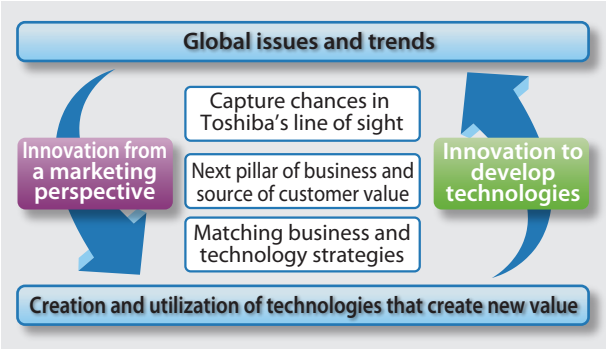
R&D Strategy

Toshiba Group helps to address global issues by focusing on energy, storage and healthcare. Towards realizing our vision of a safe, secure and comfortable society, we strive to deliver creative and innovative products that offer an excellent user experience, in which customers find greater value than in the products themselves. We will continue to deliver unique value to our customers with creating innovative technologies and bringing by our assets in technologies.

In energy, we contribute to long-term energy security and sustainability by developing base load power generation sources, such as next generation thermal and nuclear power systems, plus new energy solutions, including renewables and hydrogen, that support realization of a best mix of power sources. We also provide products that reduce environmental impacts, such as power electronics and a new type of battery.

In storage, we are meeting the demands of Big Data and data security with essential cloud infrastructure, and also construct data centers and information systems based on large capacity storage devices.

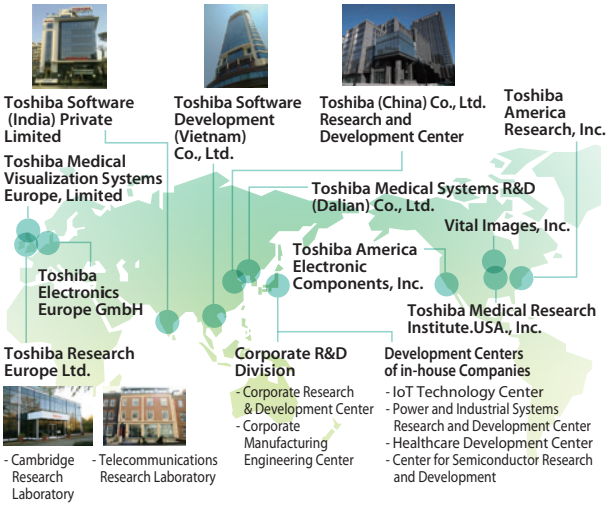
In healthcare, we are fusing the wide-ranging know-how of Toshiba Group into new approaches to healthcare that can respond to population growth in emerging markets and graying populations in developed countries. We will continue to make advances in diagnostics and to expand capabilities in disease prevention and prognosis.



Initiatives to Strengthen Global Research & Development

Our operations are global and so is our R&D. We are expanding our research and development centers in the United States, Europe, China and India, while promoting R&D carried out in cooperation with our facilities in Japan. We are improving our international competitiveness by sharpening our alertness to market changes, even at the level of R&D. More particularly, in the expanding markets of China and Asia our focus is not confined to our manufacturing bases; we are also advancing local deployment of engineering and development bases. Beyond this, we are conducting joint R&D with local universities and companies, and provide scholarships to support the development of human resources. In the future, the emerging markets will be the start point for R&D, and working there we will continue to produce products that win acceptance in the global market, including the developed countries.

● Major R&D bases in Japan and overseas

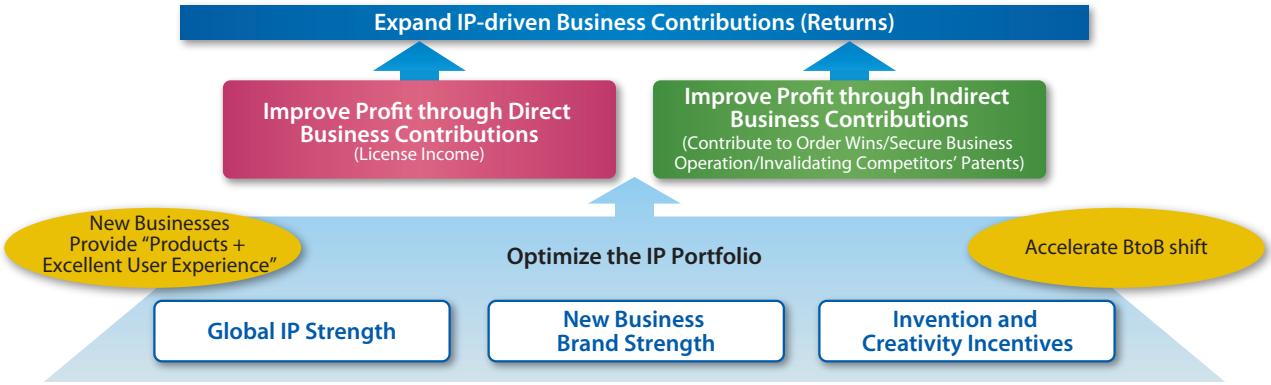


Intellectual Property

Intellectual Property Strategy

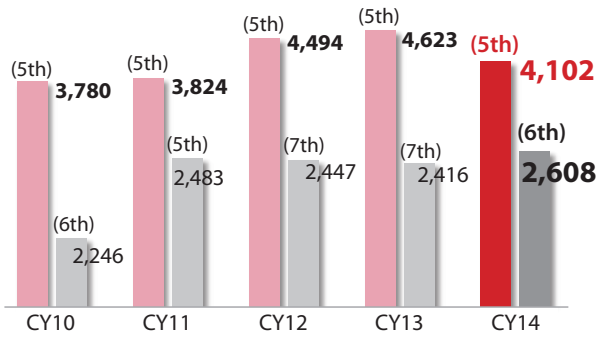
Toshiba Group advances an intellectual property strategy based on the basic policy of "Expand IP-driven Business contributions (Returns)." We are maximizing the value of our IP assets by optimizing our IP portfolio of patents, designs, trademarks and know-how to drive forward our strategic shift to BtoB and our business goal of "Providing Products + Excellent User Experience." We aim to contribute to higher profit by increasing license income and order wins, and to secure business freedom.

Toshiba's Intellectual Property Strategy



IP Achievements

● Number of patent registrations



Note: Figure in parenthesis shows the Company's ranking by number of patent registrations

● Number of patents registered in Japan (2014)

Ranking	Company Name	Number
1	Canon	5,404
2	Mitsubishi Electric	5,365
3	Panasonic	5,336
4	Toyota Motor	4,454
5	**Toshiba**	**4,102**
6	Ricoh	3,643
7	Fujitsu	3,266
8	Honda Motor	3,133
9	Denso	3,120
10	NEC	3,018

Survey results from Patolis

● Number of patents registered in U.S. (2014)

Ranking	Company Name	Number
1	IBM	7,534
2	Samsung Electronics	4,952
3	Canon	4,055
4	Sony	3,224
5	Microsoft	2,829
6	**Toshiba**	**2,608**
7	Qualcomm	2,590
8	Google	2,566
9	LG Electronics	2,122
10	Panasonic	2,095

Source: IFI Claims Patent Services Data (US)

Evaluations from outside the company relating to intellectual property

Toshiba Group's diverse state-of-the-art technologies win high evaluations from society. We have received the following major awards:

·FY2014 National Commendation for Invention
The Prize of Chairman of Japan Business Federation

Invention of high performance NAND flash memory

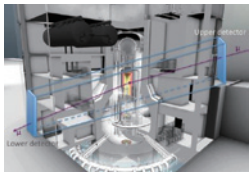
·2014 Top 100 Global Innovators

2014 THOMSON REUTERS TOP 100 GLOBAL INNOVATORS

Initiatives to Strengthen Global Research & Development

Energy & Infrastructure

Device to measure the status of fuel debris in nuclear power plants



We developed a technology that measures locations and states of fuel debris*1 in nuclear power plants by using cosmic-ray muons*2. When a muon go through some objects, it is scattered and its direction is changed. Reactor structures around fuel debris can be visualized by measuring*3 the muon scattering.

*1: Nuclear reactor fuel that has once melted and became solidified.
*2: Cosmic rays capable of traveling long distance in matter.
*3: Collaborative work with Los Alamos National Laboratory in the United States.
* This device was developed as a part of a sub-project for "Development of Fuel Debris Sensing Technology for Nuclear Reactors" funded by Japanese Agency for Natural Resources and Energy

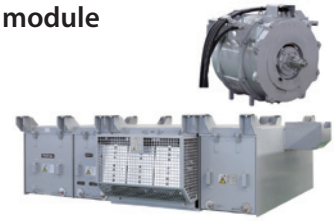
Energy & Infrastructure

H_2One™: the world's first hydrogen-based autonomous energy supply system

We have developed the world's first autonomous energy supply system to run on renewable energy and hydrogen. H_2One™ requires only water and sunlight to operate, so even if lifelines are lost in the event of a disaster, it is capable of independently supplying electricity and hot water. We will continue to work on development of hydrogen-related technologies, such as theresidential fuel cells, and hydrogen production equipment, and strive to contribute to the realization of the hydrogen economy of tomorrow.

Energy & Infrastructure

Traction inverter for PMSM with SiC power module



We have delivered a propulsion system for trains running on Tokyo Metro Co. Ltd.'s Ginza Line that incorporates a totally enclosed Permanent Magnet Synchronous Motor (PMSM) and silicon carbide (SiC) Variable Voltage Variable Frequency (VVVF) traction inverters. It is the world's first system of this type to enter operation, and achieves reduced power consumption of approximately 37%* compared to conventional system

* Forecast value compared with IM (Induction Motor) based on internal test results

Community Solutions

Smart Receipt electronic receipt system

"Smart Receipt," our recently developed electronic receipt system, digitizes receipts that were previously printed on paper and sends them from a POS cash register (point-of-sale information management) to a cloud service, where they can be browsed with a smart phone application. In the future we want to take advantage of the accumulated data and aim to commercialize a data management platform that will work with a variety of services.

Healthcare

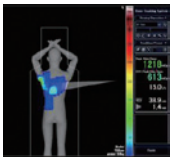
Genome analysis service with Japonica Array®

Using the Japanese genome analysis tool, "Japonica Array®*," we have started a low-cost service that analyzes genomic structures in a short period of time, from blood, saliva, and DNA samples, etc. In the past, genome analysis took more than a month and cost more than ¥500,000 per person; now it will take only about a week and cost just ¥19,800. By providing the results of the analysis to research institutions that are working with to clarify causal relationships between genes and diseases and habits, we will accelerate the realization of personalized disease prevention and personalized medical care.

* A Japanese genome analysis tool that was developed as a Center of Innovation Program (COI) STREAM project at COI sites and is based on research results of Tohoku University Tohoku Medical Megabank Organization (ToMMo). Japonica Array® is a registered trademark of Tohoku University National University Corporation.

Healthcare

INFX-8000 Series: circulatory organ X-ray diagnostic system



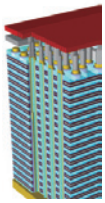
We have developed a interventional radiography X-ray system that delivers enhanced control of patient dose. During interventional examination the system displays the dose rate and estimated cumulative skin dose in real time as a color coded human map. This allows clinicians to visually recognize the potential risk of over-exposure that they have not been able to visualize in the past.

Initiatives to Strengthen Global Research & Development

Electronic Devices

3D flash memory

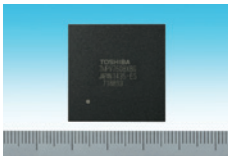
We have announced a 3D structure flash memory sample using a 48-layer stacking process. By utilizing a structure that stacks flash memory elements vertically from the silicon substrate, we greatly improved density of memory elements against that of the conventional planar structure on the substrate.



Electronic Devices

Image recognition processors for automotive applications

We have developed new series of the image recognition processors for automotive applications that can recognize pedestrians around cars by processing image data from camera.
The new series have newly-developed recognition processors that can analyze color gradients in supplied images, and achieve a night-time pedestrians detection rate approximately the same as the day-time pedestrians recognition rate of the previous devices.



Lifestyles

Torneo V: cordless cyclone vacuum cleaner

Use of a glass fiber material has allowed us to commercialize a stick-type vacuum cleaner that is light—a standard mass of 1.9kg—and easy to use, even for women and the elderly. The motor, which has a maximum speed of 110,000 rotations per minute, and a newly developed fan, realize suction power that surpasses that of conventional cleaners. In addition, use of a Toshiba-developed system ensures that more than 99% of dust and pollen, which cause the suction force to decrease, are separated out, so that the suction force remains powerful until the cleaner needs to be emptied.

External evaluations related to R&D

Awarding entity	Name of the award / Awarded achievement
The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	The Young Scientists' Prize Research on MIMO signal processing for high speed wireless LANs
The New Technology Development Foundation 47th Ichimura Prizes: The Ichimura Prizes in Industry	Meritorious Achievement Prize Development of Ultra-high Performance and Low Power Hardware-based Network Protocol Processing Technology
The New Technology Development Foundation 47th Ichimura Prizes: The Ichimura Prizes in Industry	Contribution Prize Development of variable magnet force motor
Japan Institute of Invention and Innovation National Commendation for Invention 2014	The Prize of The Chairman of Japan Business Federation Invention of high performance NAND flash memory
The Promotion Foundation for Electrical Science and Engineering 62th Electrical Science and Engineering Promotion Awards	The Electrical Science and Engineering Promotion Award Electronic Frequency Converter Feeding Circuit for Shinkansen Railyard
The Japan Electrical Manufacturers' Association 64nd JEMA TECHNICAL AWARD	Development and commercialization of the Material for Lotor of Large-Scale Geothermal Steam Turbines
The Japan Electrical Manufacturers' Association 64nd JEMA TECHNICAL AWARD	Development of hydraulic-and-electric double-arm robot which can handle and assemble heavy materials.
Japan Institute of Invention and Innovation Local Commendation for Invention of Kanto 2014	The Encouragement Prize of Invention of the Minister of Education, Culture, Sports, Science and Technology Method of manufacturing Electronic Device
Japan Institute of Invention and Innovation Local Commendation for Invention of Kanto 2014	The Encouragement Prize of the Commissioner of Japan Patent Office Magnetic resonance imaging system to observe the flow dynamics of cerebrospinal fluid and blood
Japan Institute of Invention and Innovation Local Commendation for Invention of Kanto 2014	The Prize of the Director-General of Kanto Bureau of Economy, Trade and Industry Speech rate conversion technology

CSR Management of Toshiba Group

Framework of CSR Management

Toshiba Group's CSR management is the base for supporting "Growth through Creativity and Innovation." It seeks to contribute to sustainable social development by supporting through business to solving global social issues and by setting human life, safety and compliance as our top priorities.

Through communicating with various stakeholders, such as customers, shareholders, investors, suppliers, and employees, each and every one of Toshiba Group's 200,000 employees will promote CSR activities based on Toshiba Group Standards of Conduct.

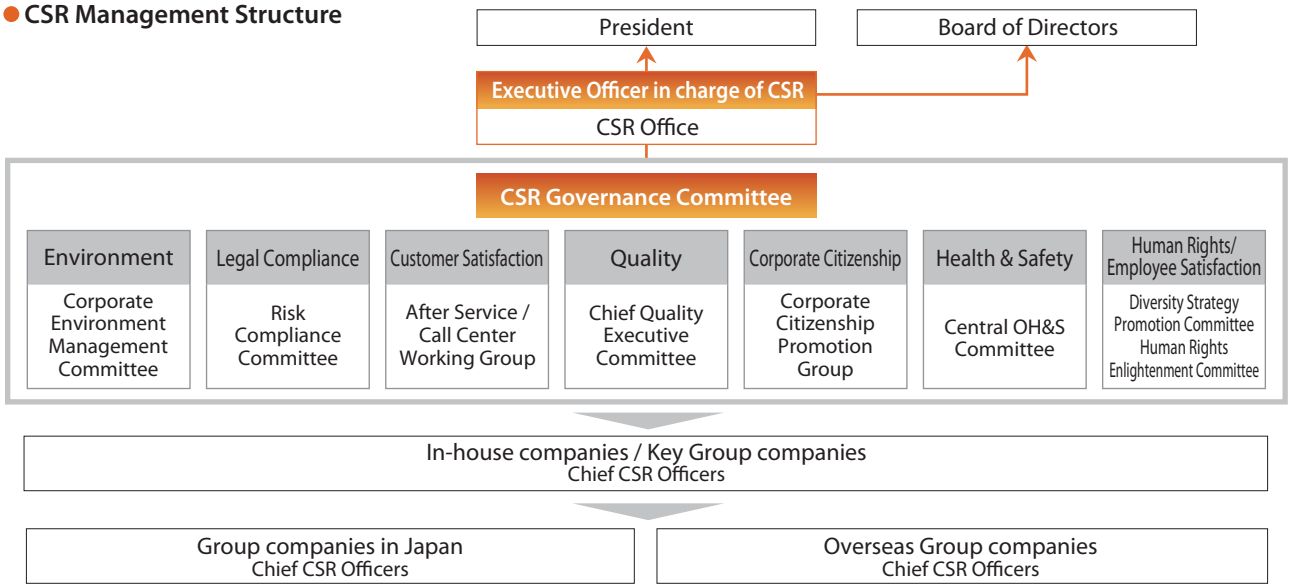
● **Toshiba Group's CSR Management**

Organization of CSR Management

In 2003 Toshiba internally established an organization promoting CSR and it leads CSR management in Toshiba Group. The CSR Governance Committee, consisting of the Executive Officer in charge of CSR and the executives concerned, holds meetings once a year, in order to discuss and determine Toshiba Group CSR Action Policy. Based on the polices determined, the Corporate Environment Management Committee, Risk Compliance Committee and other relevant committees (see the chart below) establish key performance indicators (KPIs) and implement action plans for each of the topics for which they are responsible.

In-house and Group companies in Japan and overseas appoint their own chief CSR officers. They ensure the implementation of Toshiba Group's CSR Action Policy and check the progress regarding key issues for the companies. To discuss CSR progress and issues, the CSR Office holds a monthly meeting called the Corporate CSR Meeting, which is attended by representatives from CSR-related divisions such as human resources, environment and procurement.

● **CSR Management Structure**

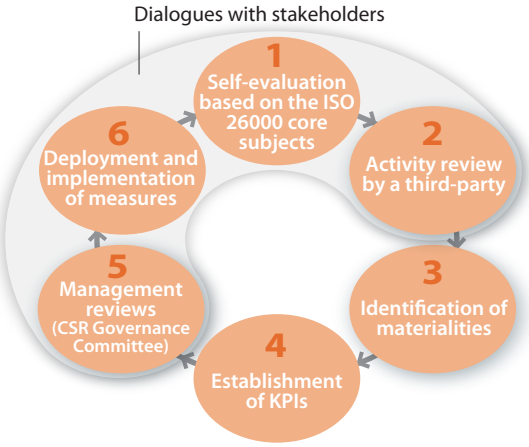


FY2014 Material Issues

Taking into consideration the activity review by the third-party organization in addition to stakeholders' opinions, we analyzed 345 items of ISO 26000 core subjects based on the impact for stakeholders and for Toshiba Group, and then listed 37 core issues (chart below) in the general order of priority, high, middle and basic.

Three FY2013 themes were identified as remaining material issues in FY2014: Respect for Human Rights, CSR Management in the Supply Chain and Environment Management.

We analyzed CSR risk in our supply chains for all business segments and identified boundaries for developing measures by our in-house and Group companies.



Identifying Material Issues

→More details of Identifying Material Issues are available at the Toshiba Group CSR website
http://www.toshiba.co.jp/csr/en/csr_management/materiality/process.htm

Priority for stakeholders	Basic	Middle	High	Materialities
High	Employment and employment relationships Human development and training in the workplace Responsible political involvement Fair competition	Corporate governance Fundamental principles and rights at work Social dialogues Occupational health and safety Anti-corruption Protecting consumers' health and safety Consumer data protection and privacy	Human rights due diligence	Respect for Human Rights
			Promoting social responsibility in the supply chain	CSR Management in the Supply Chain
			Prevention of pollution *1 Sustainable resource use *1 Climate change mitigation and adaptation *1	Environmental Management
Middle	Resolving grievances *2 Conditions of work and social protection Sustainable consumption Employment creation and skills development	Human rights risk situations Discrimination and vulnerable groups *2 Consumer service, support, and complaint and dispute resolution Community involvement Environmental protection, biodiversity and restoration of natural habitats Fair marketing, factual and unbiased information and fair contractual practices	Avoidance of complicity *2	
Basic	Civil and political rights Economic, social and cultural rights Access to essential services Education and awareness *3 Education and culture *4 Technology development and access *4 Wealth and income creation *4 Health *4 Social investment *4	Respect for property rights		

*1 Environment
*2 Human rights
*3 Consumer issues
*4 Community involvement and development

Impact on Toshiba Group

Evaluation review points
- Opinions of stakeholders
- Interests of NGOs
- Global guidelines and the industry's standards of conduct
- Evaluations made by investors and SRI organizations

Evaluation review points
- Relevance to Toshiba Group's management strategies
- Relevance to global business development
- Initiatives developed by Toshiba Group

Material Issue

Respect for Human Rights

The Concept of Respect for Human Rights

We at Toshiba have set Respect for Human Rights as the most fundamental and important principle for conducting sound business activities. We signed the United Nations Global Compact in January 2004 to support universal principles regarding human rights and labor practices, including the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights. From the perspective of due diligence with regard to human rights, we gauge risks posed by each business based on a human rights impact assessment, and then work to avoid or mitigate such risks. Further, we communicate with experts and stakeholders at all times in our efforts in order to deepen our understanding of human rights concerns.

FY2014
Cumulative number of Toshiba Group's suppliers at which the survey of conflict mineral usage is conducted

Approx. 2,600

FY2014 Implementation Overview

Respect for Human Rights added to the Standards of Conduct

In October 2014, we revised the Toshiba Group Standards of Conduct, setting Respect for Human Rights as Article 1. All Group companies have adopted these new standards, and conduct training programs for all employees in order to enforce strict compliance. Following our scheme to raise human rights awareness, we have also held training on human rights by employees' position, and human rights workshops. In Japan, we conducted CSR Workplace Meetings on respect for human rights, which were attended by approx. 90,000 employees.

We have also revised our Procurement Policy at the same time, and ask our suppliers to give due consideration to human rights as well.

Action on Conflict Minerals Issues

With regard to the problem of conflict minerals*1, we adhere to the Toshiba Group Conflict Mineral Policy. We conduct supply chain due diligence every year, in order to investigate the status of use of conflict minerals, and to gather smelter's information to be listed. In FY2014, we conducted due diligence approx. 2,600 companies in cumulation.

In addition, as members of industry organizations such as EICC*2 and JEITA*3, we strive to promote and advance "conflict-free procurement" that does not use conflict minerals related to the inhumane acts, through the creating of standardized assessment templates, and the holding of presentation meetings for suppliers

*1 Profits from the sale of conflict minerals–tin, tantalum, tungsten, and gold–are used to fund armed groups that inflict serious human rights abuses on the civilian populations of the Democratic Republic of the Congo and adjoining countries.
*2 Electronic Industry Citizenship Coalition
*3 The Japan Electronics and Information Technology Industries Association

Topics Workshop of Human Rights is held in China and Japan

In order to promote the understanding of human rights issues within the Toshiba Group, we call on BSR, a US-based non-profit organization which promotes CSR, to hold workshops on "business and human rights" at various locations. In FY2014, workshops were held in Beijing, China and in Tokyo, Japan, targeting human resource and management executives.

Human Rights Workshops in FY2014
Left: November in Beijing, China Right: December in Tokyo, Japan

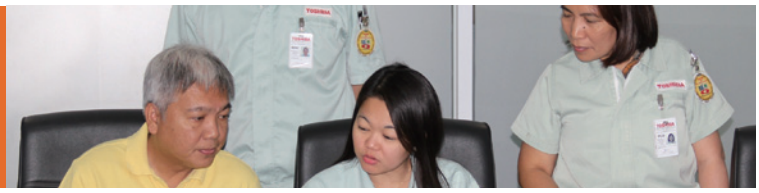
Comment **I expect Toshiba to build good labor-management relations.**

Ms. Wang Lin BSR (Business for Social Responsibility) Shanghai Director, Advisory service

I attended Toshiba's human rights workshop in Beijing, and was struck by their open and sincere stance. There were debates on working hours and conditions, and issues concerning young workers and non-regular workers; I was particularly impressed by the thorough knowledge of Chinese laws and regulations that the human resources staff displayed. I hope that Toshiba will carry on building sound labor-management relations that protect fundamental human rights through sustainable business practices.

Material Issue

CSR Management in the Supply Chain



The Concept of CSR Management in the Supply Chain

Toshiba Group promotes CSR initiatives throughout its supply chain in order to build continuously beneficial relationships with suppliers, and to promote CSR in areas such as the environment, labor and human rights. Our efforts include improving the working environment for our suppliers' employees and reducing environmental impact.

FY2014
Cumulative number of suppliers at which the CSR survey is conducted **6,957**

FY2014 Implementation Overview

Toshiba Group Procurement Policy

In October 2014, we revised the Toshiba Group Procurement Policy to include the promotion of activities that are in line with the UN Global Compact and the EICC Code of Conduct.* We have requested our overseas and domestic suppliers to abide by this revised content.

* EICC is an abbreviation for the Electronic Industry Citizenship Coalition. A set of standards that seeks to ensure CSR in the supply chain, composed of five sections: labor, occupational health and safety, ethics, environment, and management systems.

CSR Management in the Supply Chains

Toshiba Group requests our suppliers to consider human rights, labor, occupational health and safety as well as environment in their operations, and we hold briefings on CSR management in the supply chains and monitor their implementation in business sites in Japan and overseas. In FY2014, we held briefings on the policy to 5,908 companies (cumulative numbers), conducted CSR surveys in 6,957 companies (cumulative numbers) and requested to perform self-checks to 814 companies (cumulative numbers). In cases where issues were found, we provided support and guidance on how to make improvements.

Topics Seminar on EICC Code of Conduct and implementation of Self-checks by Suppliers

In FY2014, we held the briefings by visiting lectures in Tokyo and in Shanghai to our suppliers. We explained the Toshiba Group's CSR management and its status of the implementation as well as CSR global standard to share the same understandings.

We also requested the suppliers in Japan and overseas to perform CSR self-checks in accordance with the EICC Code of Conduct and confirmed each company of the implementation status, in terms of compliance with laws and regulations, human rights, labor, occupational health and safety as well as environment in their operations.

EICC seminar in November
Tokyo, Japan

EICC seminar in November
Shanghai, China

Material Issue

Environmental Management

The Concept of Environmental Management

Toshiba Group has developed – "Environmental Vision 2050" – under which we aim to realize a world in which people can enjoy affluent lifestyles in harmony with the Earth by the year 2050. The vision requires us to increase the degree of improvement in "overall eco-efficiency"* by ten times (Factor 10) by 2050 against the 2000 level. In FY2013 we introduced a new environmental management concept called "T-COMPASS." As the environmental compass for Toshiba Group, T-COMPASS represents four environmental issues that need addressing with the North, South, East and West symbols of the compass. By specifically identifying our environmental contributions in the four main areas, we believe that Toshiba Group will be able to better share the value we are providing with both internal and external stakeholders.

* Calculated by combining the product eco-efficiency and the business process eco-efficiency in the ratio of their respective environmental impacts.

Implementation Overview

We are Now Implementing Our Fifth Environmental Action Plan and Promoting Environmental Management with the Four Greens Concepts.

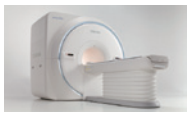
In order to realize our Environmental Vision 2050, we have formulated a midterm plan, "Environment Action Plan." In line with this plan, we promote the four Greens: "Greening of Products," creating products with the highest level of environmental performance; "Greening by Technology," low-carbon energy supply technologies; "Greening of Process," environmentally conscious manufacturing and the underpinning "Green Management," reinforcing the foundation of environmental management. We simultaneously pursue sustainable business development and the reduction of the environmental impacts in our operations. Furthermore, we will continue to reinforce our environmental measures in the four directions described in our T-COMPASS: dealing with responding to climate change and energy issues; the minimization of resource consumption; the minimization of water consumption; and the minimization of the risks posed by chemical substances.

Implement various measures based on the 4 Green concepts

Greening of Product

Creation of products with the highest level of environmental performance

Achieving the highest level of environmental performance in all newly developed products to reduce lifecycle environmental impacts.



MRI using superconducting magnet

Greening by Technology

Low-carbon energy technologies

Contributing to provision of a stable power supply and mitigation of climate change through low-carbon energy technologies

Thermal power generation turbine

Greening of Process

Minimizing environmental impacts in manufacturing

Minimizing increases in environmental impact in production processes with high efficiency manufacturing

Energy saving & 3R activities in Philippines

Green Management

Basic activities of environmental management

Continually improving basic activities, such as human resource development, environmental communication and conservation of biodiversity

Human resource development by Toshiba Environmental School

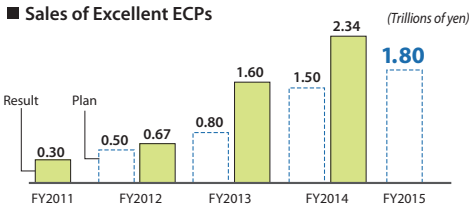
Aiming to establish ourselves as one of the world' s foremost eco-companies

Topics Excellent ECPs* (product with the highest level of environmental performance) ¥2.34 trillion in sales

As more products were certified as Excellent ECPs, such as standard PCs and social infrastructure systems, Excellent ECP sales in FY2014 amounted to ¥2.34 trillion. This means that we achieved the Fifth Environmental Action Plan's FY2015 target of ¥1.8 trillion one year early. By continuing to further increase sales, we will promote the synthesis of business management and environmental management.

*Products that have been certified by Toshiba as having the highest environmental performance in the industry at the time of product release.
ECPs = Environmentally Conscious Products

■ Sales of Excellent ECPs



CSR Supported by 200,000 Employees

Toshiba Group's CSR is supported by the activities of each and every one of 200,000 Toshiba Group employees. We will continue to act as a corporate group that maintains a high level of motivation among its employees in order to further enhance CSR initiatives and increase corporate value

Toshiba Group Standards of Conduct

In 1990 we established the Toshiba Group Standards of Conduct, in which we define the values and code of conduct that must be observed by all Toshiba Group executives and employees. In order to respond to changes in the global business environment, we revised these standards in October 2014, in order to strengthen our efforts to promote respect for human rights and CSR management in the supply chain, and to enforce compliance. Our standards have been translated into 24 languages, and we conduct training by employees' position worldwide, as well as seminars for senior management. We also continue to conduct in a fully committed manner our e-learning scheme for all employees.

e-learning on Toshiba Group Standards of Conduct in various languages

Toshiba Group Simultaneous Social Contribution Activities 2014

200,000 Toshiba Group employees are working together around the globe to accomplish great things through the power of cooperation. To achieve this, in FY2014, individuals in our offices around the world took part in Simultaneous Social Contribution Activities on December 5, the International Volunteer Day.

At Toshiba Group's business sites, and at the locations of our Group companies worldwide, we conducted 532 activities, tackling region-specific issues. A grand total of 137,224 employees took part.

Activity Example

Supporting Early Childhood Development in Tanzania in Cooperation with Save the Children

In a joint activity in Japan, ¥10 million, including the matching system by the companies, was collected and donated to the domestic Save the Children Japan. Proceeds will be donated to building and operating ten community childcare facilities in Tanzania.

These community childcare facilities foster educational and caring environments that support the upbringing of 1000 children and provide meals that help to improve nutritional standards, and improve the income of mothers by giving opportunity for working.

Children in the childcare facilities in Tanzania

Giving Shoes through the Soles4Souls Shoe Donation Drive

The 10 North American Toshiba Group companies collected over 5,000 pairs of new and used shoes from employees and their families, supporting the NGO Soles4Souls and its cause. The shoes are donated to those in need, or used to provision micro-enterprise programs designed to create jobs.

Shoe donation drive in North America

Sustainability Issues and Initiatives by Business Segments

Example of major sustainability issues and initiatives in the value chain of Electronic Devices Business

Toshiba Group

Value chain	Mining of raw materials	Manufacture of components and materials	R&D, Product planning, Product design
Stakeholders concerned	Local communities	Suppliers, Local communities	Employees
Major sustainability issues	● Action on conflict minerals issues ● Respect for human rights ● Child labor, forced labor ● Occupational health and safety ■ Consideration for biodiversity ■ Sustainable resources	● Respect for human rights ● Child labor, forced labor ● Occupational health and safety ■ Proper management of chemical substances ■ Sustainable use of water resources ■ Reducing greenhouse gas emissions ■ Consideration for biodiversity ▪ Anti-corruption	● Respect for human rights ● Occupational health and safety ▪ Protection of intellectual property ▪ Information security management ▪ Product safety

Respect for Human Rights
Action on Conflict Minerals Issues

Out of the raw materials required to manufacture electronic device products, four minerals in particular* that are mined in conflict areas have become a serious issue, as they perpetuate the conflict and inhumane activities such as forced labor.

So as not to aid such inhumane activity through our procurement transactions, we annually survey our suppliers to investigate for any use of conflict minerals, and to gather smelter's information to be listed, based on our Toshiba Group Conflict Mineral Policy. In FY2014, having received requests from over 10,000 client companies, we responded based on the results of our supplier survey.

* Tin, tantalum, tungsten and gold

CSR Management in the Supply Chain
Monitoring Suppliers

As global procurement advances and accelerates, there is an increase in potential CSR risks that could greatly impact management. In order to reduce such risks, and in order to promote CSR in areas such as human rights, labor and the environment, we check the situation at our suppliers based on global standards such as the EICC* Code of Conduct.

In FY2014, for example at Toshiba Information Equipment (Philippines), Inc., we audited 12 supplier companies, checked labor conditions such as working hours, safety management at the workplace and other factors, in order to ensure CSR improvement and compliance at our suppliers.

* EICC: Electronic Industry Citizenship Coalition

We identify and tackle CSR challenges specific to each business segment

Toshiba Group conducts a diverse range of business activities belonging to segments such as Energy & Infrastructure, Community Solutions, Healthcare, Electronic Devices, and Lifestyle. As structure, value chain and related stakeholders vary between business segments, we analyze CSR challenges and risks for each, and do our utmost to avoid and mitigate risks. As for the principles common to all business segments—respect for "Human Rights," "Promoting CSR Management in the Supply Chain" and "Environmental Management"—business departments and corporate-related departments work together to focus on furthering these aims.

Product manufacture	Sales	Distribution	Use	Disposal
Employees, Suppliers	**Resellers, Customers**	**Resellers**	**Customers**	**Customers**
● Respect for human rights ● Occupational health and safety ■ Proper management of chemical substances ■ Sustainable use of water resources ■ Reducing greenhouse gas emissions ■ Efficient use of energy ▪ Protection of intellectual property ▪ Information security management ▪ Quality control	▪ Antitrust and fair trade practices ▪ Export control ▪ Providing information about product safety ▪ Protection of customer and personal information	● Occupational health and safety ■ Reducing greenhouse gas emissions	■ Reducing environmental impact when using products ▪ Response to product accidents ▪ Customer service and support	■ The 3Rs of product ■ Reducing environmental impact when disposing of products

● : Sustainability issues in human rights and labor relations
■ : Sustainability issues in environmental relations
▪ : Other sustainability issues

Environmental Management
Reducing Environmental Burden at Yokkaichi Operations

Energy-derived CO_2 emissions, produced by our electronic devices business, comprise roughly 60% of Toshiba Group's total emissions.

Our No.5 fabrication facility at Yokkaichi Operations (completed in 2014), the production base for our NAND flash memory, incorporated from the planning stages various measures to reduce environmental impacts. Through measures such as energy-efficient manufacturing and power equipment, and the use of LED lighting in all clean rooms, we are aiming to reduce CO_2 emissions by 13% compared to the previously built No.4 fabrication facility.

No.5 fabrication facility

Third-Party Assurance

In order to improve the reliability of the environmental and social performance data presented in this report, Toshiba Group requested Lloyd's Register Quality Assurance Ltd.* to conduct a third-party verification of the data.

In FY2014, we requested a review of social performance data in addition to the environmental data which had been the focus until FY2013.

The both FY2014 results were reviewed to check the processes of the collection, aggregation, and internal verification of data and the accuracy of aggregated data.

* LRQA is a certication body approved by over 50 accreditation agencies in areas such as quality, the environment, energy, occupational safety, food safety, medical devices, automobiles, aeronautics, and railways.

Lloyd's Register
LRQA

LRQA Assurance Statement

Relating to Toshiba Corporation's environmental and social performance data within the CSR Report 2015 for the fiscal year 2014

This Assurance Statement has been prepared for Toshiba Corporation in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Toshiba Corporation to provide independent assurance on the Toshiba Group's (TOSHIBA) environmental and social performance data within its CSR Report 2015 ("the report") for the fiscal year 2014, (01 April 2014 to 31 March 2015), against the assurance criteria below to a limited level of assurance using LRQA's verification procedure and ISO 14064–3:2006 "Specification with guidance for validation and verification of greenhouse gas assertions".

Our assurance engagement covered TOSHIBA's global operations and activities and specifically the following requirements:

- confirming that the report is in conformance with TOSHIBA's in-house reporting procedures and discloses TOSHIBA's material environmental and social issues
- evaluating the reliability of performance data and information for only the selected datasets listed below:

Environmental:

- Greenhouse gas (GHG)[1]: Scope 1, Scope 2 and Scope 3 (Categories[2] 4[3] and 11[3]) emissions
- Wastes: total amount generated, recycled and disposed of in metric tons
- Water: total volume consumed, reused and recycled in million cubic meters
- Wastewater and water quality indicators: volume discharged in million cubic meters and total amount of suspended solids (T-S), chemical oxygen demand (COD) and nitrogen (T-N) discharged in metric tons
- Air emission indicators: total amount of nitrogen oxides (NO_X), sulphur oxides (SO_X) and particulate matters (PM) emitted in metric tons
- Chemical substances: total amount handled and total amount emitted in metric tons.

Note 1: Scope 1, 2, and 3 emissions are as defined in The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard.
Note 2: The categories of the Scope 3 emissions are as defined in the Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Table 5.3.
Note 3: Scope 3 emissions attributed to Category 4 (Upstream transportation and downstream distribution) included for operations and activities in Japan only. Category 11 is based on use of sold products with the data taken from reports generated by TOSHIBA's Sales Team.

Social:

- Occupational health and safety: lost-time injury frequency rate for employees and contractors[4], occupational Illness frequency rate for employees[4],
- Diversity: number and percentage of female managers[5] and percentage of employees with disabilities[4]
- Supply chain management: suppliers[6] participating in briefings and those covered by the survey, suppliers subject to guidance, support and suspension of transactions, number of companies targeted by the 'Conflict Minerals Survey' and number and percentage of companies that have agreed to Toshiba Group's Procurement Policy
- Social contribution activities: total expenditure[7] and its constituent parts.

Note 4: Covers Toshiba Group companies in Japan only.
Note 5: Covers Toshiba Corporation only.
Note 6: Supplier as defined in TOSHIBA's CSR Report.
Note 7: Expenditure is taken from TOSHIBA's survey reports, with the exception of Toshiba Corporation's charitable donations which are taken direct from TOSHIBA's own accounting department reports, which are submitted to tax agencies.

Our assurance engagement excluded the data and information of TOSHIBA's suppliers, contractors and any third-parties mentioned in the report, other than those specified above.

LRQA's responsibility is only to TOSHIBA. LRQA disclaims any liability or responsibility to others as explained in the end footnote. TOSHIBA's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of TOSHIBA.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that TOSHIBA has not:

- prepared their report in conformance with TOSHIBA's in-house reporting procedures nor excluded any material environmental and social issues
- disclosed reliable performance data and information for the selected datasets.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. This means that LRQA checks only that the data presented has been consolidated correctly and is repeatable. It does not verify the accuracy of the data presented by TOSHIBA to its source or look for institutionalised or hidden accounting errors at site level.

This document is subject to the provision on page 2.

Lloyd's Register
LRQA

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with LRQA's verification procedure and ISO 14064-3:2006 for GHG emissions data. LRQA's verification procedure is based on AA1000's principles and ISAE3000's processes. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- assessing TOSHIBA's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by reviewing TOSHIBA's various communication tools and events which promote on-going engagements i.e. dialogue and exchange of information with main stakeholders.
- reviewing TOSHIBA's process for identifying and determining material environmental and social issues to confirm that the right issues were included in their report. We did this by benchmarking reports written by TOSHIBA and its peers to ensure that sector specific issues were included for comparability.
- auditing TOSHIBA's environmental and social data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling processes and systems, including those for internal verification. We also spoke with key people in various departments responsible for compiling the selected environmental and social performance datasets.
- comparing TOSHIBA's 2014 fiscal year against its 2013 fiscal year to confirm the year-on-year change in GHG emissions. We did this as it is a specific requirement for CDP's 2015 Climate Change Information Request.
- visiting four of TOSHIBA's facilities to sample source data for the selected datasets to confirm its reliability. These facilities were located in Oita, Kashiwazaki, Oume, and Yokosuka, Japan.

Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder Inclusivity:
  We are not aware of any key stakeholder groups that have been excluded from TOSHIBA's stakeholder engagement process. TOSHIBA's report has been informed by these stakeholder views and expectations.
- Materiality:
  We are not aware of any material environmental and social issues that have been excluded from the report. TOSHIBA's management approach has been structured to improve their performance associated with these material environmental and social issues. These processes are not biased to the company's management.
- Responsiveness:
  TOSHIBA has processes in place to respond to all of its stakeholders. TOSHIBA has an active presence and role in numerous forums and associations developing policies, particularly those for its sector.
- Reliability:
  TOSHIBA uses a well-defined, centralized system to collect and calculate its environmental and social performance data. As LRQA commented in the assurance statement for FY2013 environmental performance data, TOSHIBA should continue to improve their quality assurance and control systems. Implementing an effective internal data verification processes within each member company and at facilities will increase the reliability of the datasets and identify if there are any accounting irregularities.

LRQA's Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is TOSHIBA's certification body for ISO9001, TS16949 and gap analysis engagement for ISO26000. The certification assessment, verification and gap analysis are the only work undertaken by LRQA for TOSHIBA and as such does not compromise our independence or impartiality.

Signed: Dated: 19 June 2015

Dr. Dave Mateo
LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance Ltd.
Queen's Tower A, 10th Floor, 2-3-1 Minatomirai, Nishi-ku
Yokohama 220-6010, JAPAN

LRQA Reference: YKA4005164

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Evaluation by External Parties

Diversity Management Selection 100 by METI (Ministry of Economy, Trade and Industry)

Toshiba chosen as one of the award winners March 2013

Nadeshiko Brand as Examples of Enterprises that Encourage Women's Success (Ministry of Economy, Trade and Industry)

Toshiba chosen as one of the Nadeshiko Brand FY2014 March 2015

CDP Japan 500 Climate Change Report 2014

Disclosure score is 100/100, and performance is classed in the 'A' band. (Global 1st place)

Corporate Governance

Message from the Chairman of the Board

Toshiba is embarking on far-reaching reform of corporate governance, including a change in the composition of the Board of Directors that will make outside directors account for the majority. Though mindful of the weighty responsible I bear as an outside director, I welcome this opportunity to contribute to Toshiba's initiatives to achieve another round of growth. I would like to help Toshiba regain the confidence of its shareholders and customers as soon as possible, and to see it become an exemplary enterprise whose service to the society surpasses its previous achievements.

For this purpose, it is crucially important to ensure that corporate governance geared to Toshiba's current needs functions effectively. The essence of governance is not just to establish a framework but to make it work. Through in-depth discussion on the nature of the governance Toshiba requires, I would like to help ensure robust and effective governance that is conducive to Toshiba's realization of its tremendous potential in the marketplace in socially beneficial ways.

Simply changing the management team is not enough to reform a company. Individual employees are the principal agents of reform. They are the source of Toshiba's value creation. By helping to ensure that the management team creates an environment that encourages ethically-grounded initiatives, I will endeavor to make Toshiba an enterprise where employee growth and the Company's growth advance hand in hand.

Shinzo Maeda
Chairman of the Board

Board of Directors meeting

Toshiba's Governance System

We have determined, based on the discussions by the Management Revitalization Committee, the basic policy of our corporate governance system described below.

I. Composition of the Board of Directors, Reinforcement of the Board of Directors' Supervisory Function

(1) Composition of the Board of Directors

- Reducing the number of members of the Board of Directors to 11 people
- Increasing the ratio of Outside Directors to more than half
- Ensuring the composition of a Board of Directors that takes the expertise of its members into account
- Enabling an Outside Director to become Chairman of the Board of Directors

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

- Reinforcement of the support structure for Outside Directors
- Establishment of 'Executive Sessions'

II. Reinforcement of the Audit Committee's Supervisory Function

(1) Composition of the Audit Committee

- The Audit Committee composed, in principle, only of independent Outside Director members
- The Audit Committee composed of Outside Directors with a high level of expertise

(2) Reinforcement of the audit function of the Audit Committee

- Reinforcement of the Audit Committee Office
- Reinforcement of the audit function of the Audit Committee through establishment of an internal reporting system
- Securing the independence of the Audit Committee Office
- Elimination of the Corporate Audit Division, establishment of the Internal Audit Division, and direct control of the Audit Committee
- Reinforcement of the audit function in accounting and compliance inspections by the Internal Audit Division
- Reinforcement of accounting audits and compliance inspections in in-house companies
- Securing the independence of the Internal Audit Division

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

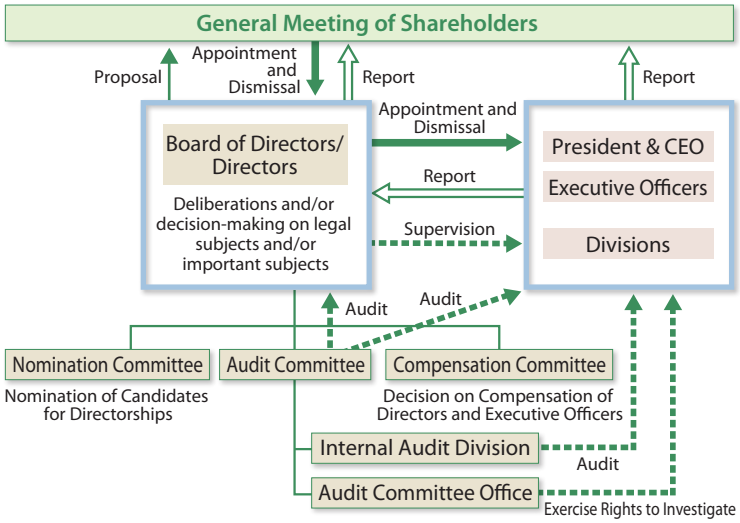
(1) Composition of the Nomination Committee

- The Nomination Committee composed, in principle, only of independent Outside Director members

(2) Ensuring the fairness of nomination procedures

- Formulation of a Succession Plan
- Clarification of the basis for election and appointment of Executive Officers and Representative Executive Officers and election and appointment processes

Corporate Governance Structure



Composition of Committees

At Toshiba, the Nomination Committee, the Audit Committee and the Compensation Committee are composed, in principle, only of independent Outside Director members.

Nomination Committee:	Yoshimitsu Kobayashi (Chairman), Hiroyuki Itami, Kouichi Ikeda, Ryoji Sato and Shinzo Maeda
Audit Committee:	Ryoji Sato (Chairman), Teruko Noda, Hiroyuki Itami and Yuki Furuta
Compensation Committee:	Yuki Furuta (Chairman), Teruko Noda, Kouichi Ikeda, Yoshimitsu Kobayashi and Shinzo Maeda

Outside Directors

Reasons for Election

Messrs. Hiroyuki Itami, Kouichi Ikeda, Yuki Furuta, Yoshimitsu Kobayashi, Ryoji Sato and Shinzo Maeda are Outside Directors. The reasons that we selected them as Outside Directors and that we considered they could properly perform their duties as Outside Directors are as follows. Notices have been filed regarding those 6 Outside Directors as being independent directors in accordance with the rules of the Tokyo Stock Exchange, etc.

Mr. Hiroyuki Itami:	Mr. Itami currently properly supervises the Company's management based on his rich experience and knowledge as a specialist in business administration and as a manager of a university.
Mr. Kouichi Ikeda:	Mr. Ikeda is expected to properly supervise the Company's management based on his rich experience and knowledge as a top executive.
Mr. Yuki Furuta:	Mr. Furuta is expected to properly supervise the Company's management based on his rich experience and knowledge as a specialist in law.
Mr. Yoshimitsu Kobayashi:	Mr. Kobayashi is expected to properly supervise the Company's management based on his rich experience and knowledge as a top executive.
Mr. Ryoji Sato:	Mr. Kobayashi is expected to properly supervise the Company's management based on his rich experience and knowledge as a certified public accountant.
Mr. Shinzo Maeda:	Mr. Maeda is expected to properly supervise the Company's management based on his rich experience and knowledge as a top executive.

* Ms. Teruko Noda was an employee of the Company for the period from March 1961 to August 1963. Because over 50 years has passed since she ceased to be the Company's employee, and she met the requirements for outside directors prescribed in the Revised Companies Act that was enforced in May 1, 2015, the Company considers Ms. Noda to be a substantive Outside Director candidate. However, because due to the transitional measures under the Revised Companies Act, Ms. Noda is not an Outside Director under the Companies Act only for the period until the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in June 2016, she is expected to assume the same responsibilities as those of the Outside Director as non-executive Director during that period. Ms. Noda is expected to properly supervise the Company's management based on her rich experience and knowledge as a certified public accountant.

Limited Liability Contracts

The Company has concluded a limited liability contract with each of 7 directors, Messrs. Hiroyuki Itami, Kouichi Ikeda, Yuki Furuta, Yoshimitsu Kobayashi, Ryoji Sato, Shinzo Maeda and Ms. Teruko Noda 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 higher.

Abolition of Countermeasures to Large-Scale Acquisition of Company Shares (Takeover Defense Measures)

Following careful consideration of changes in the business environment, widely applied improvements to the Financial Instruments and Exchange Act, and opinions from shareholders, the Company abolished its Countermeasures to Large-Scale Acquisition of Company Shares at the closing of the Ordinary General Meeting of Shareholders on June 25, 2015.

Amounts of Compensation

Amounts of compensation of directors and executive officers for FY2014

(Millions of yen)

Position	Total Amount	Fixed Compensation	Performance-based Compensation	Number of People
Directors (excluding outside directors)	338	338	—	16
Outside directors	62	62	—	5
Executive officers	1,130	1,130	—	41

Directors and executive officers whose total compensation exceeded ¥100 million for FY2014

(Millions of yen)

Name	Position	Company	Fixed Compensation	Performance-based Compensation	Total Amount
Masashi Muromachi	Director	Toshiba Corporation	103	—	103
Hisao Tanaka	Director	Toshiba Corporation	6	—	114
	Executive officer		108	—	

Attendance Record at Meetings of Board of Directors and Audit Committee

Hiroyuki Itami	Board of Directors 13 times (100%)
Ken Shimanouchi	Board of Directors 13 times (100%), Audit Committee 14 times (100%)
Kiyomi Saito	Board of Directors 13 times (100%), Audit Committee 14 times (100%)
Sakutaro Tanino	(After June 2014 when he was elected) Board of Directors 9 times (100%), Audit Committee 10 times (100%)

Message from Outside Directors

Hiroyuki Itami
Outside Director

I was reappointed an outside director of Toshiba in the midst of this crisis.

At the first meeting of the Management Revitalization Committee launched at the end of July, in my capacity as the Committee Chairman, I stated, "Toshiba lost the trust of shareholders and investors, the trust of customers, and, above all, the trust of the employees."

First of all, Toshiba needs to regain the trust of the employees so that business activities at workplaces regain vitality. Without vitalization of workplaces, it will not be possible to offer better products and services that will lead to regaining the trust of customers. Only when business relationships with customers recover, will expectations emerge of a better performance by Toshiba, leading to the regaining of trust in capital markets.

The fundamentals of Toshiba's business seem to have deteriorated due to management misconduct in the past several years, perhaps without people realizing it. Nevertheless, I know the tremendous potential of Toshiba's organization and employees. It is the responsibility of the top management team, including the outside directors, to transform Toshiba's management so that this potential will be brought into full play.

This is certainly a time of crisis for Toshiba, but we should view it as an opportunity for change and revitalization. With that conviction, I am determined to do my utmost to reform Toshiba. I know that many employees love Toshiba. It is crucially important to create an environment where they can work with pride.

Teruko Noda*
Outside Director

(Note)
As the revised Companies Act has yet to come into effect, Ms. Noda cannot be officially and legally appointed as an Outside Director until the closing of the ordinary general meeting of the shareholders to be held in June 2016. Please see the notice marked with
* At the end of the Reasons for Election on P.43.

I was an accountant at an auditing firm for 30 years; a commissioner of Japan's Securities and Exchange Surveillance Commission for six years; and, most recently, a member of the audit & supervisory board of two companies for six years. Public certified accountants protect investors by ensuring reliable financial statements, the Securities and Exchange Surveillance Commission by ensuring a fair and transparent market. After many years of listening to investors, I am keenly aware of the importance of accounting audits and market surveillance, and of the need to safeguard investors' legitimate interests. I feel I have always stood close to investors.

Toshiba is an enterprise highly committed to the future of the planet and its people, and must be a leading industrial group in its business, strategy and a renewed commitment to good governance. Shareholder and stakeholder confidence have been damaged by the accounting scandal, but Toshiba is making a concerted effort to reform governance and prevent any recurrence.

Everybody who works for Toshiba Group, executives and employees alike, must understand that any company that wants to attract investors must first respect them, have integrity, and be honest and accountable in conduct and performance.

Conscious of my responsibility, and aware that an objective, independent perspective can illuminate, I will do my best to help Toshiba regain trust through governance reform and business operations, so that this great company can enhance its corporate value and flourish long into the future.

Koichi Ikeda
Outside Director

As an outside director, working together with everyone at Toshiba Group, I will do my utmost to restore trust in Toshiba.

During the 140 years since its foundation, Toshiba has contributed to the affluence of countless people by cultivating technology, quality and trust. In terms of technological prowess and outstanding quality, Toshiba is unchanged. I want to devote myself to helping Toshiba Group regain the trust it has forfeited as soon as possible, and to recover its true identity as an enterprise known for unceasing innovation and continuous new value creation.

As a member of the Management Advisory Committee, I participated in deliberations on Toshiba Group's future, including how best to align management with Toshiba's priorities as a global enterprise. In tackling reform of corporate governance and culture, working with my fellow outside directors, I will engage in candid discussion at meetings of the Board of Directors and in committees, to make sure Toshiba Group is heading in the right direction.

Yuki Furuta
Outside Director

Currently, Toshiba has greatly lost trust because of inappropriate accounting over several years. I believe it is the most urgent need for Toshiba to restore trust through formulating various effective measures including enhancement of internal control system and actualizing them in the course of management to prevent recurrence similar problems.

For me, Toshiba has always been synonymous with trust, as symbolized by the Mazda lamp, which enjoyed high reputation for its durability. What has recently happened is profoundly sorrowful but, given that the Company's traditional strengths as a manufacturer of high-quality products are undiminished, I am of firm confidence that Toshiba will restore trust quite rapidly.

When we consider corporate value, profit is far from being the whole story. Corporate value is enhanced by going along royal road, that is to say, management informed by probity and high ethical standards, compliance with the law, and persistent, concerted efforts to earn society's trust. I have practiced law for over 40 years, including legislative works of various laws. Making full use of such expertise, I will do everything I can to contribute to enhancement of management quality from the legal perspective.

Yoshimitsu Kobayashi
Outside Director

It is lamentable that Toshiba engaged in improper accounting practices for a considerable period of time. As a businessperson, rather than just criticizing Toshiba, I want to learn what happened and will restore order and endorse reputable management practices. That is why I have decided to accept the invitation to serve as an outside director. No doubt, Toshiba's first priority is to regain trust, but merely correcting the governance structure, though it is essential, is not sufficient. Toshiba needs to seize the initiative by transforming its organizational climate and corporate culture, including reestablishing corporate ethics of its own accord.

An enterprise must enhance its corporate value from a medium- to long-term perspective. In order to prevail amid intensifying international competition in a world where globalization, information technology, and social networking are reshaping reality, Japanese companies need to identify growth opportunities. As an outside director, I am committed to assisting Toshiba in its efforts (i) to fundamentally strengthen corporate governance, (ii) renew the business strategy taking into consideration its excellent development capabilities and outstanding production technologies in cutting-edge fields, and finally (iii) rebuild a leading global enterprise in which all stakeholders, including customers, shareholders, and employees, can take pride.

Ryoji Sato
Outside Director

From the investigation report and media coverage, two expectation gaps are evident. One concerns the concept of a company with committees, which has been viewed as a model of advanced, Western-style corporate governance. But why didn't the supervisory functions work properly? This has prompted the suggestion that the role of outside directors, who are independent of corporate management, should be enhanced.

The other expectation gap concerns audits. Audits include internal audits, audits by the audit committee, and audits by accounting auditors. Owing to defects in the control environment on which audits are based, audits failed to be effective. It is necessary to establish a proper control environment so that each audit function can fulfill its expected role, and to strengthen collaboration among these audit functions.

For Toshiba to meet society's expectations as a leading Japanese company, it must act decisively by implementing measures to deal with inappropriate conduct without delay, and ensure that resources are used for positive purposes that enhance corporate value. Drawing on my experience as a certified public accountant, I would like to contribute to Toshiba's accomplishment of these objectives.

Directors and Executive Officers

Outside Directors

Hiroyuki Itami

Member, the Nomination Committee
Member, the Audit Committee

Date of Birth:		March 16, 1945
April	1973	Full-time instructor, Faculty of Commerce and Management, Hitotsubashi University
March	1975	Visiting Assistant Professor, Graduate School of Business, Stanford University
April	1977	Assistant Professor, Faculty of Commerce and Management, Hitotsubashi University
March	1982	Visiting Associate Professor, Graduate School of Business, Stanford University
April	1985	Professor, Faculty of Commerce and Management, Hitotsubashi University (until March 2008)
August	1994	Dean, Faculty of Commerce and Management, Hitotsubashi University (until July 1996)
April	2008	Present Professor, Graduate School of Management of Science and Technology (current Graduate School of Innovation Studies), Tokyo University of Science
October	2008	Dean, Graduate School of Management of Science and Technology (current Graduate School of Innovation Studies), Tokyo University of Science (until September 2014)
June	2012	Present Outside Director of the Company

Teruko Noda

Member, the Audit Committee
Member, the Compensation Committee

Date of Birth:		January 3, 1939
March	1961	Joined the Company (until August 1963)
July	1971	Joined Chuo Audit Corporation
March	1975	Registered as Certified Public Accountant
May	1985	Representative Partner, Chuo Audit Corporation
August	1992	Vice Chairman, Accounting System Committee, The Japanese Institute of Certified Public Accountant
November	1997	Examiner, Certified Public Accountant Examination (until October 2000)
July	2001	Resigned Chuo Aoyama Audit Corporation, Commissioner of Securities and Exchange Surveillance Commission, Financial Services Agency, The Japanese Government (until July 2007)
March	2009	Outside Company Auditor, Chuetsu Pulp & Paper Co., Ltd. (until June 2015)
May	2009	Outside Company Auditor, Renown Incorporated (until May 2013)
September	2015	Present Outside Director* of the Company

(Note)
As the revised Companies Act has yet to come into effect, Ms. Noda cannot be officially and legally appointed as an Outside Director until the closing of the ordinary general meeting of the shareholders to be held in June 2016.
Please see the notice marked with * At the end of the Reasons for Election on P.43.

Kouichi Ikeda

Member, the Nomination Committee
Member, the Compensation Committee

Date of Birth:		April 21, 1940
April	1963	Joined Asahi Breweries, Ltd. (current Asahi Group Holdings, Ltd.)
March	1996	Director, Asahi Breweries, Ltd.
March	1997	Managing Director, Asahi Breweries, Ltd.
March	1999	Senior Managing Director, Asahi Breweries, Ltd.
October	2000	Senior Managing Corporate Officer, Asahi Breweries, Ltd.
March	2001	Senior Managing Director, Asahi Breweries, Ltd.
January	2002	President and Chief Operating Officer, Asahi Breweries, Ltd.
March	2006	Chairman of the Board, Asahi Breweries, Ltd.
March	2010	Present Advisor to the Board, Asahi Breweries, Ltd
September	2015	Present Outside Director of the Company

Yuki Furuta

Member, the Audit Committee
Chairman, the Compensation Committee

Date of Birth:		April 8, 1942
April	1969	Public Prosecutor
April	1993	Assistant Vice-Minister of Justice
July	1998	Chief Prosecutor, Utsunomiya District Public Prosecutors Office
September	1999	Prosecutor, Supreme Public Prosecutors Office
December	1999	Director-General of the Criminal Affairs Bureau, Ministry of Justice
August	2002	Director of Criminal Division, Supreme Public Prosecutors Office
September	2003	Deputy Prosecutor-General, Supreme Public Prosecutors Office (until December 2004)
August	2005	Justice of Supreme Court (until April 2012)
August	2012	Present Registered as Attorney at Law
September	2015	Present Outside Director of the Company

Yoshimitsu Kobayashi

Chairman, the Nomination Committee
Member, the Compensation Committee

Date of Birth:		November 18, 1946
December	1974	Joined Mitsubishi Chemical Industries Limited (current Mitsubishi Chemical Corporation)
June	2003	Executive Officer, Mitsubishi Chemical Corporation
April	2005	Managing Executive Officer, Mitsubishi Chemical Corporation
June	2006	Director, Mitsubishi Chemical Holdings Corporation
February	2007	Director, Mitsubishi Chemical Corporation
April	2007	Director, President & CEO, Mitsubishi Chemical Holdings Corporation Director, President & CEO, Mitsubishi Chemical Corporation
April	2012	Present Director, Chairman, Mitsubishi Chemical Corporation
April	2015	Present Director, Chairman, Mitsubishi Chemical Holdings Corporation
September	2015	Present Outside Director of the Company

Ryoji Sato

Member, the Nomination Committee
Chairman, the Audit Committee

Date of Birth:		December 7, 1946
April	1969	Joined Nikko Securities Co., Ltd. (current SMBC Nikko Securities Inc.)
October	1971	Joined Tohmatsu Awoki & Co. (current Deloitte Touche Tohmatsu LLC)
February	1975	Registered as Certified Public Accountant
January	1978	New York Office, Touche Ross
September	1979	London Office, Touche Ross
May	1983	Partner, Tohmatsu Awoki & Co.
June	2001	Managing Partner, Tokyo Office, Deloitte Touche Tohmatsu LLC
June	2004	Representative Partner and Managing Partner, Tokyo Office, Deloitte Touche Tohmatsu LLC
June	2007	Chief Executive Officer, Deloitte Touche Tohmatsu LLC
November	2010	Senior Advisor, Deloitte Touche Tohmatsu LLC (until May 2011)
September	2015	Present Outside Director of the Company

Outside Directors

Shinzo Maeda
Chairman of the Board
Member, the Nomination Committee
Member, the Compensation Committee

Date of Birth:		February 25, 1947
April	1970	Joined SHISEIDO Co., Ltd.
June	2003	Director, Corporate Officer, SHISEIDO Co., Ltd.
June	2005	President & CEO and Representative Director, SHISEIDO Co., Ltd.
April	2011	Chairman, Representative Director, SHISEIDO Co., Ltd.
April	2013	Chairman, Representative Director, President & CEO, SHISEIDO Co., Ltd.
April	2014	Director, Chairman, SHISEIDO Co., Ltd.
June	2014	Present Senior Advisor, SHISEIDO Co., Ltd
September	2015	Present Outside Director of the Company

Directors

Masashi Muromachi
Representative Executive Officer
President and Chief Executive Officer

Executive Officers

Representative Executive Officer
President and Chief Executive Officer

Masashi Muromachi

Representative Executive Officers
Corporate Senior Executive Vice Presidents

Shigenori Shiga

Yasuo Naruke

Satoshi Tsunakawa

Executive Officers
Corporate Executive Vice Presidents

Naoto Nishida

Osamu Maekawa

Naoki Takenaka

Representative Executive Officer
Corporate Executive Vice President

Fumiaki Ushio

Representative Executive Officer
Corporate Senior Vice President

Masayoshi Hirata

Satoshi Tsunakawa
Representative Executive Officer
Corporate Senior Executive Vice President

Fumiaki Ushio
Representative Executive Officer
Corporate Executive Vice President

Masayoshi Hirata
Representative Executive Officer
Corporate Senior Vice President

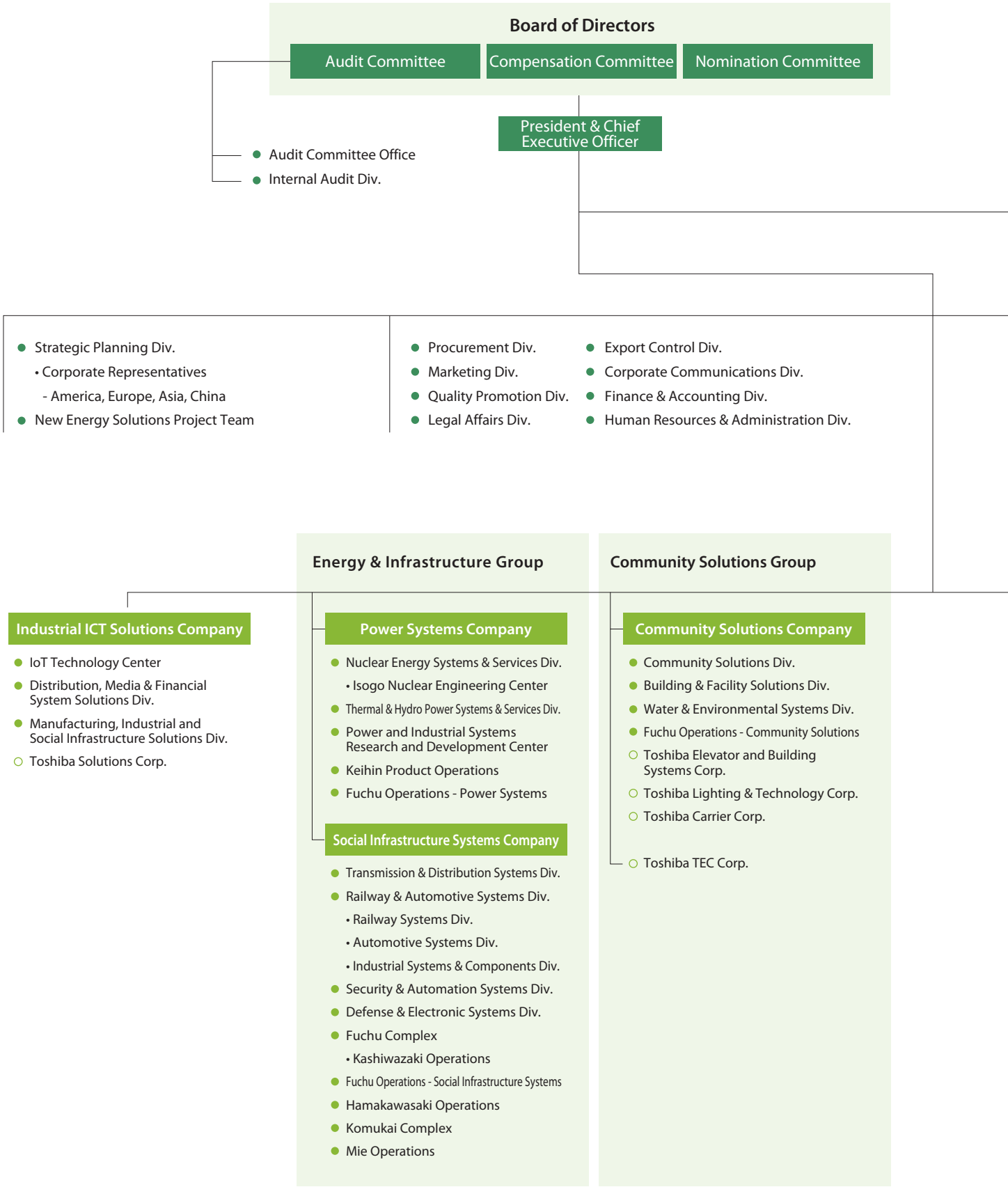
Executive Officers
Corporate Senior Vice Presidents

Masayasu Toyohara
Hironobu Nishikori
Shinichiro Akiba
Takeshi Yokota
Yoshihiro Aburatani
Yukihiko Kazao
Seiichi Mori
Shiro Saito
Fumio Otani

Executive Officers
Corporate Vice Presidents

Masakazu Kakumu
Kiyoshi Okamura
Takemi Adachi
Shigeyoshi Shimotsuji
Hiroshi Kurihara
Noriaki Hashimoto
Hidehito Murato
Nobuo Hayasaka
Koichi Harazono
Isahiro Hasegawa
Naoya Sakurai
Ichiro Hirata
Toshio Takiguchi
Hideki Yokomizo
Hitoshi Otsuka

Organization Structure (As of September 30, 2015)



- Management Reform Div.
- Internal Management System Reinforcement Project Team
- Project Monitoring & Oversight Div.

- Research & Development Div.
  - Corporate Research & Development Center
- Productivity Planning & Manufacturing Engineering Div.
  - Corporate Manufacturing Engineering Center
- Design Center

- Kanto Branch
- Kansai Branch
- Chubu Branch
- Kyushu Branch
- Chugoku Branch
- Hokuriku Branch
- Tohoku Branch
- Hokkaido Branch
- Shikoku Branch

- Yokohama Complex
- Himeji Operations

- Toshiba General Hospital

Healthcare Systems & Services Group

Healthcare Company

- Healthcare Technology Center
- ○ Toshiba Medical Systems Corp.

Electronic Devices & Components Group

Semiconductor & Storage Products Company

- Discrete Semiconductor Div.
  - Himeji Operations - Semiconductor
  - Kitakyushu Operations
- Mixed Signal IC Div.
  - Oita Operations
- Logic LSI Div.
- Memory Div.
  - Yokkaichi Operations
- Storage Products Div.
- Center for Semiconductor Research & Development

Materials & Devices Div.

- Fukaya Complex

ODD Div.

Lifestyle Products & Services Group

Personal & Client Solutions Company

- Personal Solutions Div.
- Business Solutions Div.
- Ome Complex

- ○ Toshiba Lifestyle Products & Services Corp.

Please refer to our website at http://www.toshiba.co.jp/worldwide/about/manage.html

Corporate History

July	1875	A shop-cum-factory (called Tanaka Seizo-sho from 1882; later Shibaura Engineering Works Co., Ltd.) opened in Tokyo.
Apr.	1890	Hakunetsu-sha & Co., Ltd. (from 1899 Tokyo Electric Company) founded.
June	1904	Shibaura Engineering Works Co., Ltd. established.
Sep.	1939	Shibaura Engineering Works Co., Ltd. merged with Tokyo Electric Company to become Tokyo Shibaura Electric Co., Ltd.
Oct.	1942	Absorbed Shibaura Mazda Industry Co., Ltd. and Nippon Medical Electric Co., Ltd., expanding home appliance line-up.
July	1943	Absorbed Tokyo Electric Co., Ltd. and Toyo Fire Brick Co., Ltd., expanding line-up of communications equipment.
Feb.	1950	Under the Law on Elimination of Excessive Concentration of Economic Power, a group of 14 companies, including Tokyo Electric Appliances Co., Ltd., now Toshiba TEC Corp., was separated from Tokyo Shibaura Electric Co., Ltd.
Apr.		Absorbed Toshiba Rolling Stock Co., Ltd., expanding rolling stock products.
Nov.	1955	Absorbed Dengyo-sha Prime Mover Works Ltd.
Nov.	1961	Absorbed Ishikawajima-Shibaura Turbine Co., Ltd, expanding line-up of turbines.
July	1978	English official trade name changed to "Toshiba Corporation."
Apr.	1984	Japanese official trade name changed to "Toshiba Corporation."
Dec.	1989	Absorbed Nippon Atomic Industry Group Co., Ltd.
June	1998	Introduced corporate executive officer system.
Apr.	1999	Introduced in-house company system.
July	2001	Changed registered headquarters from Kawasaki City, Kanagawa, to Minato Ward, Tokyo.
Aug.		Announced "01 Action Plan."
Oct.	2002	Transferred transmission & distribution system business to TM T&D Corp.
Mar.	2003	Transferred CRT business to MT Picture Display Co., Ltd.
June		Adopted the Company with Committees (now Company with Nominating Committee, etc.) system.
Oct.		Transferred electric equipment for manufacturing plant business to TMA Electric Corp. (now Toshiba Mitsubishi-Electric Industrial Systems Corp.).
Jan.	2004	Joined the United Nations Global Compact.
Apr.	2005	Acquired T&D business from TM T&D Corp.
Oct.	2006	Acquired Westinghouse Group.
Jan.	2009	Announced "Action Programs to Improve Profitability."
June		Raised funds by public offering for the first time since 1981.
Oct.		Acquired HDD business from Fujitsu Ltd.
Oct.	2010	Merged mobile phone business with that of Fujitsu Ltd. and transferred it to Fujitsu Toshiba Mobile Communications Ltd. (now Fujitsu Mobile Communications Ltd.).
July	2011	Acquired Landis+Gyr AG.
Mar.	2012	Transferred all shares of Toshiba Mobile Display Co., Ltd. to Japan Display Inc., a company established with co-funding by Innovation Network Corporation of Japan, Toshiba Corporation, Sony Corporation and Hitachi, Ltd.
Aug.		Toshiba TEC Corporation acquired the retail store solutions business of US-based IBM (International Business Machines Corporation).
Oct.	2013	Opened the Smart Community Center in Kawasaki City.

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Major indices of the Data Section have been compiled chronologically based on the fiscal years. For the details of financial information for the year ended March 31, 2015, please refer to the "Financial Review 2015."

Consolidated Financial Summary

Year ended March 31	2009	2010
Net Sales, Operating Income (Loss) and Net Income (Loss) Attributable to Shareholders of Toshiba Corporation		
Net sales	¥6,373.0	¥6,137.7
Cost of sales	5,186.0	4,760.2
Selling, general and administrative expenses	1,496.2	1,305.7
Operating income (loss)	(309.2)	71.8
Income (loss) from continuing operations, before income taxes and noncontrolling interests	(336.1)	(14.3)
Income taxes	41.4	24.8
Net income (loss) attributable to shareholders of Toshiba Corporation	(398.9)	(53.9)
EBITDA*1	44.9	310.4
Profitability Ratios		
Operating income ratio (%)	(4.9)	1.2
Return on sales (%)	(6.3)	(0.9)
Cost of sales ratio (%)	81.4	77.6
Selling, general and administrative expenses ratio (%)	23.5	21.3
Total Assets, Equity Attributable to Shareholders of Toshiba Corporation and Interest-bearing Debt		
Total assets	5,435.3	5,463.7
Equity attributable to shareholders of Toshiba Corporation	385.2	705.9
Interest-bearing debt	1,812.0	1,218.3
Long-term debt	777.8	960.9
Short-term debt	1,034.2	257.4
Shareholders' equity ratio (%)*2	7.1	12.9
Debt/equity ratio (Times)*3	4.7	1.7
R&D, Capital Expenditures and Depreciation		
R&D expenditures	356.0	310.7
Capital expenditures (Property, plant and equipment)	354.2	209.3
Depreciation (Property, plant and equipment)	306.7	246.2
Return Indicators		
Return on investment (ROI) (%)*4	(12.0)	3.0
Return on equity (ROE) (%)*5	(56.7)	(9.9)
Return on total assets (ROA) (%)*6	(7.0)	(1.0)
Efficiency Indicators		
Inventory turnover (Times)*7	7.88	7.88
Total assets turnover (Times)*8	1.12	1.13
Inventory turnover (Days)*9	46.31	46.29
Cash Flows		
Net cash provided by (used in) operating activities	(17.3)	453.8
Net cash used in investing activities	(335.3)	(252.9)
Net cash provided by (used in) financing activities	479.8	(280.2)
Effect of exchange rate changes on cash and cash equivalents	(32.0)	3.0
Net increase (decrease) in cash and cash equivalents	95.1	(76.3)
Cash and cash equivalents at end of year	343.8	267.4
Liquidity Indicators		
Debt/cash flow ratio (%)*10	(3.20)	15.68
Interest coverage ratio (Times)*11	(8.6)	2.2
Corporate Value		
Free cash flow*12	(352.7)	200.8
Market capitalization*13	822.4	2,046.8
Other Data		
Number of employees (Consolidated) (Thousands)	199	204
Number of employees (Non-Consolidated) (Thousands)	34	35
Ratios of Consolidated to Non-Consolidated Performance (Times) (Net sales)	2.0	1.8

- Operating income (loss) has been determined under financial reporting practices generally accepted in Japan and is defined as net sales less cost of sales and selling, general and administrative expenses.
- Equity attributable to shareholders of Toshiba Corporation is based on U.S. GAAP.
- According to the restatement of past financial results, prior-period data for the fiscal years up to March 31, 2014 has been restated above.

(Billions of yen)

2011	2012	2013	2014	2015
¥6,264.0	¥5,996.4	¥5,722.2	¥6,489.7	¥6,655.9
4,771.8	4,628.5	4,413.5	4,865.8	5,079.0
1,247.7	1,253.1	1,216.7	1,366.8	1,406.4
244.5	114.9	92.1	257.1	170.4
201.8	61.4	74.9	182.3	136.6
27.9	48.4	38.4	92.0	155.7
158.3	3.2	13.4	60.2	(37.8)
483.3	335.4	304.5	386.8	351.6
3.9	1.9	1.6	4.0	2.6
2.5	0.1	0.2	0.9	(0.6)
76.2	77.2	77.1	75.0	76.3
19.9	20.9	21.3	21.1	21.1
5,351.3	5,673.1	6,021.6	6,172.5	6,334.8
793.9	718.7	824.6	1,027.2	1,084.0
1,083.8	1,235.8	1,471.6	1,388.4	1,341.4
769.5	909.6	1,038.4	1,184.9	1,045.0
314.3	326.1	433.1	203.5	296.4
14.8	12.7	13.7	16.6	17.1
1.4	1.7	1.8	1.4	1.2
318.8	319.4	300.0	327.9	352.7
229.9	298.1	237.3	229.5	218.5
209.2	198.9	153.8	125.9	133.1
11.0	5.1	3.7	9.3	5.9
21.1	0.4	1.7	6.5	(3.6)
2.9	0.1	0.2	1.0	(0.6)
7.63	7.03	6.38	7.11	7.04
1.16	1.09	0.98	1.06	1.06
47.86	51.91	57.23	51.32	51.81
371.6	337.5	132.3	284.1	330.4
(214.7)	(377.2)	(196.3)	(244.1)	(190.1)
(152.2)	(2.7)	41.8	(89.3)	(125.8)
(13.3)	(2.1)	17.1	11.4	13.5
(8.6)	(44.5)	(5.1)	(37.8)	28.0
258.8	214.3	209.2	171.3	199.4
35.51	21.22	15.60	16.23	11.14
7.8	3.9	3.2	8.0	7.3
156.9	(39.7)	(64.0)	40.0	140.3
1,724.7	1,542.5	2,000.1	1,851.8	2,136.6
203	210	206	200	199
35	37	36	36	35
1.7	1.9	2.0	2.0	2.1

*1 EBITDA = Income (loss) from continuing operations, before income taxes and noncontrolling interests + Interest + Depreciation

*2 Shareholders' equity ratio (%) = Equity attributable to shareholders of Toshiba Corporation/Total assets × 100

*3 Debt/equity ratio (Times) = Interest-bearing debt/Equity attributable to shareholders of Toshiba Corporation

*4 Return on investment (ROI) (%) = Operating income (loss)/(Average equity attributable to shareholders of Toshiba Corporation + Average equity attributable to noncontrolling interests + Average interest-bearing debt) × 100

*5 Return on equity (ROE) (%) = Net income (loss) attributable to shareholders of Toshiba Corporation/Average equity attributable to shareholders of Toshiba Corporation × 100

*6 Return on total assets (ROA) (%) = Net income (loss) attributable to shareholders of Toshiba Corporation/Average total assets × 100

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

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

*9 Inventory turnover (Days) = 365/Inventory turnover

*10 Debt/cash flow ratio (%) = (Net income (loss) attributable to shareholders of Toshiba Corporation + Depreciation and amortization)/Average interest-bearing debt × 100

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

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

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

Consolidated Balance Sheets

(Millions of yen)

March 31	2011	2012	2013	2014	2015
ASSETS					
Current Assets:					
Cash and cash equivalents	¥ 258,840	¥ 214,305	¥ 209,169	¥ 171,340	¥ 199,366
Notes and accounts receivable, trade					
Notes	47,311	43,800	33,620	38,850	38,397
Accounts	1,082,104	1,272,727	1,344,088	1,467,590	1,426,531
Allowance for doubtful notes and accounts	(17,079)	(19,665)	(16,882)	(17,703)	(36,308)
Inventories	851,265	854,297	940,238	884,809	1,004,739
Deferred tax assets	190,222	176,044	176,001	171,022	198,066
Prepaid expenses and other current assets	388,474	453,556	422,496	442,765	507,615
	2,801,137	2,995,064	3,108,730	3,158,673	3,338,406
Long-term Receivables and Investments:					
Long-term receivables	2,540	49,164	30,379	461	9,937
Investments in and advances to affiliates	416,431	413,506	411,506	384,344	362,787
Marketable securities and other investments	241,409	237,519	264,391	277,749	277,099
	660,380	700,189	706,276	662,554	649,823
Property, Plant and Equipment:					
Land	97,528	94,747	93,729	94,769	94,246
Buildings	979,795	906,619	915,590	944,284	948,137
Machinery and equipment	2,314,219	2,093,983	2,032,400	2,068,028	2,077,734
Construction in progress	112,080	67,236	79,707	76,094	81,712
	3,503,622	3,162,585	3,121,426	3,183,175	3,201,829
Less—Accumulated depreciation	(2,628,648)	(2,380,915)	(2,299,127)	(2,273,056)	(2,315,506)
	874,974	781,670	822,299	910,119	886,323
Other Assets:					
Deferred tax assets	365,015	402,033	385,416	311,725	190,802
Other	649,837	794,108	998,882	1,129,448	1,269,424
	1,014,852	1,196,141	1,384,298	1,441,173	1,460,226
	¥5,351,343	¥5,673,064	¥6,021,603	¥6,172,519	¥6,334,778

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(Millions of yen)

March 31	2011	2012	2013	2014	2015
LIABILITIES AND EQUITY					
Current Liabilities:					
Short-term borrowings	¥ 154,848	¥ 119,515	¥ 191,453	¥ 146,105	¥ 89,104
Current portion of long-term debt	159,414	206,626	241,675	57,418	207,275
Notes and accounts payable, trade	1,188,202	1,290,902	1,200,429	1,204,883	1,226,330
Accounts payable, other and accrued expenses	386,189	397,449	439,144	503,056	519,527
Accrued income and other taxes	36,238	46,536	58,133	74,092	67,274
Advance payments received	271,068	271,869	297,208	325,697	398,127
Other current liabilities	351,138	405,538	440,692	422,259	403,231
	2,547,097	2,738,435	2,868,734	2,733,510	2,910,868
Long-Term Liabilities:					
Long-term debt	769,544	909,620	1,038,448	1,184,864	1,045,005
Accrued pension and severance costs	734,309	779,414	715,450	610,592	582,671
Other liabilities	197,169	161,737	193,148	197,559	230,877
	1,701,022	1,850,771	1,947,046	1,993,015	1,858,553
Equity Attributable to Shareholders of Toshiba Corporation:					
Common stock	439,901	439,901	439,901	439,901	439,901
Additional paid-in capital	399,551	396,789	401,594	401,830	402,008
Retained earnings	475,474	449,023	428,569	454,931	383,231
Accumulated other comprehensive loss	(519,605)	(565,551)	(443,938)	(267,786)	(139,323)
Treasury stock, at cost	(1,461)	(1,498)	(1,542)	(1,687)	(1,821)
	793,860	718,664	824,584	1,027,189	1,083,996
Equity Attributable to Noncontrolling Interests:	309,364	365,194	381,239	418,805	481,361
Commitments and contingent liabilities					
	¥5,351,343	¥5,673,064	¥6,021,603	¥6,172,519	¥6,334,778

(Millions of yen)

March 31	2011	2012	2013	2014	2015
Accumulated Other Comprehensive Loss:					
Unrealized gains on securities	¥ 62,455	¥ 57,093	¥ 78,165	¥ 93,924	¥ 113,567
Foreign currency translation adjustments	(273,317)	(283,834)	(219,546)	(110,846)	(14,757)
Pension liability adjustments	(308,681)	(338,348)	(301,584)	(248,502)	(240,172)
Unrealized gains and losses on derivative instruments	(62)	(462)	(973)	(2,362)	2,039

Consolidated Statements of Operations

(Millions of yen)

Year ended March 31	2011	2012	2013	2014	2015
Sales and Other Income:					
Net sales	¥6,263,990	¥5,996,414	¥5,722,248	¥6,489,702	¥6,655,894
Interest and dividends	8,168	10,195	12,139	13,756	10,886
Equity in earnings of affiliates	18,478	17,035	21,560	3,254	20,763
Other income	67,926	78,997	100,755	65,732	118,049
	6,358,562	6,102,641	5,856,702	6,572,444	6,805,592
Costs and Expenses:					
Cost of sales	4,771,797	4,628,451	4,413,476	4,865,787	5,079,028
Selling, general and administrative	1,247,661	1,253,061	1,216,719	1,366,789	1,406,427
Interest	32,328	31,815	32,677	33,696	24,984
Other expense	104,991	127,887	118,904	123,836	158,509
	6,156,777	6,041,214	5,781,776	6,390,108	6,668,948
Income from Continuing Operations, before Income Taxes and Noncontrolling Interests	201,785	61,427	74,926	182,336	136,644
Income Taxes:					
Current	55,558	47,723	50,854	52,583	69,538
Deferred	(27,614)	717	(12,498)	39,462	86,121
	27,944	48,440	38,356	92,045	155,659
Income (Loss) from Continuing Operations, before Noncontrolling Interests	173,841	12,987	36,570	90,291	(19,015)
Loss from Discontinued Operations, before Noncontrolling Interests	(7,356)	(1,161)	(4,983)	(15,021)	0
Net Income (Loss) before Noncontrolling Interests	166,485	11,826	31,587	75,270	(19,015)
Less: Net Income (Loss) Attributable to Noncontrolling Interests	8,159	8,632	18,162	15,030	18,810
Net Income (Loss) Attributable to Shareholders of Toshiba Corporation	¥ 158,326	¥ 3,194	¥ 13,425	¥ 60,240	¥ (37,825)

Quarterly Performance Highlights

(Millions of yen)

	1st quarter		2nd quarter		3rd quarter		4th quarter	
Year ended March 31	2014	2015	2014	2015	2014	2015	2014	2015
Net sales	¥1,369,636	¥1,414,005	¥1,608,232	¥1,699,557	¥1,550,373	¥1,609,730	¥1,961,461	¥1,932,602
Operating income (loss)	26,008	47,670	35,249	90,197	62,656	63,907	133,213	(31,335)
Net income (loss) attributable to shareholders of Toshiba Corporation	11,796	16,730	(1,220)	35,874	37,691	54,612	11,973	(145,041)
Basic earnings (loss) per share attributable to shareholders of Toshiba Corporation (¥)	2.79	3.95	(0.29)	8.47	8.90	12.90	2.83	(34.25)

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Consolidated Statements of Comprehensive Income

(Millions of yen)

Year ended March 31	2011	2012	2013	2014	2015
Net Income (Loss) before Noncontrolling Interests	¥ 166,485	¥ 11,826	¥ 31,587	¥ 75,270	**¥(19,015)**
Other Comprehensive Income (Loss), Net of Tax:					
Net unrealized gains and losses on securities	(9,057)	(5,324)	25,571	18,417	**22,664**
Foreign currency translation adjustments	(55,854)	(11,007)	145,066	128,278	**129,089**
Pension liability adjustments	(9,348)	(33,619)	38,506	55,797	**5,041**
Net unrealized gains and losses on derivative instruments	3,287	(659)	(841)	(1,734)	**4,785**
Total other comprehensive income (loss)	(70,972)	(50,609)	208,302	200,758	**161,579**
Comprehensive Income (Loss) before Noncontrolling Interests	95,513	(38,783)	239,889	276,028	**142,564**
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interests	(2,452)	3,969	60,037	39,636	**51,926**
Comprehensive Income (Loss) Attributable to Shareholders of Toshiba Corporation	¥ 97,965	¥(42,752)	¥179,852	¥236,392	**¥ 90,638**

Consolidated Statements of Cash Flows

(Millions of yen)

Year ended March 31	2011	2012	2013	2014	2015
Cash Flows from Operating Activities:					
Net income (loss) before noncontrolling interests	¥166,485	¥ 11,826	¥ 31,587	¥ 75,270	¥ (19,015)
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by operating activities					
Depreciation and amortization	250,412	242,913	197,747	171,796	189,938
Provisions for pension and severance costs, less payments	8,611	5,301	(2,021)	(12,960)	(14,355)
Deferred income taxes	(33,588)	(172)	(12,498)	40,510	86,121
Equity in (earnings) losses of affiliates, net of dividends	(6,406)	(13,926)	(13,889)	12,992	(10,708)
Loss from sales, disposal and impairment of property, plant and equipment, intangible assets and securities, net	12,612	57,896	17,533	12,787	82,361
(Increase) decrease in notes and accounts receivable, trade	5,616	(195,502)	6,369	(91,309)	94,186
(Increase) decrease in inventories	(92,135)	(2,405)	(24,804)	46,363	(80,372)
Increase (decrease) in notes and accounts payable, trade	50,841	124,495	(167,415)	(59,784)	(43,124)
Increase (decrease) in accrued income and other taxes	(5,163)	6,350	8,355	4,703	(5,082)
Increase (decrease) in advance payments received	(22,361)	104,886	(3,844)	12,831	38,489
Other	36,660	(4,165)	95,196	70,933	12,003
Net cash provided by operating activities	371,584	337,497	132,316	284,132	330,442
Cash Flows from Investing Activities:					
Proceeds from sale of property, plant and equipment	56,055	99,604	86,427	38,419	43,040
Proceeds from sale of securities	5,427	9,638	3,876	12,134	66,486
Acquisition of property, plant and equipment	(229,229)	(291,733)	(266,581)	(200,924)	(236,510)
Purchase of securities	(6,201)	(18,435)	(9,203)	(5,292)	(4,052)
(Increase) decrease in investments in affiliates	(38,424)	15,444	24,616	(1,437)	8,769
Other	(2,328)	(191,745)*1	(35,482)	(87,001)	(67,863)
Net cash used in investing activities	(214,700)	(377,227)	(196,347)	(244,101)	(190,130)
Cash Flows from Financing Activities:					
Proceeds from long-term debt	159,807	370,911	350,101	198,826	241,845
Repayment of long-term debt	(406,846)	(206,325)	(208,865)	(234,773)	(249,795)
Increase (decrease) in short-term borrowings, net	112,395	(130,767)	66,885	(13,678)	(74,353)
Dividends paid	(17,601)	(37,007)	(42,547)	(38,954)	(42,068)
Purchase of treasury stock, net	(159)	(42)	(50)	(145)	(134)
Other	188	490	(123,752)*2	(585)	(1,290)
Net cash provided by (used in) financing activities	(152,216)	(2,740)	41,772	(89,309)	(125,795)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(13,277)	(2,065)	17,123	11,449	13,509
Net Increase (Decrease) in Cash and Cash Equivalents	(8,609)	(44,535)	(5,136)	(37,829)	28,026
Cash and Cash Equivalents at Beginning of Year	267,449	258,840	214,305	209,169	171,340
Cash and Cash Equivalents at End of Year	¥258,840	¥214,305	¥209,169	¥171,340	¥199,366
Supplemental Disclosure of Cash Flow Information:					
Cash paid during the year for—					
Interest	¥ 33,478	¥ 31,759	¥ 33,090	¥ 33,777	¥ 28,194
Income taxes	¥ 61,342	¥ 43,912	¥ 48,662	¥ 50,997	¥ 86,846

*1 Includes the acquisition of Landis+Gyr AG in the amount of ¥(129,450) million.
*2 Includes the additional purchase of shares of Westinghouse Group from noncontrolling interests in the amount of ¥(124,724) million.

Industry Segment Performance

(Billions of yen)

Year ended March 31	2011	Change (%)	2012	Change (%)	2013	Change (%)	2014	Change (%)	2015	Change (%)
Energy & Infrastructure										
Net sales	¥1,452.2	1.4	¥1,545.2	6.4	¥1,639.0	6.1	¥1,805.5	10.2	¥2,003.8	11.0
Share of net sales (%)	21.2	—	23.5	—	26.3	—	25.5	—	27.5	—
Operating income	93.1	(3.6)	86.9	(6.6)	87.9	1.2	6.5	(92.5)	19.5	198.9
Operating income ratio (%)	6.4	—	5.6	—	5.4	—	0.4	—	1.0	—
Number of employees (Thousands)	48	6.7	57	18.8	56	(1.8)	55	(1.8)	54	(1.8)
R&D expenditures	53.6	(1.2)	63.5	18.4	62.5	(1.4)	64.7	3.5	69.3	7.1
Depreciation	52.5	5.6	59.0	12.3	58.6	(0.7)	57.7	(1.6)	65.0	12.7
Capital expenditures	78.3	(5.5)	78.7	0.5	58.4	(25.8)	71.0	21.5	73.7	3.9
Total assets	1,972.5	3.5	2,269.2	15.0	2,369.4	4.4	2,639.4	11.4	2,841.5	7.7
Community Solutions										
Net sales	1,083.4	2.1	1,064.5	(1.7)	1,176.1	10.5	1,356.7	15.4	1,410.7	4.0
Share of net sales (%)	15.8	—	16.2	—	18.8	—	19.2	—	19.4	—
Operating income	40.0	28.0	37.0	(7.5)	29.2	(21.1)	55.5	89.8	53.9	(2.8)
Operating income ratio (%)	3.7	—	3.5	—	2.5	—	4.1	—	3.8	—
Number of employees (Thousands)	44	(2.2)	45	2.3	47	4.4	48	2.1	49	2.1
R&D expenditures	38.6	(5.6)	35.7	(7.4)	40.6	13.7	45.0	10.8	48.3	7.2
Depreciation	25.4	(17.1)	23.8	(6.2)	26.2	10.1	28.1	7.0	28.6	1.7
Capital expenditures	20.0	(7.3)	18.1	(9.2)	33.4	84.5	33.3	(0.2)	45.4	36.3
Total assets	643.7	(0.7)	663.8	3.1	982.6	48.0	983.1	0.1	1,051.5	7.0
Healthcare Systems & Services										
Net sales	342.4	(3.3)	356.3	4.1	379.6	6.5	410.7	8.2	412.5	0.4
Share of net sales (%)	5.0	—	5.4	—	6.1	—	5.8	—	5.7	—
Operating income	20.6	(5.4)	17.1	(16.9)	20.9	22.1	29.9	42.7	23.9	(20.1)
Operating income ratio (%)	6.0	—	4.8	—	5.5	—	7.3	—	5.8	—
Number of employees (Thousands)	9	0.0	10	11.1	9	(10.0)	9	0.0	10	11.1
R&D expenditures	32.0	23.9	28.8	(10.0)	29.6	2.6	31.7	7.4	38.1	19.8
Depreciation	8.9	(4.2)	10.2	14.4	10.3	1.1	8.7	(15.3)	9.8	13.3
Capital expenditures	8.4	(18.3)	10.0	18.1	11.0	10.2	10.5	(4.5)	12.6	20.1
Total assets	204.0	(4.8)	223.4	9.5	243.0	8.8	284.6	17.1	322.2	13.2
Electronic Devices & Components										
Net sales	1,450.9	3.1	1,356.4	(6.5)	1,280.2	(5.6)	1,687.3	31.8	1,768.8	4.8
Share of net sales (%)	21.1	—	20.7	—	20.5	—	23.8	—	24.3	—
Operating income	65.5	301.7	21.2	(67.7)	46.4	119.5	246.8	431.3	216.6	(12.2)
Operating income ratio (%)	4.5	—	1.6	—	3.6	—	14.6	—	12.2	—
Number of employees (Thousands)	44	2.3	43	(2.3)	38	(11.6)	35	(7.9)	34	(2.9)
R&D expenditures	149.9	3.1	145.3	(3.0)	130.1	(10.5)	145.5	11.8	161.3	10.9
Depreciation	136.0	(16.5)	123.9	(8.9)	83.4	(32.7)	59.5	(28.6)	67.3	13.1
Capital expenditures	121.0	19.4	174.3	44.1	126.4	(27.5)	122.2	(3.4)	120.0	(1.8)
Total assets	1,322.3	(4.0)	1,303.8	(1.4)	1,320.7	1.3	1,373.8	4.0	1,378.0	0.3
Lifestyle Products & Services										
Net sales	1,815.2	9.0	1,553.1	(14.4)	1,267.8	(18.4)	1,314.6	3.7	1,163.7	(11.5)
Share of net sales (%)	26.5	—	23.7	—	20.3	—	18.6	—	16.0	—
Operating income (loss)	32.9	—	(45.0)	—	(70.4)	—	(54.6)	—	(109.7)	—
Operating income ratio (%)	1.8	—	(2.9)	—	(5.6)	—	(4.2)	—	(9.4)	—
Number of employees (Thousands)	27	(3.6)	27	0.0	28	3.7	26	(7.1)	24	(7.7)
R&D expenditures	30.5	7.1	31.2	2.6	31.1	(0.5)	34.8	11.8	29.4	(15.3)
Depreciation	8.2	(24.2)	8.7	6.7	11.6	32.8	10.1	(13.0)	11.5	14.4
Capital expenditures	14.3	(11.5)	17.5	22.4	25.3	44.0	14.2	(43.8)	11.1	(21.7)
Total assets	798.6	(8.0)	712.1	(10.8)	694.7	(2.4)	618.4	(11.0)	515.6	(16.6)
Others										
Net sales	717.4	(2.6)	687.1	(4.2)	498.8	(27.4)	504.0	1.0	529.0	5.0
Share of net sales (%)	10.5	—	10.5	—	8.0	—	7.1	—	7.3	—
Operating income	26.2	—	34.2	30.7	14.0	(59.2)	11.6	(16.9)	7.5	(35.7)
Operating income ratio (%)	3.7	—	5.0	—	2.8	—	2.3	—	1.4	—
Number of employees (Thousands)	31	(8.8)	28	(9.7)	28	0.0	27	(3.6)	28	3.7
R&D expenditures	14.2	(10.1)	14.9	4.2	6.1	(59.0)	6.2	1.3	6.3	2.5
Depreciation	18.1	(29.7)	16.5	(8.8)	6.8	(58.4)	6.7	(1.5)	7.7	14.1
Capital expenditures	19.7	(16.8)	39.9	102.9	12.4	(68.8)	29.7	138.6	1.1	(96.4)
Total assets	515.4	(9.5)	539.4	4.7	533.2	(1.1)	419.0	(21.4)	413.7	(1.3)

Long-term Debt

(Millions of yen)

March 31		2014		2015
Loans, principally from banks,	Secured	¥ —	Secured	¥ —
due 2014 to 2027 with weighted-average interest rate of 0.53% at March 31, 2014, and	Unsecured	¥ 688,018	Unsecured	¥ 850,772
due 2015 to 2030 with weighted-average interest rate of 0.69% at March 31, 2015				
Unsecured yen bonds,		340,000		370,000
due 2015 to 2020 with interest rates ranging from 0.25% to 2.20% at March 31, 2014 and				
due 2015 to 2020 with interest rates ranging from 0.25% to 2.20% at March 31, 2015				
Interest deferrable and early redeemable subordinated bonds:		180,000		—
due 2069 with interest rate of 7.50% at March 31, 2014				
Capital lease obligations		34,264		31,508
		1,242,282		1,252,280
Less—Portion due within one year		(57,418)		(207,275)
		¥1,184,864		¥1,045,005

Substantially all of the unsecured loan agreements permit the lenders to require collateral or guaranties for such loans.
The aggregate annual maturities of long-term debt, excluding those of capital lease obligations, are as follows:

(Millions of yen)

Year ending March 31	2014	2015
2015	¥ 47,925	¥ —
2016	204,781	198,229
2017	203,063	208,754
2018	235,678	239,430
2019	131,568	163,302
2020 and thereafter	385,003	—
2020	—	340,502
2021 and thereafter	—	70,555
Total	¥1,208,018	¥1,220,772

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

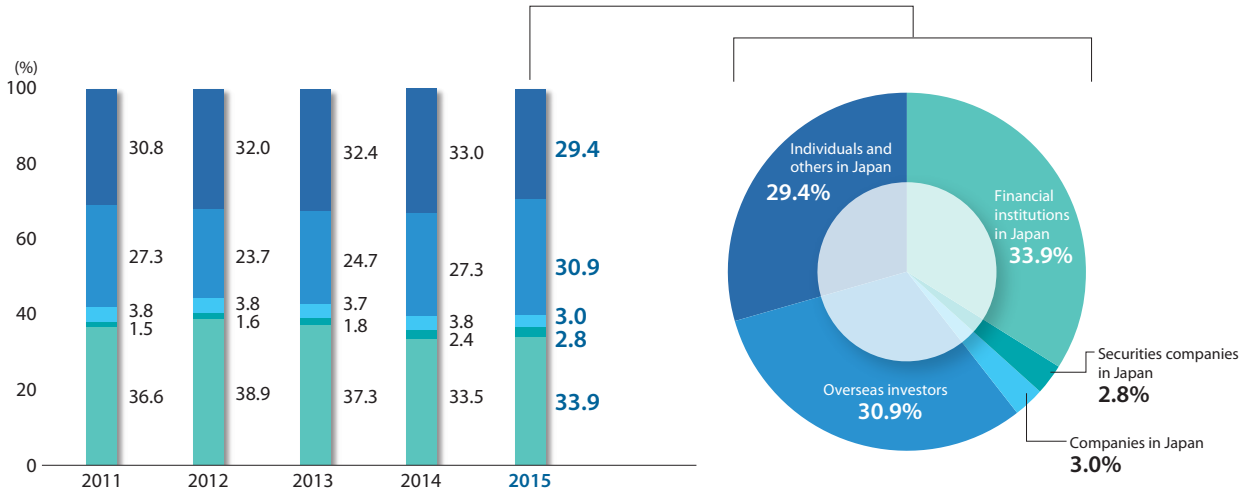
Shareholder Information

Distribution of Shareholders

(Shareholding ratio by category)

March 31	2011	2012	2013	2014	2015
Individuals and others in Japan	30.8 %	32.0 %	32.4 %	33.0 %	29.4 %
Overseas investors	27.3	23.7	24.7	27.3	30.9
Companies in Japan	3.8	3.8	3.7	3.8	3.0
Securities companies in Japan	1.5	1.6	1.8	2.4	2.8
Financial institutions in Japan	36.6	38.9	37.3	33.5	33.9

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



Major Shareholders

(As of March 31, 2015)

	Percentage of shareholding ratio (Rounded to one decimal place)
The Master Trust Bank of Japan, Limited (trust accounts)	4.8%
Japan Trustee Service Bank, Limited (trust accounts)	3.9
Toshiba Stock Purchase Plan	2.8
The Dai-ichi Life Insurance Company, Limited	2.7
Nippon Life Insurance Company	2.6
Japan Trustee Services Bank, Limited (trust accounts 4)	1.4
Mizuho Bank, Limited	1.3
THE BANK OF NEW YORK MELLON SA/NV 10	1.3
STATE STREET BANK WEST CLIENT - TREATY 505234	1.2
Sumitomo Mitsui Banking Corporation	1.2

Note: For the purpose of calculation of shareholding ratio, treasury shares are excluded from total number of issued shares.

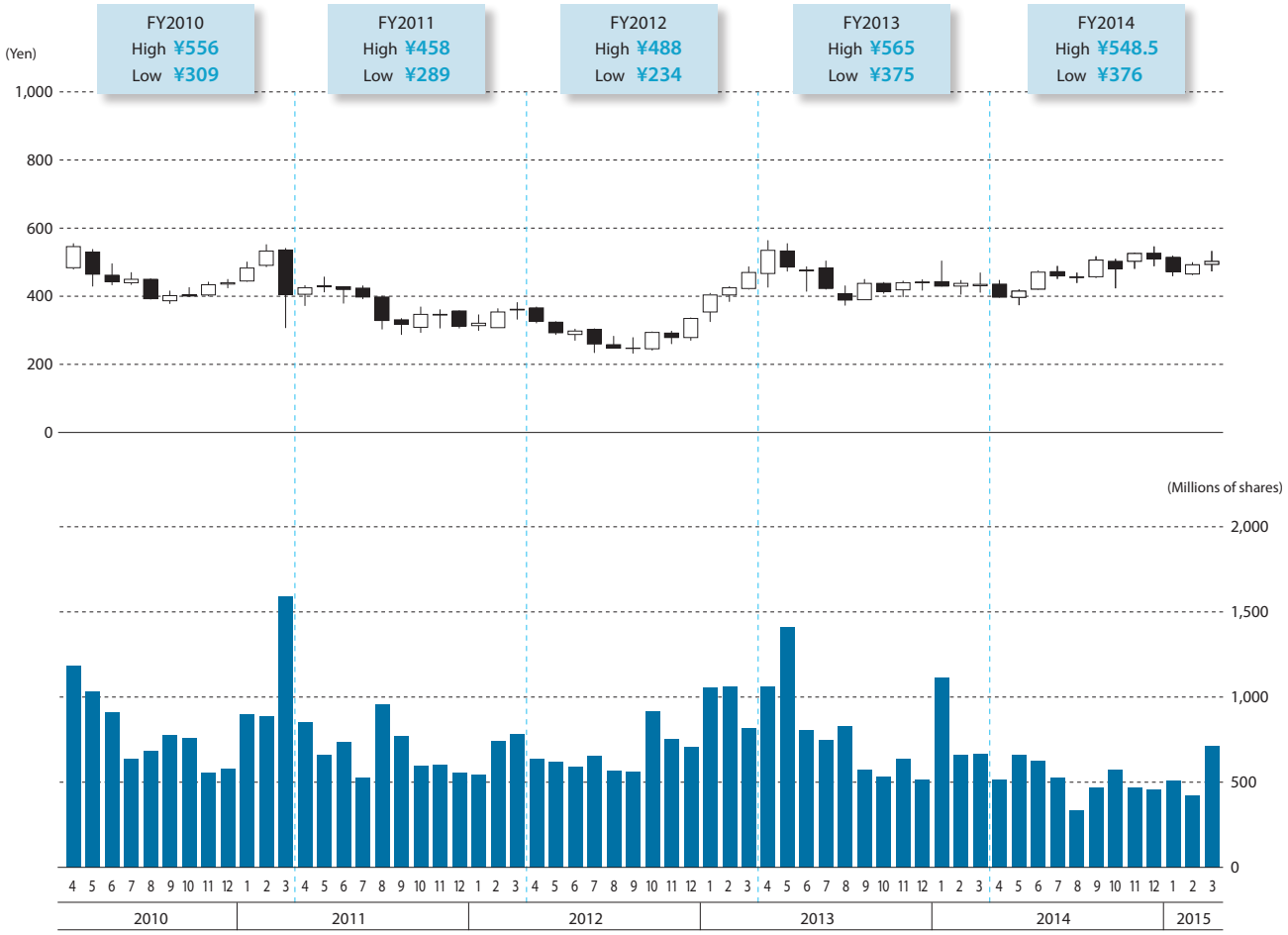
Stock Information

Common Stock Price Trends

Year ended March 31	2011	2012	2013	2014	2015
Common stock price (Yen, fiscal year)					
High	556	458	488	565	548.5
Low	309	289	234	375	376
Nikkei average (Yen)	9,755.10	10,083.56	12,397.91	14,827.83	19,206.99
Number of shares issued (Millions of shares)	4,238	4,238	4,238	4,238	4,238
Market capitalization (Billions of yen)	1,724.7	1,542.5	2,000.1	1,851.8	2,136.6
Earnings (Loss) per share attributable to shareholders of Toshiba Corporation (Yen)					
—Basic (EPS)	37.38	0.75	3.17	14.23	(8.93)
—Diluted (EPS)	35.90	0.74	—	—	—
Annual dividends per share (Yen)	5	8	8	8	4
Payout ratio (%) (Consolidated)	13.4	—	252.4	56.2	—
Number of shareholders	459,114	457,467	446,001	436,540	391,614
Price-to-earnings ratio (PER) (Times)	10.89	482.64	148.89	30.72	—
Price-to-cash flows ratio (PCFR) (Times)	4.2	6.3	9.5	8.0	14.0
Price-to-book value ratio (PBR) (Times)	2.2	2.1	2.4	1.8	2.0

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

Stock Price and Trading Volume Trends (for past 5 fiscal years)



Consolidated Subsidiaries and Affiliated Companies Accounted for by the Equity Method

Consolidated Subsidiaries

Domestic

- Iwate Toshiba Electronics Co., Ltd.
- Kaga Toshiba Electronics Corporation
- Kokusai Chart Corporation*
- Nishishiba Electric Co., Ltd.*
- NuFlare Technology, Inc.*
- Toshiba Carrier Corporation
- Toshiba Consumer Marketing Corporation
- Toshiba Denzai Marketing Co., Ltd.
- Toshiba Elevator and Building Systems Corporation
- Toshiba Global Commerce Solutions Holdings Corporation
- Toshiba Lifestyle Products & Service Corporation
- Toshiba Industrial Products and Systems Corporation
- Toshiba Information Equipments Co., Ltd.
- Toshiba Lighting & Technology Corporation
- Toshiba Logistics Corporation
- Toshiba Medical Systems Corporation
- Toshiba Plant Systems & Services Corporation*
- Toshiba Solutions Corporation
- Toshiba TEC Corporation*
- Toshiba Trading Inc.

167 companies in total including the 20 above

* Listed Company in stock market

Overseas

- Advance Energy UK Ltd.
- Landis+Gyr A.G.
- Landis+Gyr Holding A.G.
- Mangiarotti S. p. A
- NuGeneration Ltd.
- TAI Receivables Corporation
- Taiwan Toshiba International Procurement Corporation
- Toshiba America Business Solutions, Inc.
- Toshiba America Electronic Components, Inc.
- Toshiba America Information Systems, Inc.
- Toshiba America Medical Systems, Inc.
- Toshiba America Nuclear Energy Corporation
- Toshiba America, Inc.
- Toshiba Asia Pacific Pte., Ltd.
- Toshiba Carrier (Thailand) Co., Ltd.
- Toshiba (China) Co., Ltd.
- Toshiba Dalian Co., Ltd.
- Toshiba Digital Media Network Taiwan Corporation
- Toshiba Electronics Asia, Ltd.
- Toshiba Electronics Korea Corporation
- Toshiba Elevator (China) Co., Ltd.
- Toshiba Europe GmbH
- Toshiba Information Equipment (Hangzhou) Co., Ltd.
- Toshiba Information Equipment (Philippines), Inc.
- Toshiba Information Systems (UK) Ltd.
- Toshiba International Corporation
- Toshiba International Procurement Hong Kong, Ltd.
- Toshiba JSW Power Systems Private Ltd.
- Toshiba Lighting & Technology (Kunshan) Co.,Ltd.
- Toshiba Medical Systems Europe B.V.
- Toshiba of Europe Ltd.
- Toshiba South America Ltda.
- Toshiba TEC France Imaging Systems S.A.
- Toshiba TEC U.K. Imaging Systems Ltd.
- Toshiba Transmission & Distribution India Private Ltd.
- Toshiba Nuclear Energy Holdings (UK) Ltd.
- Toshiba Nuclear Energy Holdings (US) Inc.
- Westinghouse Electric Company LLC

417 companies in total including the 38 above

Affiliated Companies Accounted for by the Equity Method

Domestic

- Flash Alliance, Ltd.
- Flash Forward
- Flash Partners, Ltd.
- NREG Toshiba Building Co., Ltd.
- Shibaura Mechatronics Corporation*
- Topcon Corporation*
- Toshiba Machine Co., Ltd.*
- Toshiba Medical Finance Co., Ltd.
- Toshiba Mitsubishi-Electric Industrial Systems Corporation

66 companies in total including the 9 above

* Listed Company in stock market

Overseas

- Dalian Toshiba Locomotive Electric Equipment Co., Ltd.
- Energy Asia Holdings, Ltd.
- Guangdong Meizhi Compressor Ltd.
- Guangdong Midea Air-Conditioning Equipment Co., Ltd.
- Guangdong Midea Commercial Air-Conditioning Equipment Co., Ltd.
- Guangdong Midea Group Wuhan Air-Conditioning Equipment Co., Ltd.
- Guangdong Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.
- Nuclear Innovation North America LLC
- PM&T Holding B.V.
- Semp Toshiba Amazonas S.A.
- TMEIC Corporation
- UNISON Co., Ltd.*

151 companies in total including the 12 above

* Listed Company in stock market

(As of March 31, 2015)

Corporate Data As of March 31, 2015

TOSHIBA CORPORATION

1-1, Shibaura 1-chome, Minato-ku, Tokyo, Japan (headquarters)

Founded:	July 1875
Number of Employees:	Approx. 199,000 (consolidated)
Fiscal Year:	April 1 to March 31
Authorized Number of Shares:	10 billion
Number of Shares Issued:	4,237,602,026
Number of Shareholders:	391,614
Stock Exchange Listings:	Tokyo, Nagoya
ISIN:	JP359 2200004
Ticker Code on the Tokyo Stock Exchange:	6502
Shareholder Registration Agent:	Sumitomo Mitsui Trust Bank, Limited

●Forward-Looking Statements

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

Toshiba therefore wishes to caution readers that actual results may differ materially from our expectations.

●Regarding items reported in this Annual Report

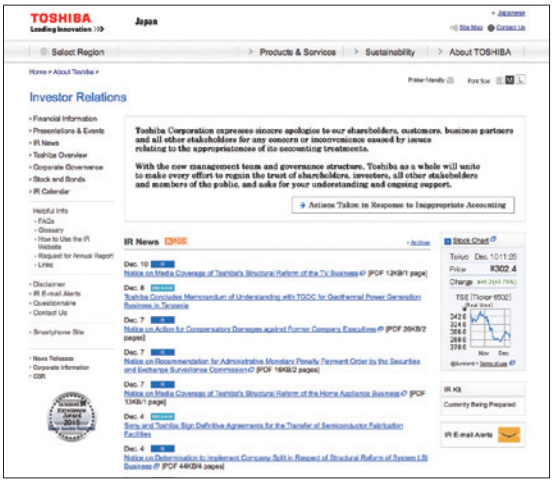
Any corrections made to this Annual Report will be published on our website, as referenced above.

●Product names may be trademarks of the respective companies.

IR website

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

■ PC website
http://www.toshiba.co.jp/about/ir/



■ Smartphone website
http://www.toshiba.co.jp/about/ir/sp/

Editorial Note

In editing this annual report, we have referred to the IIRC's International Integrated Reporting Framework. In order to provide information essential as an integrated report, we have expanded nonfinancial information (P.15-) and the ESG section (P.31-).

We provide timely information on ESG, including the latest news on CSR and the environment, on our website.

CSR website
http://www.toshiba.co.jp/csr/en/

(PDF version)

Environment website
http://www.toshiba.co.jp/env/en/

(PDF version)

Committed to People, Committed to the Future.

TOSHIBA CORPORATION

1-1, Shibaura 1-chome, Minato-ku, Tokyo,105-8001, Japan

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Corporate Communications Division
Tel: +81-3-3457-2096 Fax: +81-3-5444-9202

Inquiry page on Investor Relations
URL http://www.toshiba.co.jp/about/ir/en/contact.htm

The production and printing of this report reflect the following considerations:

Paper

MIX
Paper from responsible sources
FSC® C014473
www.fsc.org

Use of FSC-certified Paper

Paper certified by Forest Stewardship Council (FSC) is used, which is made from wood from FSC-certified forests.

森の町内会
間伐に寄与する紙
www.mori-cho.org

TOSHIBA & Aomori/Misawa

Use of Forest Thinning Support Paper

Toshiba Group supports forest thinning project in Misawa City, Aomori prefecture, aiming to preserve the nature for the next generation.

A-(2)-060001

Tree use cycle mark

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

Printing

Waterless Printing

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

VOC Free

Non-VOC Ink

100% vegetable ink containing no volatile organic compounds (VOCs) is used.

Issued February 2016
Printed in Japan