

TOSHIBA

Leading Innovation >>>

2016

Annual Report

Year ended March 31, 2016 Operational Review

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

Basic Commitment of the Toshiba Group

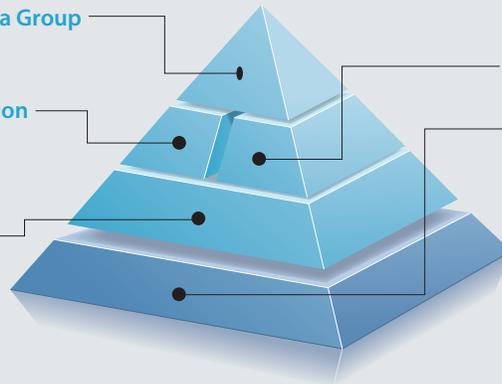
Toshiba Group's mission

Toshiba Group Management Vision

A set of values and targets shared throughout Toshiba Group

Toshiba Group Standards of Conduct

Standards of conduct to which everyone in Toshiba Group is required to adhere



Toshiba Brand Statement

United Nations Global Compact*

Responsibilities as a global enterprise

* UN Global Compact: A voluntary corporate citizenship initiative concerning human rights, labor, the environment, and anti-corruption proposed by the former UN Secretary-General Kofi Annan in 1999 at the World Economic Forum. Toshiba joined the UN Global Compact in 2004.

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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To Our Shareholders

With our entire company united as one, we will forge ahead with our comprehensive plans for rebuilding Toshiba.

S. Tsunakawa

Satoshi Tsunakawa
President and CEO



Career in brief

Mar.	1979	Graduated from Faculty of Arts and Sciences, University of Tokyo
Apr.	1979	Joined Toshiba Corporation
June	2010	President & CEO, Toshiba Medical Systems Corp.
Oct.	2013	President & CEO, Toshiba Medical Systems Corp. General Manager, Healthcare Business Development Division
July	2014	Executive Officer, Corporate Senior Vice President and President & CEO, Healthcare Company
Sep.	2015	Director, Representative Executive Officer, Corporate Senior Executive Vice President (Support for President & CEO; oversight of Healthcare Systems & Services Group, Lifestyle Products & Services Group and Strategic Planning Division)
June	2016	Present Director, Representative Executive Officer, President and Chief Executive Officer

I wish to take this opportunity to apologize from the bottom of my heart for the great anxieties and concerns stemming from the serious issues resulting from our company's inappropriate accounting issues.

On June 22, 2016, on the occasion of Toshiba's annual Shareholders' Meeting, after receiving a vote of confidence from our shareholders, our business operations started under a new management system.

Following along the way forward set out last year by the "Toshiba Rebuilding Initiative" that was advanced by the then Toshiba President Masashi Muromachi, my predecessor, I am determined to fully use all of my management abilities to carry forward Toshiba's fundamental management objectives to "always act with the highest integrity," "build a healthy management platform for growth" and "put a strong emphasis on carefully managing cash flow as a keystone in carrying out our business operations." I will strive to achieve these objectives in order to regain the trust of all of our various stakeholders and also to carry out reforms designed to create a stronger business structure.

With this new management system in place, our company will shift its business portfolio to concentrate on the three focus business fields of Energy, Social Infrastructure and Storage. From now on, we will go forward with an autonomous system of management for our in-house companies, in each of which business operations will be entrusted to the respective presidents as leaders who are professionals in each of their businesses.

I have been involved in Toshiba's medical equipment business since I first joined the Company, and I do not have any past direct experience in the three business fields we have selected to focus on. However, I will be managing Toshiba's focus businesses from a fresh perspective without holding any preconceptions about them based on the past. I believe that my business background can contribute to making more objective management judgments based on practical management considerations and also help contribute to the creation of the kind of free-spirited, open-minded corporate culture that Toshiba now needs to foster.

Toshiba has the world's No. 1 nuclear energy business and the world's No. 2 NAND flash memory business. Although each of these businesses is totally different in its time-axis and nature, I consider my role to be that of managing Toshiba's entire business portfolio by firmly grasping the totality of the Company's management, so that each business will advance towards more stable and higher growth by fully applying Toshiba's strengths in these world top-class businesses to all of our business fields.

In the wake of the financial accounting issues that emerged, on September 15, 2015, the Tokyo Stock Exchange and Nagoya Stock Exchange designated Toshiba's shares as "Securities on Alert." Since then, we have carried out measures for preventing any such recurrences and for transforming Toshiba's corporate culture, and on September 15, 2016, one year after this designation, we submitted to both stock exchanges a "Written Confirmation of Internal Management System," as required by the Securities Listing Regulations of the stock exchanges. This submission, which is expected to lead to the cancellation of the designation of "Securities on Alert," is a first step for Toshiba to return to the capital markets and going forward we will continue to fully cooperate in the review process of the stock exchanges. Furthermore, I believe that it is important to steadily continue to execute and firmly establish the recurrence prevention measures that we have already been put into effect, and we must also steadily move ahead with the steps needed to significantly bring about positive changes in Toshiba's corporate culture. These measures do not simply have the objective of achieving the cancellation of the designation of "Securities on Alert." We must keep upmost in mind the fact that carrying out these measures is necessary and indispensable in order to recover Toshiba's underlying corporate value, and with our entire company united as one, we will forge ahead with our comprehensive plans for rebuilding Toshiba.

With regard to Toshiba Group's operating results for FY2015, net sales as a whole decreased by ¥446.0 billion, compared to the previous fiscal year, to ¥5,668.7 billion. This result was due to a sales decline in the Electronic Devices & Components business segment, the selling off of our Healthcare business and business withdrawal in some areas of our Home Appliances business.

Regarding operating income, there were significant declines in some business segments. Among them, the decrease in operating income recorded by the Electronic Devices & Components business segment was particularly due to lower sales prices; large-scale costs were incurred through structural reforms and provisions had to be made to cover losses generated by unprofitable businesses; and the Nuclear Power Systems business recorded impairment in goodwill losses. As a result, operating income decreased by ¥897.1 billion, compared to the previous fiscal year, resulting in a consolidated loss of ¥708.7 billion. As for net income attributable to shareholders of the Company, it decreased due to a reversal of deferred tax assets and the recording

of a gain from the sale of Toshiba Medical Systems Company, and the result was a consolidated loss of ¥460.0 billion.

In view of our record operating losses and net losses in the fiscal year ended March 31, 2016, the Company has decided not to distribute dividends of surplus for the period. I wish to deeply apologize to our shareholders.

In the fiscal year ended March 31, 2016, we implemented a staff reduction of about 14,000 people both in Japan and globally, including about 3,000 who are being shifted to other positions within the Toshiba Group.

In addition, we went ahead with the sale of our shares in Toshiba Medical Systems Co. and also in Toshiba Lifestyle Co., which was in charge of the Home Appliances business. These businesses have played a central role in Toshiba's history and tradition. However, implementing large-scale structural reforms leading to major changes in our business structure was unavoidable in order to achieve the rebuilding of Toshiba; therefore, in the process of making these crucial decisions, no actions were considered to be off the table. Now, these major reforms have already been accomplished. However, in the future, if it is considered necessary, I will continue to carry out structural reforms.

In the business plan for the rebuilding of Toshiba in FY2016, which was announced on March 18, 2016, we selected the three business fields of Energy, Social Infrastructure and Storage to focus on as business platforms that by means of making innovative use of Toshiba's technologies and products in the coming years will be able to contribute major solutions to pressing social issues. Our businesses will help lead to the realization of an affluent, safe and comfortable quality of life for people around the globe, as we grow and develop along with society.

We are endeavoring to tie the results of the various rebuilding action measures that were implemented during FY2015 to improvements in our business performance during FY2016. As we make all-out efforts to achieve a positive turnaround into the black in all of our businesses and to strengthen Toshiba Group's financial structure, we are placing a strong emphasis on cash flow as a keystone for improving our business operations.

On July 6, 2016, we held for the first time an event at which in-house company IR briefings explaining Toshiba's business strategy going forward were made not only by myself about Toshiba Group as a whole but also by the presidents of each of our in-house companies. At the beginning of these briefings, in my presentation, I talked about my ideas for regaining the trust of the market and the various measures we are taking to achieve the rebuilding of Toshiba. I explained that we will build a healthy management platform for growth by moving ahead with our core business strategies of "concentrating on focus businesses," "improving our financial base" and "returning to the capital markets." More specifically, I explained that we are committed to working to improve our financial base by thoroughly grounding our business operations on cash flow, aiming to have all businesses move into the black in FY2016 and attaining a shareholders' equity ratio of more than 10% by FY2018. I underscored that we will strive to make our Storage business segment a driver for growth and profit generation and to position our Social Infrastructure and Energy business segments as platforms for stable growth and profit. In addition, I made it clear that we are aiming to return to the capital markets by securing the cancellation of the designation of Toshiba's shares as "Securities on Alert."

While moving forward with the fulfillment of our objectives of implementing enhanced transparent information disclosure and strengthening Toshiba's autonomous management system for our in-house companies, I have inaugurated the new policy of having the presidents of each of our in-house companies make regular annual IR briefings that will, among other things, provide an opportunity for each of them to directly communicate with the market and make a clear commitment concerning their specific management objectives.

Under our new management system, Toshiba will place its highest priority on always acting with great integrity. We will build a healthy management platform for growth, and we will strive to regain the trust of our shareholders and endeavor to resume dividend payouts at the earliest possible time.

I will be very pleased if this Annual Report is useful in helping our shareholders acquire a deeper understanding of our company and the all-out efforts we are making to create a stronger company that I am confident will achieve impressive new growth in the coming years. We ask for your continued strong support.

The following is a report on measures and initiatives to prevent any recurrence of the Company's accounting issues.

In formulating the "Improvement Plan and Situation Report," the Company once again analyzed the causes of the accounting issues taking into account not only the issues pointed out in the reports by the Independent Investigation Committee and the Executive Liability Investigation Committee but also the historical background and structural factors, while also referring to the "Principles for Listed Companies in Scandal" issued by the Japan Exchange Regulation.

As a result, the Company has recognized that the events in question occurred because of a combination of multiple factors including pressure to meet targets from Atsutoshi Nishida, Norio Sasaki, and Hisao Tanaka, each of whom are former CEOs of the Company, performance assessment and budget control systems that focused on net income that allowed for such pressure, insufficient checks and balances by the Finance Division (CFO) and business execution departments such as finance and accounting departments, dysfunction in the internal audit department, insufficient supervising of past CEOs and executive officers by the Board of Directors and bodies such as the Nomination Committee and the Audit Committee, a lack of awareness towards appropriate financial reports by past CEOs and executive officers, and reduced awareness towards appropriate financial reports in finance and accounting departments because the opinions of past CEOs were given priority.

In light of the results of those cause analyses, in addition to inspecting and coordinating measures to prevent recurrence including what has been formulated and published to date, the Company has analyzed problems in its timely disclosure system and established new measures such as developing and operating a disclosure system aimed at proactive information disclosure.

On March 15, 2016, six months after its designation of its shares as Securities on Alert, Toshiba published its "Improvement Plan and Situation Report." This referred to **Principles for Listed Companies in Scandal** issued by the Japan Exchange Regulation.

Category	Organizations and problems		Major prevention measures against recurrence
Disregarded Internal Controls	Former CEOs	<ul style="list-style-type: none"> • Issued challenges exceeding capabilities in a severe management environment • Obsessiveness with evaluations inside and outside the Company 	<ul style="list-style-type: none"> • Clarify responsibilities (action for compensatory damages against former executives) • Strengthen monitoring and controls by the measures below
	Former CFOs	<ul style="list-style-type: none"> • Authority concentrated in president • Tolerated inappropriate accounting out of attitude of following top management 	<ul style="list-style-type: none"> • Clarify responsibilities (action for compensatory damages against former executives) • Give the Nomination Committee the right to consent to CFO selection
Imperfect Internal Checks and Balances Function	In-house Companies	<ul style="list-style-type: none"> • Pressure from Corporate to achieve high growth and to avoid withdrawals from operations • Short-term standard for planning budgets and evaluating business performance 	<ul style="list-style-type: none"> • Shift emphasis from profit to cash flows when planning budgets and evaluating business performance
	Finance & Accounting	<ul style="list-style-type: none"> • Too much focus on management accounting • Fixed personnel 	<ul style="list-style-type: none"> • Review the chain of command for financial accounting and management accounting • Recruit external talent
	Internal Audits	<ul style="list-style-type: none"> • Disregard of accounting perspective • Inexperience with accounting and auditing 	<ul style="list-style-type: none"> • Define authority and responsibilities (focus on financial audits) • Increase headcount of Internal Audit Division, take advice from outside experts
Imperfect Monitoring and Control Function	Board of Directors, Nomination Committee, Audit Committee	<ul style="list-style-type: none"> • Defective personnel organization and lack of expertise • the process to select/dismiss the president and CEO was unclear • Insufficient provision of information required for discussion 	<ul style="list-style-type: none"> • Appoint managers and experts as outside directors • Clarify the process to select/dismiss the president and CEO (introduce vote of confidence for CEO) • Strengthen function of gathering information required for discussion • Appoint a Full-Time Audit Commissioner (external)
Corporate Culture, Etc.	Corporate Level	<ul style="list-style-type: none"> • Lack of awareness of appropriate financial reporting • Deficiencies in business processes 	<ul style="list-style-type: none"> • Establish Accounting Compliance Committee • Review business processes • Enhance information disclosure/dissemination function (establish new organization)

No restrain/Advice

The Company hopes to regain the trust of shareholders, investors and all other stakeholders by achieving a strong corporate constitution together with implementing measures to prevent recurrence. For this purpose, it has released and is implementing management measures the “Toshiba Rebuilding Initiative” which has four strands: “Strengthening Internal Control Systems and Reforming the Corporate Culture,” “Decisive Action on Business Structural Reform,” “Review the Business Portfolio and Operational Structure,” and “Reforming the Financial Base.”

Outline of “Toshiba Rebuilding Initiative”

- Strengthen Internal Controls and Reform the Corporate Culture
- Decisive Action on Business Structural Reform
- Review the Business Portfolio and Operational Structure
- Reforming the Financial Base



Regain the trust of all stakeholders and achieve a strong corporate constitution.

Measures to prevent recurrence and the details of other reforms initiated by the Company are as follows:

Strengthening Internal Control Systems and Reforming the Corporate Culture

I. Corporate Governance Reforms

Composition of the Board of Directors and Reinforcement of the Board of Directors’ Supervisory Functions

(1) Composition of the Board of Directors and Reinforcement of the Board of Directors’ Supervisory Functions

- To ensure substantive and productive deliberations, the Company reduced membership of the Board of Directors from 16 to 10 people (the Articles of Incorporation states “20 people or less”).
- To secure an effective “monitor and supervise business execution” function, the Company increased the ratio of independent outside directors to be over half the members of the Board of Directors.
- By appointing independent outside directors who are management executives, legal and accounting professionals, or experts in other areas, the composition of the Board of Directors was changed to take the expertise of the directors into account.
- An independent outside director was appointed as Chairman of the Board of Directors.

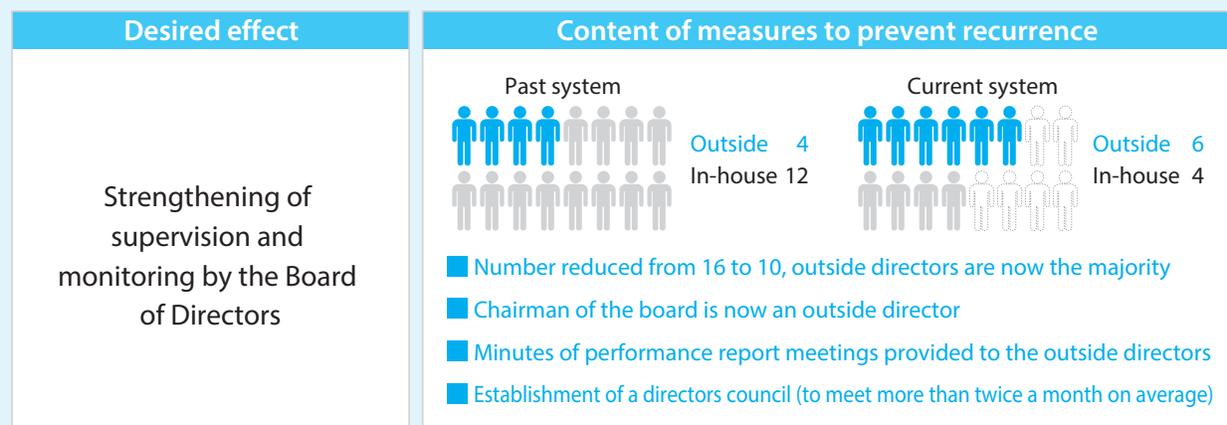
(2) Reinforcement of the Board of Directors' Supervisory Functions

- (i) The function and headcount of the Audit Committee Office was expanded in order to provide support for independent outside directors. By utilizing independent outside experts (including attorneys-at-law and certified public accountants) and others, the Audit Committee Office reinforced its powers of investigation. This provides the independent outside directors with stronger report collection and investigation abilities and reinforces their capabilities.
- (ii) The minutes of performance reporting meetings are submitted to the independent outside directors, allowing them to fully understand the content of the discussions thereat.
- (iii) The Company established 'Executive Sessions,' meetings that only consist of independent outside directors to stimulate their information exchanges and to deepen their understanding of the Company's business.
- (iv) In addition to newly adding matters relating to monthly performance to the matters to be reported to the Board of Directors, the Company revised reporting standards to be more specific by establishing monetary amounts with respect to management of risk of loss, compliance and other items that were already included in the matters to be reported.

Outline of Measures to Prevent Recurrence: Board of Directors

Hierarchical and company-wide causes

- Inadequate systems in staff organizations, lack of expertise, etc.



Reinforcement of the Audit Function of the Audit Committee

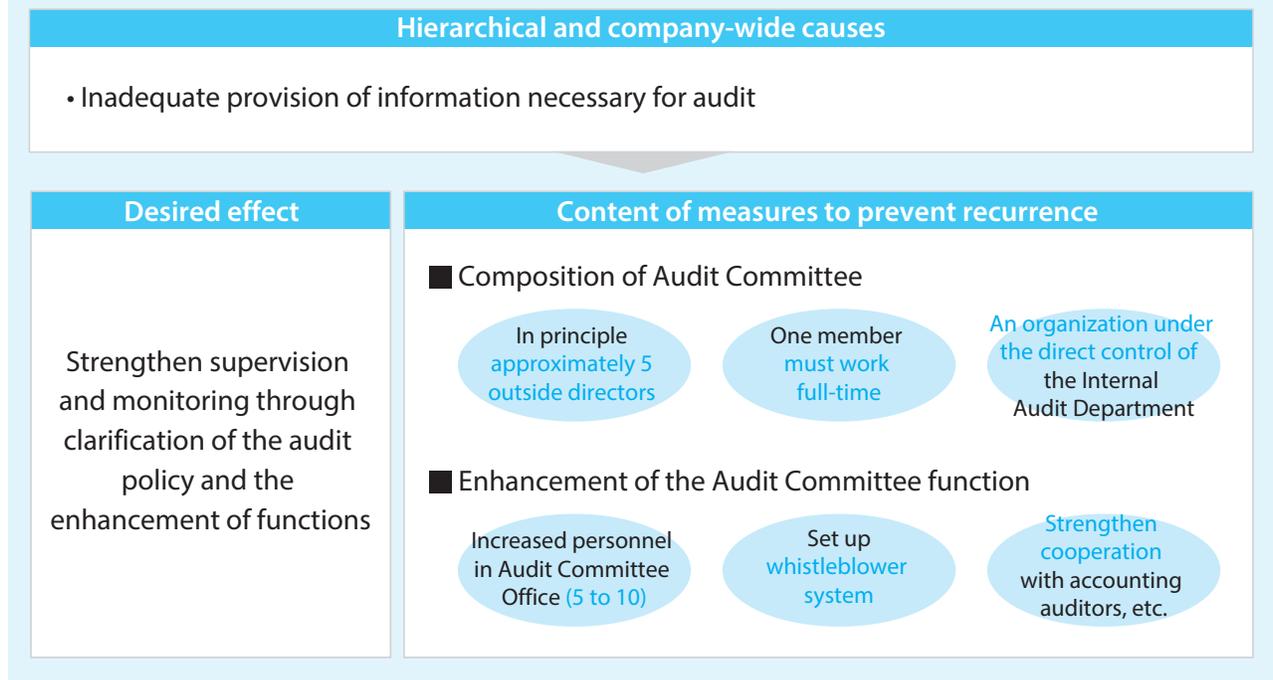
(1) Composition of the Audit Committee

- (i) The composition of the Audit Committee was changed to only include, in principle, independent outside directors.
- (ii) A full-time member of the Audit Committee was appointed so as to reinforce the functions of report collection and investigation by the Audit Committee.
- (iii) The Audit Committee became composed of independent outside directors with a high level of expertise and extensive experience in the fields of accounting, law or management.

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

- (i) 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 independent and outside experts, and implemented other measures. The Company also appointed the executive officer in charge as the head of the Audit Committee Office.
- (ii) 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) The Audit Committee came to have the right to approve the appointment of, request the dismissal of, and veto the dismissal of the head and employees of the Audit Committee Office, thereby securing the independence of the Audit Committee Office.
- (iv) The Company eliminated the current Corporate Audit Division, separated the internal audit function of the Corporate Audit Division from the business execution side, and reestablished these functions in an Internal Audit Division under the direct control of the Audit Committee.
- (v) 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 and thereby clearly separated the execution and supervisory functions. The Company appointed the executive officer in charge as general manager of the Internal Audit Division. The Company intends to newly establish the methodology of accounting audits by actively utilizing outside experts and plans to ensure the effectiveness of internal audits by allowing the outside experts to be continuously involved in internal audits to ensure constant external viewpoints in conducting internal audits in the future.
- (vi) The Company changed to a system in which the head and employees of the Internal Audit Division have a constant understanding of the latest business environment and management issues by regularly attending important meetings on the business execution side.
- (vii) The Company thoroughly and continually follows up on the improvement status of the matters indicated by internal audits through reporting the same to the Audit Committee.
- (viii) The Audit Committee came to have the right to approve the appointment of, request the dismissal of, and veto the dismissal of the head of the Internal Audit Division, thereby securing the independence of the Internal Audit Division.
- (ix) The number of members of the Internal Audit Division was increased to approximately sixty (60) people, which is 1.5 times as compared to that when the Corporate Audit Division existed. The Internal Audit Division has been reinforcing their functions by actively utilizing external accounting experts.
- (x) Recognizing the inadequacies in cooperation between the Audit Committee and the accounting auditor, for the purpose of further becoming aware of the necessity of audits of accounting treatment, the Audit Committee not only receives reports on audit result summaries from the accounting auditor as in the past, but also has been setting topics to allow for active discussions between the Audit Committee and the accounting auditor, thereby further enhancing cooperation between the Audit Committee and the accounting auditor. In addition, before closing, the CFO and the General Manager of the Accounting Division sort out the important accounting treatment issues with the accounting auditor, and beginning from a stage prior to closing, report to the Audit Committee on the details of their discussions and the progress at the time of closing.

Outline of Measures to Prevent Recurrence: Audit Committee



Reinforcing the Nomination Committee and Ensuring the Transparency of Nomination Procedures

(1) Composition of the Nomination Committee

- (i) The composition of the Nomination Committee was changed to only include, in principle, independent outside directors.

(2) Ensuring the Fairness of Nomination Procedures

- (i) To ensure the objectivity and fairness of the process for nominating the successor of the President and Chief Executive Officer, it was decided that the Nomination Committee will formulate a Succession Plan.
- (ii) A reform was made to have the Nomination Committee determine the standards for electing executive officers. The Nomination Committee came to have the authority to conduct periodic interviews with all candidates, and the Company introduced a system for votes of confidence regarding the President and Chief Executive Officer by senior management.

II. Reinforcing the Internal Control Function

Review of Budgetary Control

From the viewpoint of escaping from an overriding current term profit policy and formulating reasonable medium-term business plans and budgets that are feasible based on actual capabilities, the budget formulation policy has been clarified from a medium-term perspective, and the budget formulation process and performance evaluation for in-house companies were also revised. As for the clarification of the budget formulation policy, a policy of business selection and concentration has been clarified in which concentrated investments are made on businesses with high growth potential, and the review of business for which growth is not anticipated is considered based on quantitative evaluations of business profitability and qualitative evaluations of business growth potential, and budget formulation reflecting this policy has been thoroughly enforced.

In addition, for the budget formulation process, revisions were conducted to shift from a process that focused on sales and increasing profits to a process that considers feasibility from a medium-term perspective focused on cash flows. Furthermore, for performance evaluations for in-house companies, changes were made from the focus on operating income and the degree of budget attainment to a focus on investment efficiency centered on cash flows. Specifically, evaluation items including budget evaluation items have been reviewed and adjusted to shift to an evaluation system based on investment efficiency (quantitative aspects) and business potential including market growth potential and the Company's advantageous position (qualitative aspects) on a business by business basis. At the same time, in order to encourage the autonomous and independent management of in-house companies, in-house companies will conduct decisions on whether to make investments based on their own responsibility through means such as requiring explanations from in-house companies on the appropriateness of the interest-bearing debt balance from the perspective of business profitability and investment efficiency.

Along with the revisions above, the CEO Monthly Meetings that discussed the outlook for improvements in short-term profit figures were abolished, and performance reporting meetings were newly established as a forum to have debates aimed at future performance improvements based on results centered on cash flows. In addition, the General Manager of the Internal Audit Division came to attend performance reporting meetings, and the submitted materials and minutes are to be promptly shared with outside directors.

Strengthening the Checks and Balances Function Played by the CFO and Finance and Accounting Divisions

(1) CFO

The checks and balances function of the CFO was strengthened by incorporating into the account settlement process the coordination between the CFO and the Audit Committee composed only of independent outside directors. In addition, to ensure the independence of the CFO from top management, the authority to consent to proposals for CFO appointment and dismissal has been granted to the Nomination Committee.

(2) Reform of the Finance and Accounting Divisions

In order to secure the independence of the accounting departments of the in-house companies from the presidents of the same, the in-house company accounting divisions, which had been under the direct control of the in-house company presidents, were changed to be under the direct control of the Finance and Accounting Divisions as corporate staff. Following that, the Company transferred the right to evaluate the performance of the in-house company Chief Financial Officers (CCFOs) from the presidents of each in-house company to the CFO, so as to secure the independence of the finance and accounting functions. Affirming that financial accounting is something that is stringent in order to support the soundness of securities markets, the financial accounting personnel and managerial accounting personnel in the corporate staff division were separated, the Finance & Accounting Division was abolished, and the Finance & Cash Division and the Accounting Division were newly established so as to reinforce internal control functions over accounting treatment.

Outline of Measures to Prevent Recurrence: CFO & Finance Division

Hierarchical and company-wide causes	
<ul style="list-style-type: none"> • Concentration of authority in the president • Fixing of human resources and attitude focused on management accounting 	
Desired effect	Content of measures to prevent recurrence
Guarantee independence of the CFO from CEO	<ul style="list-style-type: none"> ■ Grant the Nominating Committee the right to agree to proposals for the appointment and dismissal of the CFO
Strengthen the structure of the Finance Division	<ul style="list-style-type: none"> ■ Organizational separation of finance and management accounting ■ Expansion of external recruitment ■ Strengthen cooperation with the Audit Committee and accounting auditors
Make in-house company accounting departments independent of CP*	<ul style="list-style-type: none"> ■ Position in-house company accounting departments directly under the corporate Finance Division ■ Transfer the human resources evaluation functions to the CFO from CCFOs

* CP: Company president

Reform of the Internal Reporting System

Together with establishing a direct internal reporting function in the Audit Committee Office in addition to the internal whistleblower system on the business execution side, the Company endeavors 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. The Company has enacted a reform to immediately share the details of whistleblower reports regarding accounting with the accounting auditor.

Business Process Reform

Responding to material weakness found in the current internal control systems in respect of financial reporting, accounting regulations were amended for the revision of accounting treatment standards and revisions were made in business processes for which the existence of weakness was confirmed for four particularly important items (percentage-of-completion method, parts transactions, recording of expenses, and inventory valuation).

(1) Percentage-of-completion Method

For estimates such as total estimated income from contract work and total estimated cost of contract work, the details of regulations related to such estimates were formulated in order to make those estimates reliable, as reliable estimates are also an application condition for the percentage-of-completion method. In reflection of the fact that rules on accounting and business processes were not made well known, accounting compliance education was thoroughly implemented and the check systems on the appropriateness of accounting treatment (the appropriateness of total estimated cost of contract work, etc.) by accounting departments, etc, have also been strengthened. Furthermore, in order to ensure the appropriateness of accounting

treatment for projects for which the percentage-of-completion method or the contract-completion method are used, a Project Examination Division has been newly established to conduct reviews before project orders are received and to conduct monitoring on the appropriateness of costs after orders are received.

(2) Buy-Sell Transactions, etc.

As part of structural reforms in the PC Business, horizontal specialization through the outsourcing of development and production to the companies contracted to design and manufacture the Company's brand products (ODMs) has been stopped, and the buy-sell transactions that were an issue have been abolished from the newly handled portion. In addition, as a measure until abolition, the monitoring of abnormal values in supply quantity and price was introduced by preparing receipt and payment tables and managing physical inventory for the inventory held by ODMs. Furthermore, by conducting regular stocktaking, the book quantity of actual goods is being confirmed.

(3) COs (carry overs)

Rules and processes relating to treating expenses and intra-group transactions were revised in order to appropriately recognize revenues and expenses. Specifically, checks and controls are being strengthened in departments applying for expenses, accounting departments, etc., through means such as management of abnormal values through transitive analysis and confirmation of various provision calculation results based on expense management materials.

(4) Inventory Valuation

For turn out of value (TOV) revision, the rules for revision timing have been clarified to include confirmation that front-end and back-end standard costs in relation to the manufacturing of semiconductors are linked, and it has been also clarified that the cost variance allocation method was implemented by process. In addition, the valuation criteria have been revised for inventory subject to valuation that was not clear, and education on accounting principles and regulations is being thoroughly implemented.

Outline of Measures to Prevent Recurrence: Company-wide

Hierarchical and company-wide causes

- Lack of awareness of appropriate financial reporting
- Inadequacies in business processes

Desired effect

Reinforce internal control systems through review of business processes

Content of measures to prevent recurrence

- Criteria for progress in construction projects: **monitoring by the Project Monitoring & Oversight Division**
- Buy-Sell transactions: **discontinued**, no new handling
- COs: **Review of rules and processes** for handling costs, etc.
- Inventory valuation: clarification of rules for **TOV revision**

Development of J-SOX Compliance

Responding to the fact that J-SOX compliance was not appropriately implemented within in-house companies, the number of members of the J-SOX Promotion Group (Internal Management System Reinforcement Project Team J-SOX Promotion Group) has been increased from four (4) as in the past to 10. The J-SOX Promotion Group is providing support to ensure that J-SOX compliance is being properly implemented at in-house companies. In addition, the Internal Audit Division shall conduct audits on J-SOX-related systems, frameworks, and implementation status. Furthermore, the members of the J-SOX Promotion Group on the corporate staff side endeavor to conduct regular training for in-house company personnel to ensure the expertise of in-house company personnel.

Accounting Compliance Committee

With the establishment of the Accounting Compliance Committee, in which the President and Chief Executive Officer serves as Chairman and the Audit Committee and the Internal Audit Division participate as observers, the Company has established a company-wide framework for the timely and appropriate assessment of issues that could lead to inappropriate financial reporting, the early discovery of risks that could threaten internal control, and instructing and considering countermeasures.

Internal Controls over Financial Reporting

The Company has already established and largely implemented the measures of its Improvement Plan for rectifying the material weakness in company-level internal controls over financial reporting that the Company identified last fiscal year. However, there are some measures regarding which the implementation status cannot be verified yet due to constraints in the implementation period, and not all the implementation status of the improvement measures have been sufficiently verified. Moreover, in connection with the closing and financial reporting process, certain items for restatement, including the restatement of financial results, were discovered in the course of the audit of financial statement, and it was also determined that there were important deficiencies for FY2015 that also required disclosure. In order to verify the remediation of material weakness in company-level internal controls requiring disclosure, the Company will endeavor to improve the implementation status of the budget control system, to firmly establish awareness of proper financial reporting among employees working in connection with closing and financial reporting, and to implement improvement measures for material weakness in internal controls requiring disclosure in connection with the closing and financial reporting process and will additionally verify the status of future quarterly financial closings.

III. Improving of Management and Employee Awareness

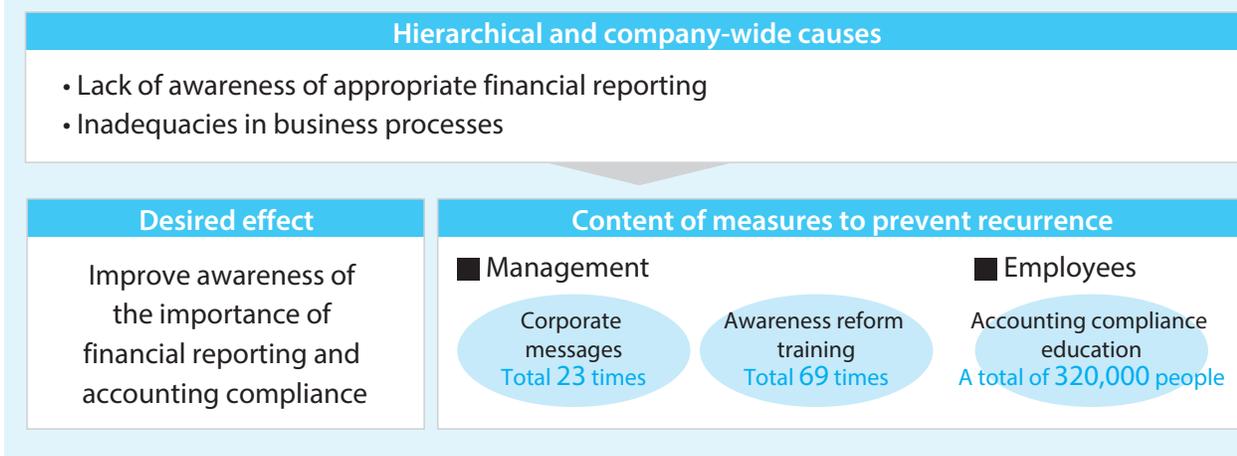
Improved Awareness and Strengthening of Compliance

The 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 reviving 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 officers and top management in October and December 2015, March and June 2016, toward improving the awareness of top management. The Company plans to continue these seminars.

Education on Accounting Compliance

In addition to the awareness improvement seminar for officers and 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 plans to continue these seminars.

Outline of Measures to Prevent Recurrence: Company-wide



Decisive Action on Business Structural Reform

The Company has pursued structural reform of System LSIs and Discretes in the Semiconductor business segment of the Electronic Devices Department, the PC, Visual Products, and Home Appliances business segments in the Lifestyle Products and Services Department, and the corporate Staff Division, etc.

Through these measures, the Company reduced its headcount in the departments subject to structural reform by approximately 14,000 employees in total in and outside of Japan, including 3,000 employees reassigned within the Toshiba Group.

Review the Business Portfolio and Operational Structure

Within the process of developing medium-term business plans, starting from FY2016, the Company is discussing and reforming the following items. The Company announced the plan at the FY2016 Business Plan presentation meeting held on March 18, 2016.

Business Portfolio

Focus Business Fields

Focus on Platform Businesses that Sustain People and the Future



Storage

that sustains the advanced information society

Infrastructure

that sustains quality lives

Energy

that sustains everyday lives, that is cleaner and safer

- For the purposes of solving various social problems through our technologies and products and contributing to the realization of the productive, safe and secure lives of people, the Company will focus on the businesses of Energy, Social Infrastructure and Storage, which are foundations of those goals.
- The Healthcare business was one of the areas of focus expected to produce future growth. However, in order for the Healthcare business to realize its potential to the full and to maximize its value to the full and for the Company to strengthen its balance sheet, the Company decided to sell Toshiba Medical Systems Corporation and has signed the transfer and related agreements with Canon Inc. on March 2016.
- Although the Home Appliances business has a long history and tradition and has been one of the businesses that represent the Company, the Company has pursued structural reform of that business to further improve operational efficiencies, considering alliances with third party companies as a future option. Specifically, after the Media business of Toshiba Lifestyle Products & Services Corporation (TLSC), which was the Company's consolidated subsidiary and engaged in the Home Appliances business, was split off, the Company finally agreed to transfer more than 80% of the shares of TLSC, which will continue to engage in the Home Appliances business, to Midea Group Co., Ltd., a major Chinese home appliances manufacturer in March 2016.
- The Company improved operational efficiencies by splitting off the PC business and merging it with a sales company targeting domestic corporations in April 2016. Specifically, the Company signed an absorption-type company split agreement

in February 2016, whereby Toshiba Information Equipments Co., Ltd. (name changed to Toshiba Client Solutions Co., Ltd. as of April 1, 2016) succeeded to the Company's PC business by means of a company split, and the PC business was transferred to that company in April 2016.

- The Company signed an absorption-type company split agreement in February 2016, whereby part of the System LSI business at the Company's Oita Operations was transferred to Iwate Toshiba Electronics Co., Ltd. (name changed to Japan Semiconductor Co., Ltd. as of April 1, 2016) by means of a company split, so that the Company will concentrate management resources in business areas where the Company anticipates market growth and enjoys technological advantages, such as analog integrated circuits and motor control drivers for automotive and other applications, and will secure efficient integration and management of the 200mm and 150mm wafer production lines. The Company decided to withdraw from the CMOS image sensor business and transfer to Sony Corporation the 300mm wafer production line at the Company's Oita Operations in March 2016.

Establishment of a Small but Strong Headquarters

The Company will slim down corporate staff functions and concentrate the corporate staff's mission on strategic planning for the future. At the same time, in order to strengthen the independent autonomous management of the in-house companies, functions needed for business operations will be transferred to the in-house companies. Based on this decision, the Company reformed the corporate Staff Division on April 1, 2016. In order to announce the business activities of Toshiba Group in a timely and appropriate manner, and to enhance interactive communications with stakeholders, the Company repositioned the Public Relations & Investor Relations Office as a division directly under the President and Chief Executive Officer, and within that office, established a new Information Disclosure Office specifically in order to make timely and appropriate disclosure to stock markets. In addition, the Company abolished the Finance & Accounting Division and newly established the Finance & Cash Management Division and the Accounting Division in order to separate the financial accounting functions and the management accounting functions and to strengthen the internal control functions for accounting treatment.

Outline of Measures to Prevent Recurrence: Information Disclosure

Hierarchical and company-wide causes

- Lack of awareness of appropriate financial reporting
- Inadequacies in business processes

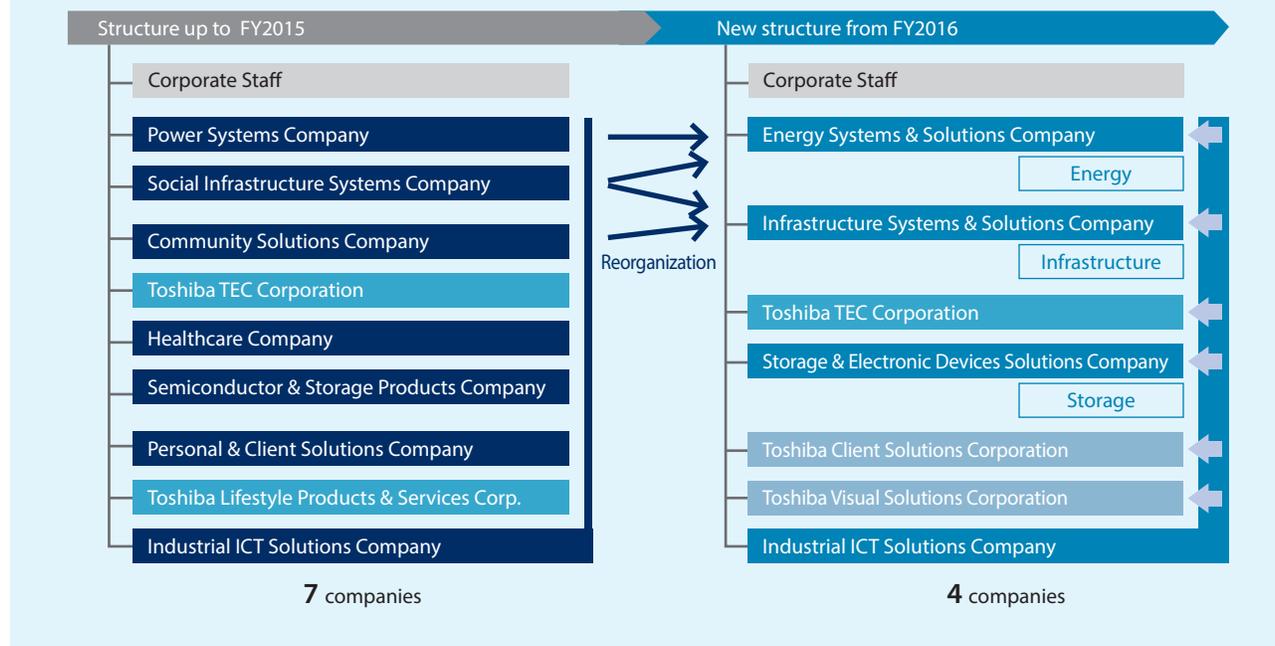
Desired effect	Content of measures to prevent recurrence
<p>Development of a system that enables prompt disclosure of information and improvement of awareness of and attitude to information disclosure</p>	<p>■ Development of information disclosure system</p> <ul style="list-style-type: none"> Clarification of criteria for information collection Staff member in charge of information management (newly introduced) Information Disclosure Office (newly introduced) <p>■ Improvement of awareness of and attitude to information disclosure</p> <ul style="list-style-type: none"> Re-establishment of basic philosophy and regulations Implementation of briefing sessions and training (corporate, in-house companies and branch offices)

Review of In-house Company System

The Company reorganized the seven in-house companies into four in-house companies in order to establish the business structure focusing on three businesses – the Energy business, Social Infrastructure business and Storage business.

Review of Operating Structure

Reorganized In-House Companies to Align with 3 Focus Areas



- The Company integrated and reorganized the Power Systems Company, the Social Infrastructure Systems Company and the Community Solutions Company into two new companies – the Energy Systems & Solutions Company and the Infrastructure Systems & Solutions Company.
- The Company renamed the Semiconductor & Storage Products Company as the Storage & Electronic Devices Solutions Company.
- As a result of the sale of Toshiba Medical Systems Corporation, the Company's medical equipment subsidiary, the Company abolished the Healthcare Company and newly established the Life Science Division*. (*Eliminated on October 1, 2016)
- The Company abolished the Personal & Client Solutions Company. The Company repositioned its Ome Complex, which was under that company, as part of the corporate Staff Division.

Reforming the Financial Base

Reflecting on the fact that it fell into an overriding current-period profit policy, the Company will continue to further promote business management emphasizing cash flow and give first priority to restructuring for recovery from a weakened financial platform.

Measures to Secure Financial Platform

- The Company will set firm rules on limits to investments and make resource allocations based on the business portfolio and in those business domains that will generate cash.

Under this policy, the Company will focus its FY2016 investments on the Energy and Storage businesses and limit investments in other areas to refurbishment. The Company will also focus on research and development in technologies that generate cash flows and, with a long-term outlook, will advance research and development with an aim to create new growth businesses.

- The Company will also reinforce management of interest-bearing debt on a consolidated basis by the in-house companies so that the Company will be able to reduce interest-bearing debt.

Sales of Assets

The Company has been thoroughly reviewing the assets it holds, such as stocks and real estate, and their necessity and considering selling them off without any restrictions. The Company plans to raise funds in the amount of one trillion yen or more by examining its assets by the end of FY2016, including the already-completed sale of Toshiba Medical Systems Corporation and the sale of shares of KONE Corporation, a Finnish corporation and partner in the elevator business, and Topcon Corporation, an affiliate.

Measures to Secure the Financial Platform

Prioritize Improving the Financial Platform

Organize Financial Platform

Concentrate investments in cash generating fields, based on the business portfolio

Strict consolidated-base control of interest-bearing debt of the in-house companies

- Establish financing limit for in-house companies, put in place monthly monitoring system

Urgent Fund Raising

Raise over ¥1 trillion in FY2015, FY2016

- **Assets sold in FY2015**

Sale of Toshiba Medical Systems Corp. ¥665.5 billion

Sales of stock holdings ¥200 billion

- **Raise further funds through sales of the Home Appliance business and additional sales of stock holdings**

The Company has been implementing the reforms set out above and once again sincerely apologizes for causing the current situation. The management team and the entire Company will continue making their best efforts to recover the trust of all the Company's stakeholders.

Message from the CFO



Building a Healthy Financial Base

Masayoshi Hirata
 Representative Executive Officer
 Corporate Executive Vice President

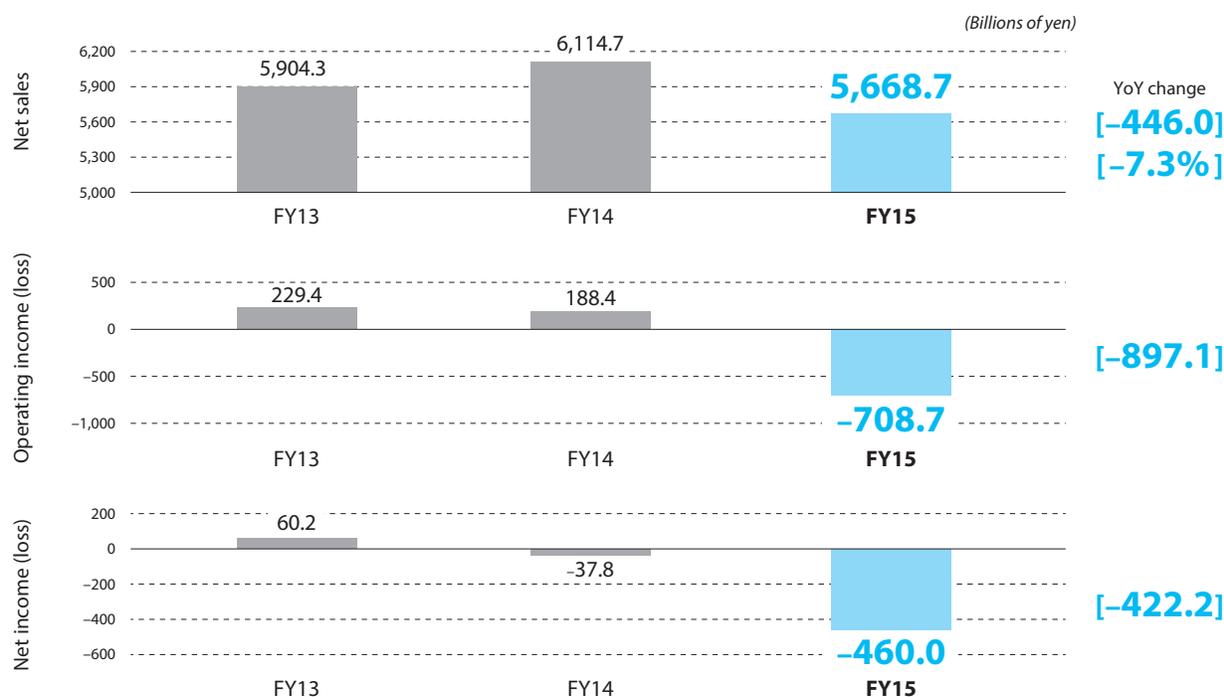
Performance and Achievements in FY2015

Toshiba Group's performance in FY2015 saw net sales fall by ¥446.0 billion (7.3%) against the previous year. Operating income deteriorated from a surplus of ¥188.4 billion in the previous year to record the Company's worst ever loss, -¥708.7 billion. While various factors can be identified as causative in this deterioration, including impairment of goodwill in the nuclear power business and the implementation of structural reforms, we recognize that both results are primarily due to the decrease in Toshiba's business competitiveness that was made clear by the

improper accounting problem, and falling behind the curve in implementing drastic restructuring measures.

This major deficit inflicted significant damage on the shareholders' equity, which fell from ¥1,084.0 billion in the previous year to ¥328.9 billion, a shareholders' equity ratio of 6.1%. Further, while net interest-bearing debt was reduced by revenues from the sale of assets, the net D/E ratio also worsened to 146%, 43 points down against the previous year, putting the company in a serious financial situation.

Business Results



Building a Healthy Financial Base

We have responded to this situation by establishing the Toshiba Rebuilding Initiative to investigate and propose structural reform of Toshiba Group, without any restrictions. I myself am also promoting essential reform with a focus on financial affairs and management accounting. In doing so, I constantly keep in mind the premises of “understand the substance” and “honest and consistent accounting,” toward realizing an “improved financial structure” and “operations grounded in cash flow”.

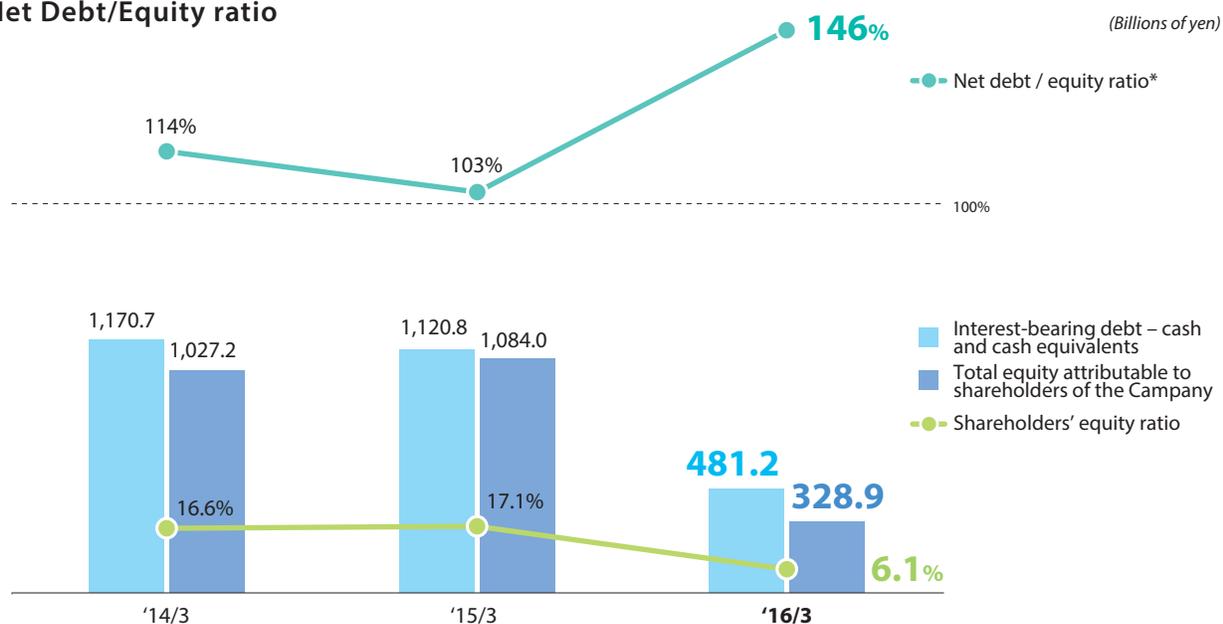
In earlier initiatives, measures taken in relation to business include the sale of Toshiba Medical Systems Corporation and Toshiba Lifestyle Products & Services Corporation. We also want to end the designation of our shares as “Securities on Alert,” imposed in September 2015, and towards securing cancellation we have prioritized the development of internal management controls. In doing

this, we have built new foundations for the system, particularly in finance and accounting. Management of accounting was previously centered in the in-house companies, but is now an independent operation, a move that will assure its objectivity. We have also carried out a full review of accounting rules and enhanced the checking function in the settlement of accounts.

From now on, we will first of all, based on our management policy of “operations grounded in cash flow”, continue to promote measures that include selective and concentrated investments and adjustment of total assets, pursuit of greater efficiency in working capital, and stable profitability. Initially, by steadily building up self-help efforts like those described, we want to disseminate a heightened awareness of financial discipline throughout Toshiba Group, and quickly realize sound financial foundations.

Financial Platform

Net Debt/Equity ratio



* Net debt / equity Ratio = (interest-bearing debt – cash and cash equivalents) / equity attributable to shareholders of the Company

Beyond this, whatever measures we implement, we will bear in mind that accounting compliance is a prerequisite, and endeavor to ensure that Toshiba Group has a shared accounting culture where the nature of the business is assessed by appropriate accounting.

Going forward, as the CFO I will continue to work with my full force and in good faith expand corporate value in such a way that all stakeholders, including our shareholders, will extend their support to Toshiba Group.

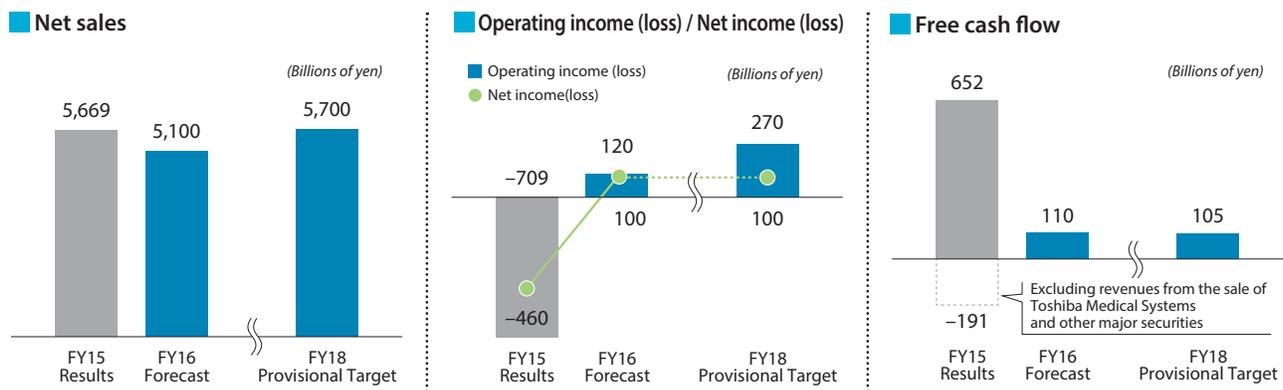
FY2016 Business Plan

FY2016: Regain Trust and Rebuild Toshiba

1. Concentrate on Focus Businesses
2. Improve the Financial Platform
3. Return to the Capital Markets

Improve the Financial Platform

Business operations grounded in cash flow
All businesses move into the black in FY2016
Shareholders' equity ratio of over 10% in FY2018



We will make sure that we link the outcome of the various measures implemented during FY2015 to improving business performance, and in order to make all businesses profitable and to strengthen our financial structure, we will thoroughly implement business management centered on cash flow.

At the March 18, 2016 briefing on the FY2016 Business Plan, we announced our business plan for the period to fiscal 2018, based on the new business management system. Further to that, on July 6, 2016, in a first for the Company, we held "FY2016 In-house Company IR Briefings," at which the presidents of the in-house companies explained their business strategies.



Danny Roderick
 Company President and CEO
 Energy Systems & Solutions Company



Shinichiro Akiba
 Company President and CEO
 Infrastructure Systems & Solutions Company



Yasuo Naruke
 Company President and CEO
 Storage & Electronic Devices Solutions Company



Hironobu Nishikori
 Company President and CEO
 Industrial ICT Solutions Company



Energy Systems & Solutions Company

(Billions of yen)

	FY15 Results	FY16 Forecast	FY18 Provisional Target
Net sales	1,584.2	1,700.0	1,930.0
Operating income (loss)	(346.3)	51.0	75.0
Free cash flow	69.3	30.0	69.0



Infrastructure Systems & Solutions Company

(Billions of yen)

	FY15 Results	FY16 Forecast	FY18 Provisional Target
Net sales	1,354.6	1,340.0	1,420.0
Operating income (loss)	(7.4)	51.0	32.0
Free cash flow	144.6	(18.0)	19.0



Storage & Electronic Devices Solutions Company

(Billions of yen)

	FY15 Results	FY16 Forecast	FY18 Provisional Target
Net sales	1,575.9	1,430.0	1,680.0
Operating income (loss)	(100.0)	32.0	130.0
Free cash flow	(57.0)	10.0	48.0



Industrial ICT Solutions Company

(Billions of yen)

	FY15 Results	FY16 Forecast	FY18 Provisional Target
Net sales	256.8	230.0	270.0
Operating income	8.7	17.0	12.0
Free cash flow	12.0	17.0	7.0

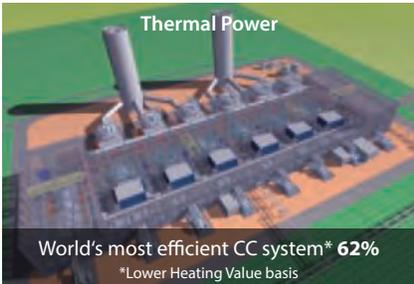
For the updated information, please visit our website as below.

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

Energy Systems & Solutions Company Business Strategy

Business Domain

— Aiming to be a top global company —

Large-scale Power Generation Systems	Renewable Energy	Transmission and Distribution Energy Storage
<p>Nuclear Power</p> <p>PWR (AP1000) ABWR</p>  <p>World's No.1 share* 27% *Reactor main contractor, installed capacity base</p>	<p>Hydro Power</p> <p>Adjustable-speed pumped storage system</p>  <p>World's No.1 share* 55% *Delivered units basis</p>	<p>T&D</p>  <p>Japan No.1 share* *GIS, Transformer, Protection Relays, Load dispatching centers</p> <p>Battery-based Energy Storage Systems</p>  <p>*Unit deliveries of large systems using lithium-ion batteries</p>
<p>Thermal Power</p>  <p>World's most efficient CC system* 62% *Lower Heating Value basis</p>	<p>Geothermal Power</p>  <p>World's No.1 share* 26% *Operating plant capacity basis</p>	<p>Fuel Cells</p>  <p>Japan No.1 share* *Cumulative shipments in Japan as of end of FY2014</p> <p>Smart Meter Systems</p>  <p>World's No.1 share* *Smart meters for residential use</p>
	<p>Photovoltaic</p>  <p>No.1 constructor for utilities in the domestic market *Operating PCS Capacity basis</p>	<p>Hydrogen</p> 

*Based on Toshiba research

Providing the world with technologies and services for making, transmitting and storing clean energy

Realizing a low-carbon economy

Steady growth with state-of-the-art technology and a rich delivery record

Focus growth area

Nuclear power

- Secure the world's No. 1 position in the fuel and maintenance business
- Make the innovative and safe AP1000™ reactor an engine for growth

Stable revenue area

Thermal power

- Steady progress in orders received and expansion of order wins
Centered on emerging countries, high efficiency thermal power, and maintenance services for existing plants

Renewable energy

- Hydropower: Centered on the base in China, expand business to third countries
- Geothermal: Promote cooperation with Ormat Technologies, which has the top global share*1 in the binary*2 field

*1: Source: Platts World Electric Power Plants Database

*2: A method of generating electricity using steam with a low boiling point that is heated with low temperature geothermal fluid

- Solar power: Through creation and storage + IoT, contribute to the realization of an "energy circulation city"

Transmission and distribution & next generation watt meter

- Focus on Japan, the Middle East, India, and the Republic of Korea, to ensure reliable earnings

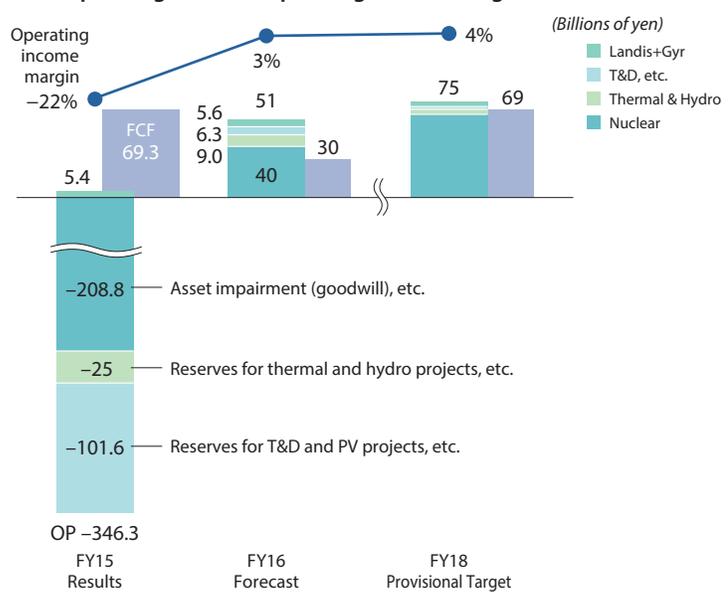
Results and Plan

Focus on nuclear and ensure profit in all businesses

Net sales



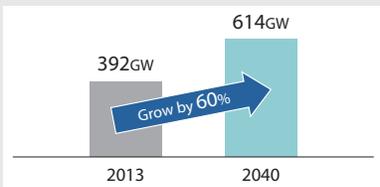
Operating income / Operating income margin / Free cash flow



Change to a company that steadily generates operating income & cash

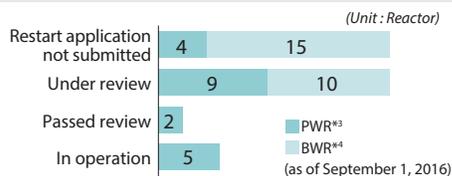
Nuclear: Market Outlook / Key Priorities

Outside Japan: Global installed nuclear capacity to grow by 60%*1 (2013→2040)



- China: Installed capacity – 58 GW by 2020; additional 30 GW or more to be installed
- India: Grow up to 60 GW by 2032
- U.S.: Gas price decline; relative competitiveness of nuclear to deteriorate
- Europe: U.K. to promote nuclear through feed-in tariffs

Japan: Growing demand for restart support and SSF*2



Preliminary design work underway;
Equipment purchase orders have been placed

Key Priorities

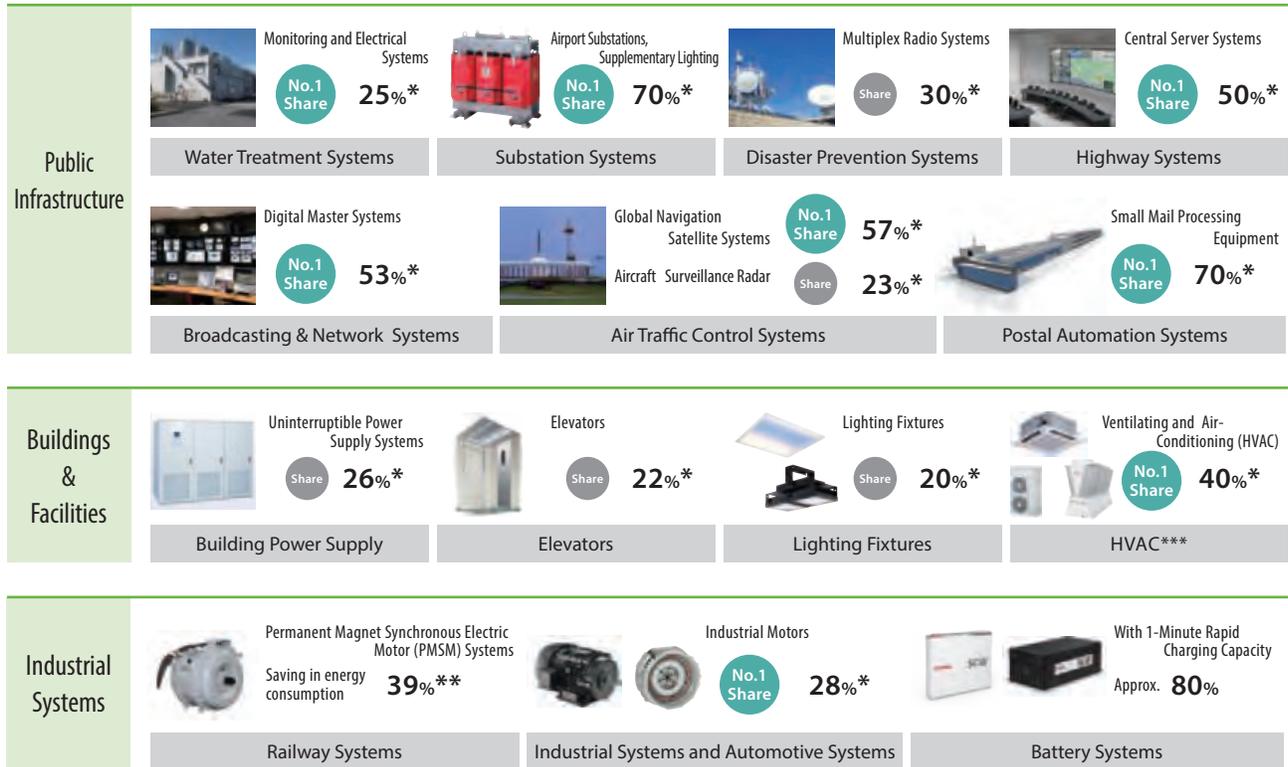
- Achieve growth in global markets
- Supplying service & fuel for competitor reactors
- Extending decommissioning business globally
- Extending new AP1000™ construction business

*1: Source...“OECD / IEA World Energy Outlook 2015” *2: Special Safety Facilities *3: Pressurized Water Reactor *4: Boiling Water Reactor

Infrastructure Systems & Solutions Company Business Strategy

Business Domain

— Provide products and services based on strengths in each of the 3 business areas —



* Share percentages are Toshiba estimates for the Japanese market

** Based on the results of field test with Toshiba PMSM and induction motors

*** HVAC: Heating, ventilating, and air conditioning

Business Objectives and Core Competencies

Contribute to the customers who support society and industry with our technology platforms and adaptability to customers

What we aim for

Support the growth and evolution of our customers across a wide range of areas where high reliability and strong involvement with the public is required

Technology Platforms

Technology platforms and core products

Monitoring Control, Power Electronics, Mechatronics and Image Processing, Wireless Communications, Heat Pumps, Lighting Controls and Batteries, Motors, Inverters, Transformers, Switchgear, and Others

Accumulation of fundamental technologies by plant

1936~ Yanagicho Complex* Mechatronics technology
 1937~ Komukai Operations
 Radio and communication technology
 1940~ Fuchu Complex
 System control technology
 Motor drive technology

* Yanagicho Complex was transferred to Komukai Complex in 2005

Adaptability to Customers

Familiarity with customer businesses and problem solving

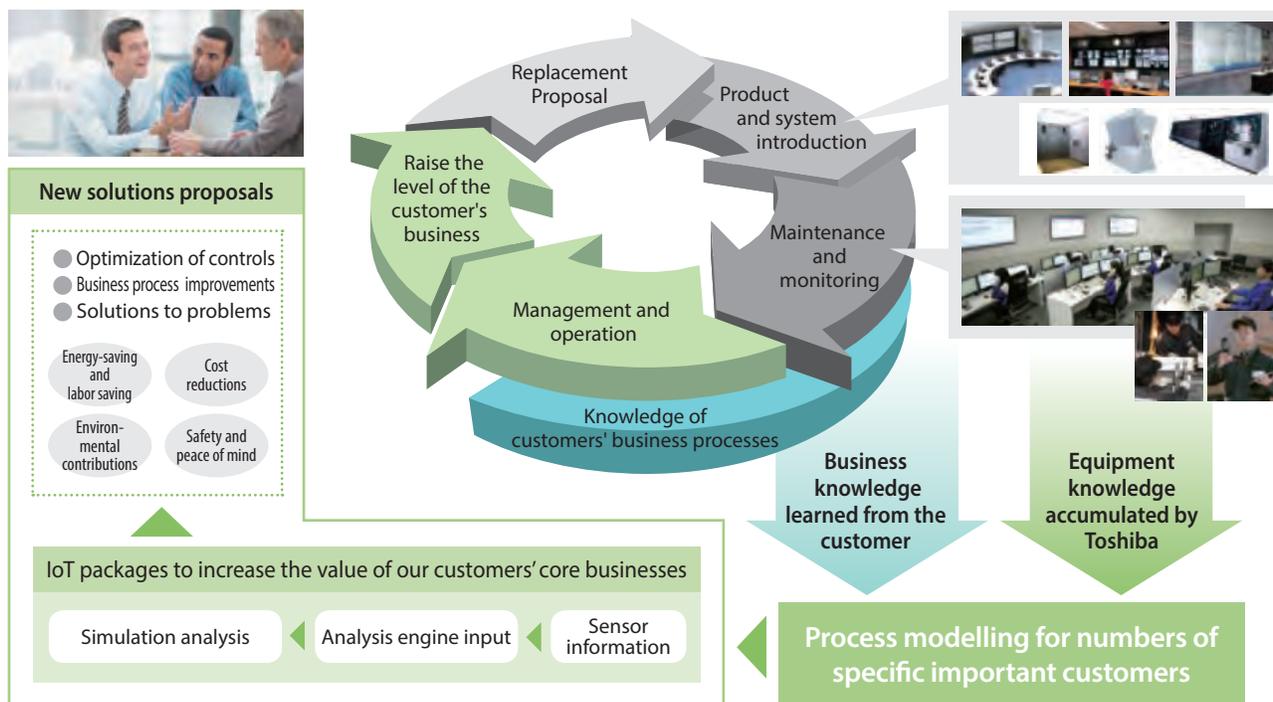
Be familiar with the customer's business and business operations, discover customer problems, build solutions to solve those problems, and provide a total service from development and manufacturing through to construction and maintenance

Number of specific important customers (9,000 companies)

Over a long period of time, teams of sales and sales engineers have built direct relationships with numbers of specific important customers, and work with them from initial negotiations through to construction and maintenance

Development of "Spiral Life Cycle Business"

By continually providing services that increase the value of our customers' core businesses, ensure that Toshiba products and systems are applied repeatedly and more widely for long periods of time, and develop "Spiral Life Cycle Business"



Results and Plan

FY16: Net sales of ¥1,340 billion, operating income of ¥51 billion and a margin of 3.8%

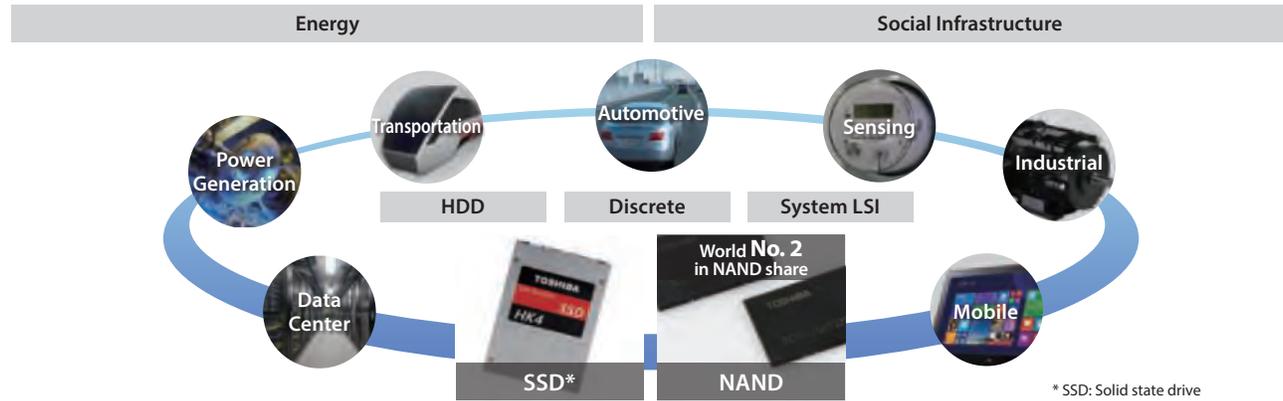
(Billions of yen)		FY15 Results	FY16 Forecast	YoY change	FY18 Provisional Target
Net sales	Public Infrastructure	374.6	362.3	-12.3	
	Buildings & Facilities	686.8	679.9	-6.9	
	Industrial Systems	343.7	340.3	-3.4	
		1,354.6	1,340.0	-14.6	1,420.0
Operating income (loss)	Public Infrastructure	10.3	20.8	10.5	
	Buildings & Facilities	-2.7	25.2	27.9	
	Industrial Systems	-15.0	5.0	20.0	
		-7.4	51.0	58.4	32.0
	Operating income margin	-0.5%	3.8%		2.3%
Free cash flow		144.6	-18.0		19.0

Net sales totals include internal write-offs and adjustments

Storage & Electronic Devices Solutions Company Business Strategy

Business Domain

— To be a pillar of income with memories as a core business —



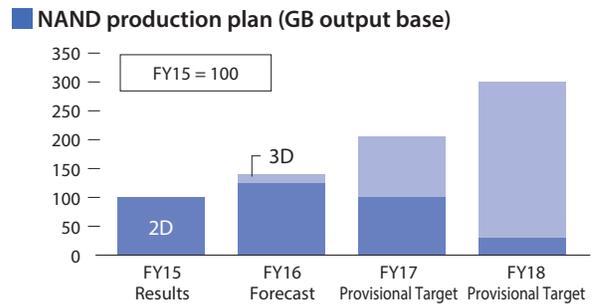
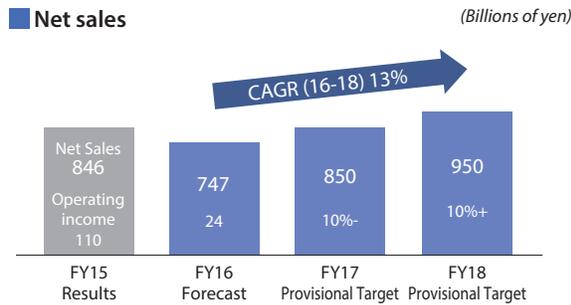
Storage & Electronic Devices

Use advanced manufacturing technology to bring cutting-edge products to innovative markets
 Contribute to creating the infrastructure of
 the Information (Big Data) Society and Eco-Friendly Society

Memory Business Strategy

Accelerate BiCS FLASH™* development and production to meet expanding storage demand and stay price-competitive

* BiCS FLASH is a Three-Dimensional Flash memory of Toshiba Corporation.

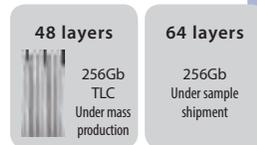


Price-Competitiveness of Memories

Further integration and cost competitiveness through deepening 3D technologies

Deepening 3D Technology

- Super-stacking technology (technology needed for more than 100 layers)
- Vertical shrinkage technology
- Die shrinkage technology (effective layout of peripheral circuits and memory arrays)



ReRAM*

Further integration and cost reductions over the long term

*ReRAM: Resistive Random Access Memory

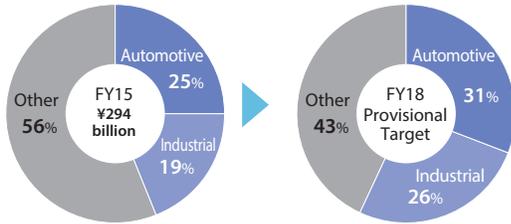
3D Manufacturing Innovation

- Die shrink and cost reduction through Nano-ImPrint Lithography (NIL)
- High productivity production technology (deposition and etching processing)
- High efficiency production (multi-clean room production)

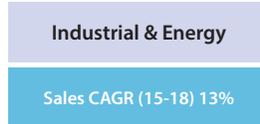
Discrete and System LSI Business Strategy

Focus on automotive and industrial to grow business through solutions for major markets

Net sales by application



- Products**
- Image recognition LSI for automotive camera
 - Power IC for EPS
 - MCU for ECU
 - FRD* for inverter
- *FRD: Fast Recovery Diode

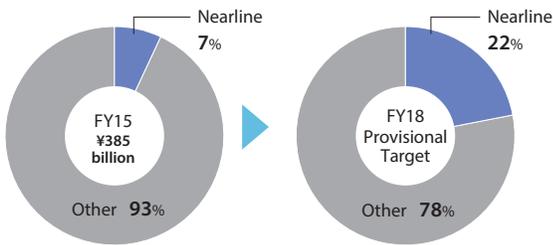


- Train
- Smart meter
- PV inverter
- Server
- UPS
- PLC

HDD Business Strategy

Concentrate on nearline HDD for data centers (hereinafter nearline), where the market continues to grow

Net sales by product



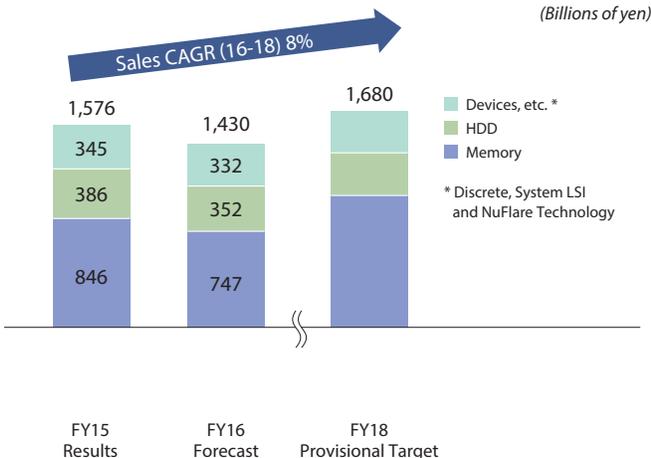
In addition to the increase in nearline demand for data centers, as further progress is made in capacity increases, market growth is forecast at 15% per year (amount basis).

In addition to sales growth from manufacturers of servers and operators of small- and medium-sized data centers, we will advance development of high capacity products and cultivate customers that operate major data centers, and aim for annual sales growth of 44%.

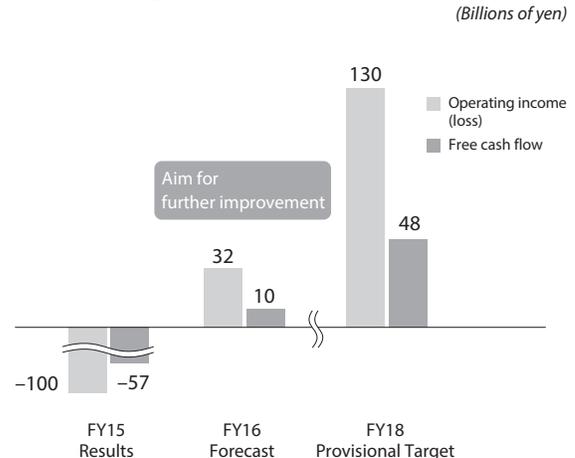
Results and Plan

Return to the black in all businesses, V-shaped recovery, back on the right track for growth

Net sales

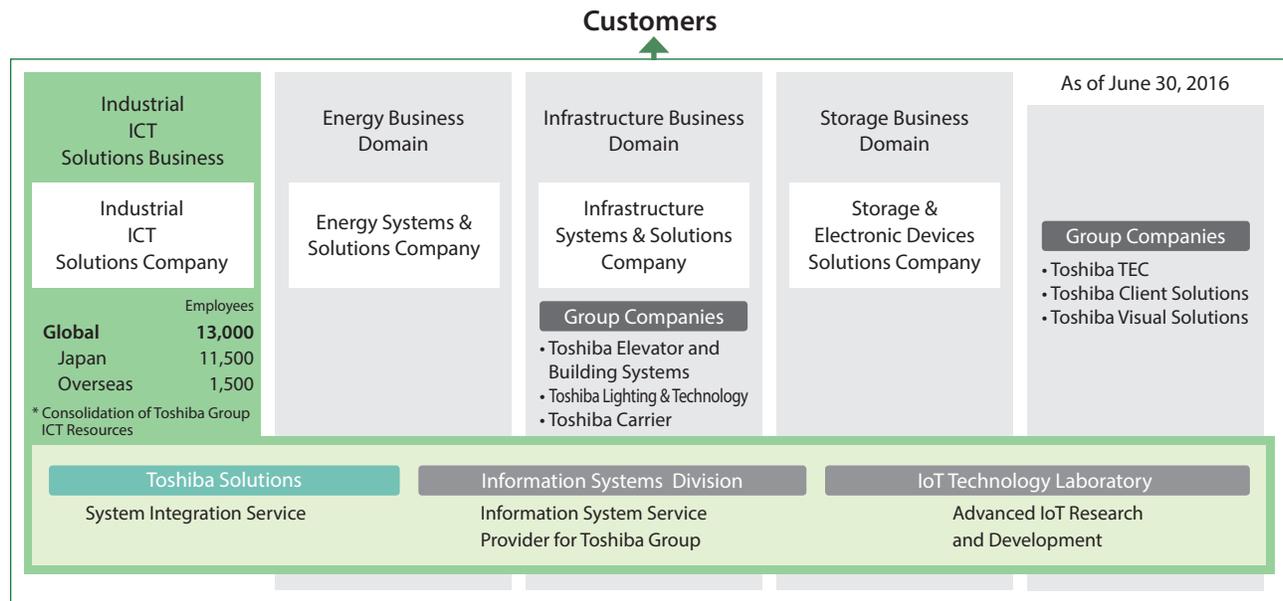


Operating income (loss) / Free cash flow



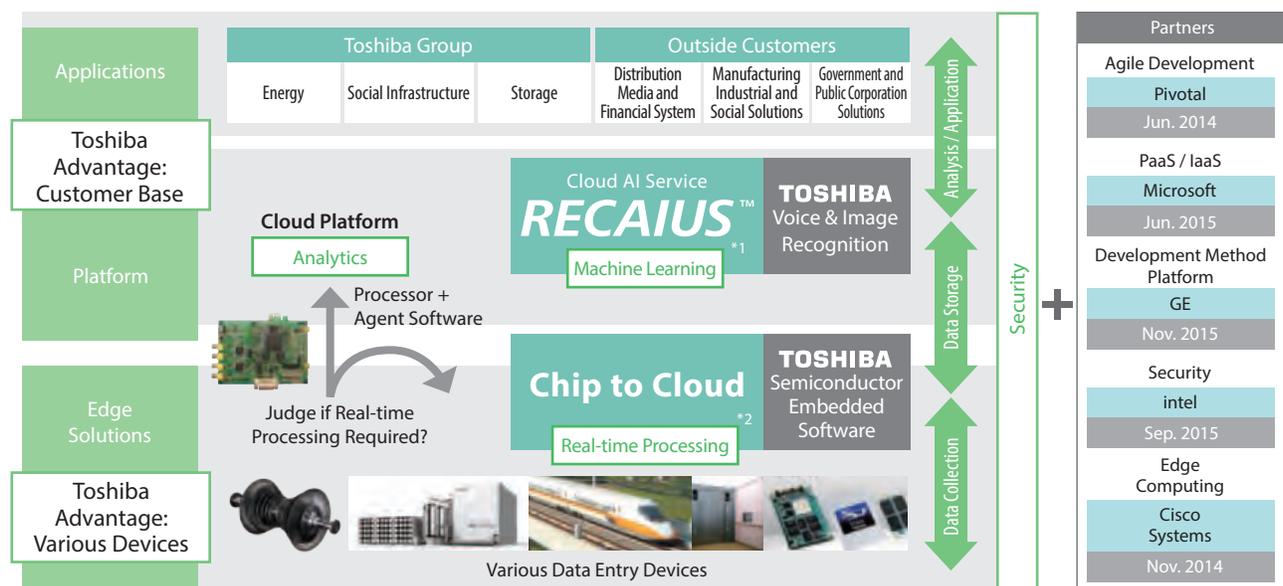
Industrial ICT Solutions Company Business Strategy

Mission and Position Promoting structural change in the IoT service business as a company that supports customer growth in a digitizing world



Toshiba's IoT business

Toshiba will offer IoT that takes advantage of "semiconductor embedded software" and "audio and image recognition technology."



*1: RECAIUS further evolves Toshiba's media intelligence technology, which we have been working on for many years, into an audio and video utilization cloud AI service that considers and supports people.

*2: Chip to Cloud is the generic name given to Toshiba's edge solutions, which include middleware, embedded software and sensing technology, etc., and that realize real-time processing appropriate for the sites where the equipment, etc., is deployed.

Toshiba IoT: Achievements and Example Scenarios

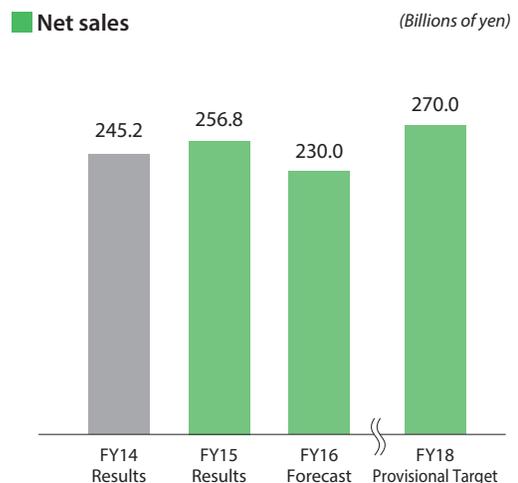
Energy	Manufacturing	Traffic	Logistics
 <ul style="list-style-type: none"> • Calculating usage and cost of electric power transmission • Remote Monitoring of Solar Power Generation 	 <ul style="list-style-type: none"> • Monitoring Industrial Equipment • Improvement of Yield Rate and Productivity of Factories 	 <ul style="list-style-type: none"> • Railway Transportation Program • Remote Monitoring of Train Operation 	 <ul style="list-style-type: none"> • Monitoring and Analysis of Distribution Truckloads
Communities	Buildings	Health	Home
 <ul style="list-style-type: none"> • Integrated Management of Houses, Buildings and Factory Facilities in a Community 	 <ul style="list-style-type: none"> • Preventive Maintenance of Elevators • Energy Saving Air Conditioning and Lighting • Control of Power Demand 	 <ul style="list-style-type: none"> • Controlling the Amount of Activity • Positive Healthcare 	 <ul style="list-style-type: none"> • Measuring Usage of Electricity Water and Gas

Results and Plan

FY2016: Net sales decrease due to lower internal business reflecting the impact of Toshiba's restructuring

FY2018: Service business growth leveraging Toshiba's ICT strength and customer relations

(Billions of yen)	FY15 Results	FY16 Forecast	FY18 Provisional Target
Net sales	256.8	230.0	270.0
Operating income	8.7	17.0	12.0
Operating income margin	3.4%	7.3%	4.4%
Free cash flow	12.0	17.0	7.0



Introducing Toshiba's New Executives



(From left)

Outside Director

Ryoji Sato

Chairman, the Audit Committee
Member, the Nomination Committee

Outside Director

Teruko Noda

Member, the Audit Committee
Member, the Compensation Committee

Director

Representative Executive Officer
Corporate Executive Vice President

Masayoshi Hirata

Outside Director

Yoshimitsu Kobayashi

Chairman, the Nomination Committee
Member, the Compensation Committee

Director

Representative Executive Officer
Chairman

Shigenori Shiga

Director

Representative Executive Officer
President and Chief Executive Officer

Satoshi Tsunakawa

Outside Director

Shinzo Maeda

Chairman of the Board of Directors
Member, the Nomination Committee
Member, the Compensation Committee

Outside Director

Koichi Ikeda

Member, the Nomination Committee
Member, the Compensation Committee

Outside Director

Yuki Furuta

Chairman, the Compensation Committee
Member, the Audit Committee

Director

Representative Executive Officer
Corporate Senior Executive Vice President

Yasuo Naruke

Corporate Governance

Message from the Chairman of the Board of Directors

Since my September 2015 appointment as Chairman of the Board, through the hard work of all Toshiba Group employees, including the Directors, we have executed reform with a sense of urgency. In a situation where we have had to make difficult decisions and take tough actions, the Board's repeated discussions have looked at company projects from all sorts of perspectives, in order to ensure that Toshiba continues to be a company needed by society.

The Board supports the “dream” of making Toshiba shine again, and we have brought this determination to auditing and oversight and provision of support for the “Toshiba Rebuilding Initiative”. To my way of thinking, an even bigger achievement than rapidly delivering the content of the Initiative was the creation of the corporate culture that sustained the discussion that made it possible. I see a Toshiba where people are not constrained by their own position or interests, where it is possible to freely and vigorously brainstorm different opinions. I am convinced that this is an essential element for Toshiba's future growth.

Realizing corporate governance that functions soundly was a major challenge, but we have made progress that goes beyond simply achieving the form; deep and lively discussions are now taking place, and Toshiba is about to change significantly.

Even so, ask me if we have regained the trust of our shareholders, customers and society, and I will tell you that we are still only half way there. The direction we should go in is clear, but the plan we have developed needs further elaboration and must be soundly executed. The real agents of reform are each and every individual Toshiba Group employee, and Toshiba's growth will come only when each employee has grown. To put that another way, I believe that each employee regaining confidence and achieving personal growth will regenerate Toshiba. When all employees again have pride as “Toshiba people,” we will win the trust of people around the world and once again be an admired company. I will do all I can to unify the powers of all Toshiba Group employees so that we achieve the early rebuilding of Toshiba.



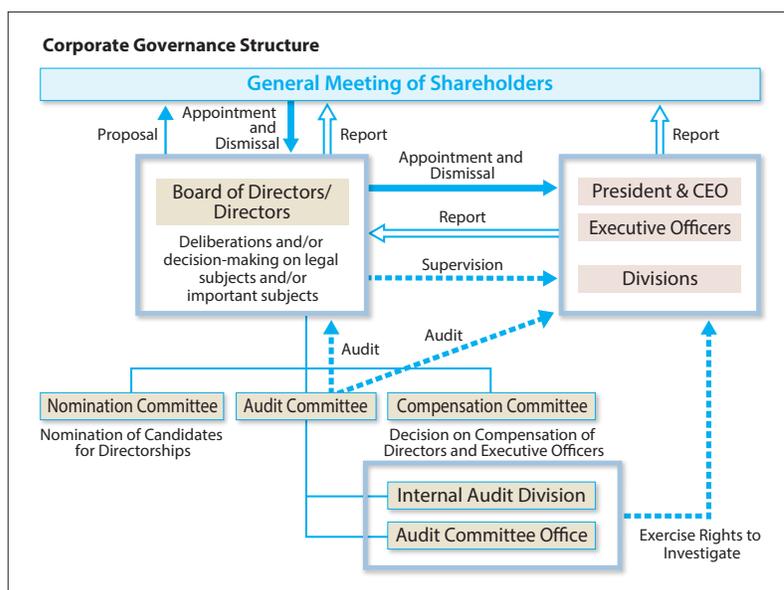
Shinzo Maeda
Chairman of the Board of Directors

Governance Overview

Toshiba's Governance System

Toshiba's central aim in corporate governance is to achieve sustainable growth and to enhance Toshiba Group's corporate value over the medium- to long-term thereby contributing to the profit of all stakeholders, including shareholders, investors, employees, customers, suppliers, creditors and local communities.

The Board of Directors has adopted “Corporate Governance Guidelines” that form the framework of governance of the Company. For more information on this, please visit our website at the following URL.



http://www.toshiba.co.jp/about/ir/en/governance/pdf/corporate_governance_guidelines.pdf

■ Composition of the Committees

The members of the Nomination Committee, the Audit Committee and the Compensation Committee are all independent Outside Directors.

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

Internal Control System

■ Internal Control System Development Status

Toshiba Group constantly refines its system of internal controls toward ensuring management effectiveness and efficiency and reliable reporting on operations and finances and to secure high-level legal compliance and risk management.

We also ensure that domestic Group companies, regardless of the scale of their operations, establish internal control systems equivalent to the same of the Company.

http://www.toshiba.co.jp/about/ir/en/governance/governance_system.htm

■ Eliminating the Influence of Antisocial Groups

In order to prevent the damage that can be inflicted by antisocial groups, the Board of Directors revised the “Toshiba Group Standards of Conduct” in June 2006, to clearly specify the rejection of any involvement in business activities with antisocial groups. On this basis the management system shown below was constructed, and we are working to establish sound company management. For more information on this, please visit our website at the following URL.

Risk Management, Internal Audit

■ Risk Management

At Toshiba, throughout our worldwide operations, we strive to ensure compliance with laws and regulations, social and ethical norms, and internal rules. According top priority to human life and safety and to compliance in everything we do underpins our commitment to promoting business activities through fair competition and serving the interests of customers to the best of our ability.

Thorough adherence to the Toshiba Group Standards of Conduct (SOC), which embody the Basic Commitment of the Toshiba Group, is the bedrock of our compliance. Thus we are working toward the SOC becoming an integral part of the entire Toshiba Group. Every year, priority themes regarding compliance are established and promoted in light of business circumstances. By implementing a Plan-Do-Check-Action (PDCA) cycle of self-assessment at each in-house company and also at Group companies worldwide, we are stepping up our efforts to ensure compliance.

The Risk Compliance Committee, headed by the CRO*, manages serious risk and compliance issues, and works with each relevant division to strengthen the risk management system by developing countermeasures to specific risks, plus measures to prevent their spread and recurrence.

* Chief Risk-Compliance Management Officer

■ Status of Internal Audits and Audits by the Audit Committee

1. The Internal Audit and the Audit Committee — organization, personnel and procedures

The Internal Audit Division (personnel: 57 staff) was established as an internal audit department, and is under the direct control of the Audit Committee. By monitoring the operational status of in-house companies on a daily basis, the Internal Audit Division is able to strengthen the audit system with respect to their operations. By strengthening cooperation with the Audit Committee, the Accounting

Auditor, we seek to strengthen the various audit functions, such as accounting audits, internal control audits and audits on legality.

In addition, an Audit Committee Office with a staff of approximately 10 has been established to support the Audit Committee in carrying out its responsibilities. The office is headed by an Executive Officer, and a system has been put in place that gives it the right to carry out investigations and hear information for itself, on the basis of instructions received from the Audit Committee.

The Audit Committee works in close cooperation with the Internal Audit Division to confirm the development of internal systems.

The Internal Audit Division carries out on-site inspections and reports its results to the Audit Committee. However, if it deems it necessary, the Audit Committee has the right to carry out its own on-site inspections. Furthermore, in addition to receiving explanations from independent auditors on their audit plans at the beginning of each fiscal year, the Audit Committee can also request reports on the status of audits during the course of each term, and explanations and reports on end-of-year audits, as necessary.

It should be noted that the Audit Committee has three members. As certified public accountants, the Chairman of the Audit Committee, Mr. Ryoji Sato, and committee member Ms. Teruko Noda, have been involved in the practice of corporate accounting for many years and have considerable knowledge of finance and accounting.

2. Mutual cooperation between the internal audit, the Audit Committee audit and the accounting audit, and the relationship with the Internal Control Division

Mutual cooperation between internal audits, Audit Committee's audits and the accounting audits is detailed in 1. above. In Toshiba, divisions responsible for internal controls ensure the appropriateness of all information disclosure, including financial reporting, and the effectiveness and efficiency of operations, compliance, and risk management, etc. The Legal Affairs Div., Accounting Div., CRO, and Risk Compliance Committee are included among divisions in this category. Along with providing the Audit Committee with timely reporting required by the "Audit Committee reporting and information access rules," the said divisions responsible for internal controls also provide information to the Internal Audit Division and Accounting Auditor from time to time, as required.

Compensation

■ Compensation Policy and the Amount of Compensation

Compensation policy

The Compensation Committee establishes compensation policy regarding compensation of each director and/or executive officer as follows.

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

Since the responsibility of executive officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, compensation for executive officers is divided into fixed compensation and performance-based compensation, and determined at an adequate level to secure highly competent personnel and ensure that their compensation package

functions is an effective incentive to improve business performance.

(1) Director's compensation

Fixed compensation is paid to directors who do not concurrently hold office as an executive officer, and is based on status as a full-time or part-time director and on the duties performed.

Fixed compensation is paid to directors who concurrently hold office as an executive officer, in addition to the executive officer compensation specified in (2) below.

(2) Executive officer's compensation

Executive officer compensation is comprised of the basic compensation based on executive officer rank (e.g. president and chief executive officer, corporate senior executive vice president) and service compensation calculated according to the duties of the executive officer. Some 40-25% of the service compensation will fluctuate from zero (no compensation) to two times according to the year-end

performance of the Company or of the division for which the executive officer is responsible.

(3) Compensation standard

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

Takeover Defense Measures

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

(1) Contents of our basic policy

We are of the view that, in order for the Toshiba Group to earn an appropriate level of profits to be returned to shareholders and continuously improve its enterprise value and shared benefit of shareholders, the Group must solidify and develop an adequate relationship with stakeholders such as customers, business partners, employees and local communities, etc., not to mention shareholders, and run the organization in ways that pay sufficient attention to the benefit of such stakeholders.

If a party offers to acquire shares in the Group and in order to properly judge the effect the acquisition will potentially have on its enterprise value and shareholders' shared benefit, it is necessary to fully grasp: 1) a synergy effect that will likely be achieved through an organic integration of individual business segments; 2) the actual conditions of the Group; and 3) components of the Group's enterprise value.

In light of the above-mentioned elements, Toshiba's Board of Directors believe that: 1) any such party acquiring, or offering to acquire, a large number of shares in the Company as does not contribute to securing and improving

Amounts of Compensation for FY2015

Amounts of compensation of directors and executive officers in FY2015 were as follows:

Position	Number of Persons	Total Amount (Millions of yen)
Directors (including Outside Directors)	24	230
Outside Directors	9	88
Executive Officers	40	872

(Notes) The above-mentioned compensations include: 1) compensations for Directors who retired at the closing of the Extraordinary General Meeting of Shareholders held on September 30, 2015 and Executive Officers who resigned at the closing of the Board of Directors meeting held on the same date with regard to the period from April 2015 to the retirement or resignation date; 2) compensations for Directors and Executive Officers who resigned no later than the Extraordinary General Meeting of Shareholders with regard to the period from April 2015 to the resignation date; and 3) compensations for, among Executive Officers who were appointed Executive Officers at the above-mentioned Board of Directors meeting, Executive Officers who resigned no later than March 31, 2016 with regard to the period from their appointment date to resignation date.

It should be noted that in the consolidated amount of compensation, etc., no individual officer received ¥100 million or more.

its enterprise value and shareholders' shared benefit is not suitable to be an entity governing the determination of the organization's financial and operational policy; and 2) against such entity's act to acquire a large number of shares in the Company, we must take the necessary and reasonable action, thereby securing enterprise value and shareholders' shared benefit.

Based on the above-mentioned thinking, Toshiba introduced countermeasures against large-scale acquisitions of shares of the Company (so-called "Takeover Defense Measures") in June 2006 before renewing them in June 2009 and June 2012. However, we have decided not to renew these countermeasures after carefully considering the renewal in light of: 1) the changing operating environment; 2) the state of progress of the development of the Financial Instruments and Exchange Act; and 3) the opinions of shareholders.

Even after the termination of the measures, if any party seeks to acquire a large number of shares in the Company, we will i) request the party to provide information necessary and sufficient for shareholders to properly judge whether the proposed acquisition is reasonable or not and ii) publish the opinion of the Toshiba Board of Directors to secure an amount of time and information for shareholders to consider

the proposed share acquisition. Thus, the Company will continue striving to secure and improve its enterprise value and shareholders' shared benefit while taking appropriate action within a scope that is allowed under the Financial Instruments and Exchange Act, the Companies Act and other applicable laws and regulations.

(2) Special initiative that will contribute to achieving the goal of the basic policy

In an effort to regain the confidence of all stakeholders such as shareholders and investors by becoming an organization with a robust corporate structure, the Toshiba Group continues to implement the business measure titled "Toshiba Rebuilding Initiative" consisting of the following programs: 1) Strengthen Internal Controls and Reform the Corporate Culture; 2) Decisive Action on Business Structural Reform; 3) Review the Business Portfolio and Operational Structure; and 4) Reforming the Financial Base.

Disclosure Policy

■ Basic Policy on Timely Disclosure

The Toshiba Group Standards of Conduct states that, "Toshiba Group companies shall endeavor to obtain the understanding of stakeholders, including customers, shareholders and the local community, with respect to corporate activities, products and services, and further improve public recognition of Toshiba Group and its corporate image by means of positive and timely corporate communications activities on business information, such as corporate strategy and financial data," as the Group's basic policy. In addition to this, Article 13 of the Corporate Governance Guidelines states that, "The Company will provide timely and appropriate disclosure pursuant to the

<http://www.toshiba.co.jp/about/ir/en/governance/disclosure.htm>

Companies Act, the Financial Instruments and Exchange Act, other applicable laws and regulations, the rules of financial instruments exchanges, and the like. In addition to this, the Company will fully consider voluntary disclosure and endeavor to maintain and improve its long-term relationships of trust with its shareholders, investors, and other stakeholders.," and the intent of this stipulation, together with regulations on timely disclosure procedures that define specified duties on the timely disclosure that were revised on April 1, 2016, define the basic stance for disclosing company information.

For more information, please visit our website at the following URL.

Outside Directors

Names and Other Details

Teruko Noda*

Ms. NODA is appropriately supervising the management of the Company based on her rich experience and insight as a certified public accountant.

Koichi Ikeda

Mr. IKEDA is appropriately supervising the management of the Company based on his rich experience and insight as a management executive.

[Significant concurrent positions]

Advisor to the Board, Asahi Group Holdings, Ltd.

Outside Director, Sumitomo Chemical Company, Ltd.

Chairman, National Federation of Taxpayers' Association

Chairman, Corporate Taxpayers' Association

Yuki Furuta

Mr. FURUTA is appropriately supervising the management of the Company based on his rich experience and insight as a legal professional.

Yoshimitsu Kobayashi

Mr. KOBAYASHI is appropriately supervising the management of the Company based on his rich experience as a management executive.

[Significant concurrent positions]

Director, Chairman, Mitsubishi Chemical Holdings Corporation

Director, Chairman, Mitsubishi Chemical Corporation

Director, Chairman, The KAITEKI Institute, Inc.

Chairman, Japan Association of Corporate Executives

Chairman, Council on Competitiveness-Nippon

Ryoji Sato

Mr. SATO is appropriately supervising the management of the Company based on his rich experience and insight as a certified public accountant and CEO of an auditing firm.

[Significant concurrent positions]

Company Auditor, Nippon Life Insurance Company

Shinzo Maeda

Mr. MAEDA is appropriately supervising the management of the Company based on his rich experience and insight as a management executive.

[Significant concurrent positions]

Senior Advisor, SHISEIDO Co., Ltd.

Outside Director, Yuasa Trading Co., Ltd.

Chairman of the Board of Directors, SHISEIDO BEAUTY ACADEMY

Chairman, Tokyo Convention & Visitor Bureau

Vice Chairman, The Tokyo Chamber of Commerce and Industry

Independence

Outside Directors—Ms. Teruko Noda, Messrs. Koichi Ikeda, Yuki Furuta, Yoshimitsu Kobayashi, Ryoji Sato and Shinzo Maeda—meet the independence requirements set out by the Tokyo Stock Exchange, etc.

Main Activities (Source: Reports for the 177th Fiscal Period)

Attendance of Board meetings and Audit Committee meetings.

During FY2015, the Board of Directors met 24 times, the Nomination Committee 14 times, the Audit Committee 46 times and the Compensation Committee nine times, and the Outside Directors commented as necessary at those meetings. The Outside Directors received advance explanations about the matters to be resolved at the board meetings from the responsible staff, etc. They also made an effort to communicate and share information with the Executive Officers.

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

Name	Activities
Hiroyuki Itami	Attended the meeting of the Board of Directors 23 times (96%), that of the Nomination Committee 12 times (86%), and that of the Compensation Committee three times (100%) (until September, 2015). Also, Attended the meeting of the Audit Committee 29 times (94%) on and after July, 2015 when he took his office of the member of the Audit Committee (the chairman of the Audit Committee from July, 2015 to September, 2015).
Ken Shimanouchi	Until September 30, 2015 when leaving their office due to expiration of the term, attended the meeting of the Board of Directors 14 times (100%), that of the Compensation Committee 3 times (100%), and that of the Audit Committee 25 times (96%).
Kiyomi Saito	Until September 30, 2015 when leaving their office due to expiration of the term, attended the meeting of the Board of Directors 14 times (100%), that of the Audit Committee 26 times (100%), and that of Compensation Committee 3 times (100%).
Sakutaro Tanino	Until September 30, 2015 when leaving their office due to expiration of the term, attended the meeting of the Board of Directors 14 times (100%), that of Nomination Committee 5 times (100%), and that of the Audit Committee 25 times (96%).
Teruko Noda*	After September 2015 when she was elected, attended the meeting of the Board of Directors 10 times (100%), that of the Audit Committee 20 times (100%), and that of the Compensation Committee 6 times (100%).
Koichi Ikeda	After September 2015 when he was elected, attended the meeting of the Board of Directors 10 times (100%), that of the Nomination Committee 9 times (100%), and that of the Compensation Committee 5 times (83%).
Yuki Furuta	After September 2015 when he was elected, attended the meeting of the Board of Directors 10 times (100%), that of the Compensation Committee 6 times (100%), and that of the Audit Committee 20 times (100%).

Name	Activities
Yoshimitsu Kobayashi	After September 2015 when he was elected, attended the meeting of the Board of Directors 9 times (90%), that of the Nomination Committee 9 times (100%), and that of the Compensation Committee 5 times (83%). Commented as necessary based on his wealth of experience and knowledge as a management executive.
Ryoji Sato	After September 2015 when he was elected, attended the meeting of the Board of Directors 10 times (100%), that of the Audit Committee 20 times (100%), and that of the Nomination Committee 9 times (100%). Commented as necessary based on his wealth of experience and knowledge as a certified public accountant.
Shinzo Maeda	After September 2015 when he was elected, attended the meeting of the Board of Directors 10 times (100%), that of the Nomination Committee 9 times (100%), and that of the Compensation Committee 6 times (100%). Commented as necessary based on his wealth of experience and knowledge as a management executive.

* Although Ms. Teruko Noda was a non-executive Director, she was deemed for all practical purposes to be an Outside Director, due to meeting the requirements for an outside director set forth in the Act on Partial Revision to the Companies Act (law number 90 of 2014) that came into force on May 1, 2015. For this reason, the status of Ms. Noda's activities is disclosed.

■ Limited Liability Contracts (Source: Reports for the 177th Fiscal Period)

The Company has entered into a liability limitation agreement with each of the following six persons under which, with regard to the liability set forth in Article 423, Paragraph 1 of the Companies Act, compensation to be paid by any of them shall be limited to the higher of a pre-determined amount of at least ¥10 million and the minimum liability set forth in Article 425 of the Companies Act.

Message from Outside Directors



Board of Directors meeting

Following uncompromising reflection on 2015's accounting problems, Toshiba formulated the "Toshiba Rebuilding Initiative" aiming for reforms of its governance and business structures and improvement of its financial platforms.

Reform has brought pain, but targeted outcomes are appearing. Internal management systems are stronger. The corporate culture, business portfolio and management systems have seen reforms; there is more information sharing, lively discussions by the Board of Directors, and changes in the way departments do their work.

Having said that, reform is still at an early stage, and we cannot afford to relax our grip in a still opaque management environment. We must see current circumstances as a great opportunity to plan for the future, to unite the spirit of all directors and all employees, and continue to promote Toshiba innovation with full force.

I was appointed in September of 2015. In getting to know its business and deepen my understanding of Toshiba's science and technology, I have come to know the essence of the Company, how much Toshiba has contributed to the world, to society and to people's lives, and recognize its enterprising and sincere nature. Towards facilitating rebuilding and regaining the trust of the market and stakeholders, I will continue to approach serious responsibilities with an objective perspective.



Teruko Noda* Outside Director

* Ms. Teruko Noda was an employee of the Company from March 1961 to August 1963. As it is more than 50 years since she left her employment with the Company, she fulfills the requirements for an outside director.

It is now one year since I was appointed as an outside director in September 2015. At first things were turbulent, to the point where the survival of the Company was questioned, but our belief in the rebirth of Toshiba is strong, and we have been working to reform governance and the corporate culture.

In December 2015 we established the "Toshiba Rebuilding Initiative," and used it to promote reforms, including divestitures and personnel reductions. These were painful measures, but they gave us the framework for supporting our focus business areas, Energy, Social Infrastructure and Storage.

In June this year, we took another step. On the recommendation of the Nomination Committee, which is comprised solely of outside directors, following approval by the general meeting of shareholders, the Board of Directors elected Mr. Tsunakawa President and CEO, and a new management system was inaugurated. Building on this, management and employees must unify their strengths and advance Toshiba's revitalization.

Moving forward, we must ensure full implementation of the "Toshiba Rebuilding Initiative" and that we regain the trust of our stakeholders. For that, we must accelerate the speed at which we rebuild the governance system and create a well-ventilated corporate culture. We must establish a new, sincere and healthy Toshiba brand that creates rich value and contributes to society, and that is "Committed to People, Committed to the Future."



Koichi Ikeda Outside Director

It is now one year since I was appointed as an outside director in September of 2015, and I will continue to serve in that capacity. I recognize this is a mediocre summing up, but it really has been a tough year for Toshiba. I realize that the worries and concerns felt by all the employees during that time, including those who decided to leave Toshiba Group, were extremely grave. With the sincere approach and leadership of the former president, Mr. Muromachi, an environment for the revitalization of Toshiba has been put in place, but the circumstances surrounding the Company remain uncertain and unclear, and I have no doubt that great efforts are still needed to ensure progress towards that revitalization.

The scale and range of Toshiba's business extremely spreads wide, and although I have not yet come to understand the overall shape of it fully, I now feel even more strongly that a passionate and sincere attitude to making excellent products is Toshiba's traditional and most prized asset. I would like to continue to work hard so that such assets are also fully embedded in business management, and to make sure that the various improvements and reforms implemented since last year realize the intended outcomes.



Yuki Furuta Outside Director

In the midst of the biggest crisis since its founding, Toshiba established a new system of corporate governance in September 2015, and the Nomination Committee quickly initiated the process to select the next president. The image of the ideal person and the timing of the change were explored, and there was a great deal of discussion. Toward achieving the "rebirth of Toshiba," and in order to quickly win a change in people's way of thinking, transcend differences in business areas, and focus all in-house vectors, in May 2016 the Nomination Committee unanimously decided to nominate Satoshi Tsunakawa as candidate for President.

There is a line in the Company song that I heard at the ceremony to mark the 141st anniversary: "May the light we shine with our aspiration, now anew illuminate the land." Under the new leader, Toshiba must cut off the flow from the past and get back to this spirit. With the underpinning of science, what is needed is for the Company to polish up its technology, provide innovations that solve the problems of society, and promote a strong aspiration to continue to contribute to the development of the world.

I have brought this perspective to my reelection as an outside director, and I am now once again asking myself, "What can I do for the rebirth of Toshiba?" Looking at things in the three dimensions of economics (profitability and capital efficiency), technology (differentiation and innovation), and sustainability (social and environmental), I would like to determine the course of society's next 10 to 20 years, deepen discussion on the direction that points to for Toshiba, and continue to contribute to improving genuine corporate value.

Yoshimitsu Kobayashi Outside Director



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In 2015, at the time of my appointment to the Board of Directors, I stated that we had to eliminate two expectation gaps. In respect of the expectation gap related to the company with a committee governance structure, the role of outside directors independent of management has been reinforced, and as a result of efforts made to improve information sharing, discussion by the board is also more active. I also think that concerns related to the monitoring function have been resolved to a considerable extent. Going forward the essential task will be to promote the governance function in a positive way, in such areas as concentration on focus businesses.

The other expectation gap was in connection with the audit function. Audits include internal audits, audits by the Audit Committee, and audits by independent auditors. With respect to the internal audits, we have moved away from the former management audits, which focused on maintaining efficiency, to accounting audits and internal control audits, which focus on the essentials of legal compliance.

PricewaterhouseCoopers Arata replaced Ernst & Young ShinNihon LLC as Toshiba's independent auditor. I think this will have a considerable impact on all employees, including those at Group companies, but we can expect to see the benefits of being audited by fresh eyes.

With respect to the audits by the Audit Committee, coordination with other audits has been improved and monitoring of directors and executive officers as they execute their duties has been strengthened. Going forward we will continue to work towards the establishment of a three-way audit system.

Ryoji Sato Outside Director



Directors and Executive Officers

Outside Directors

Outside Director **Teruko Noda**

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 (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 Director
June	2016	Present Outside Director

Outside Director **Koichi Ikeda**

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.
March	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

Outside Director **Yuki Furuta**

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

Outside Director **Yoshimitsu Kobayashi**

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

Outside Director **Ryoji Sato**

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

Chairman of the Board **Shinzo Maeda**

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

Directors

Representative Executive Officer
President and Chief Executive Officer:

Satoshi Tsunakawa

Representative Executive Officer
Chairman:

Shigenori Shiga

Representative Executive Officer
Corporate Senior Executive Vice President:

Yasuo Naruke

Representative Executive Officer
Corporate Executive Vice President:

Masayoshi Hirata

Executive Officers

Representative Executive Officer
President and Chief Executive Officer:

Satoshi Tsunakawa

Representative Executive Officer
Chairman:

Shigenori Shiga

Representative Executive Officers
Corporate Senior Executive
Vice Presidents:

Yasuo Naruke

Shinichiro Akiba

Representative Executive Officers
Corporate Executive Vice
Presidents:

Fumiaki Ushio

Masayoshi Hirata

Executive Officers
Corporate Executive Vice
Presidents:

Naoto Nishida

Osamu Maekawa

Naoki Takenaka

Executive Officers
Corporate Senior Vice Presidents:

Masayasu Toyohara

Hironobu Nishikori

Takeshi Yokota

Yoshihiro Aburatani

Yukihiko Kazao

Seiichi Mori

Shiro Saito

Fumio Otani

Noriaki Hashimoto

Isahiro Hasegawa

Naoya Sakurai

Executive Officers
Corporate Vice Presidents:

Kiyoshi Okamura

Takemi Adachi

Shigeyoshi Shimotsuji

Hiroshi Kurihara

Nobuo Hayasaka

Koichi Harazono

Ichiro Hirata

Hideki Yokomizo

Hitoshi Otsuka

Kazunori Matsubara

Isao Aoki

Mamoru Hatazawa

Naoto Hasegawa

Tomoharu Watanabe

Financial Highlights (Consolidated)

→ Please see P. 74 for the 5-year consolidated financial summary.

(Billions of yen)

	FY11	FY12	FY13	FY14	FY15
Financial performance					
Net sales	¥5,469.1	¥5,168.4	¥5,904.3	¥6,114.7	¥5,668.7
Japan	2,443.1	2,280.5	2,372.4	2,409.5	2,300.7
Overseas	3,026.0	2,887.9	3,531.9	3,705.2	3,368.0
Operating income (loss) <i>(Note 1)</i>	97.8	72.2	229.4	188.4	(708.7)
Income (loss) from continuing operations, before income taxes and noncontrolling interests	47.3	51.4	158.5	156.6	(633.1)
Net income (loss) <i>(Note 2)</i>	3.2	13.4	60.2	(37.8)	(460.0)
Financial position and indicators					
Total assets	5,673.1	6,021.6	6,172.5	6,334.8	5,433.3
Equity attributable to shareholders of the Company <i>(Note 3)</i>	718.7	824.6	1,027.2	1,084.0	328.9
Net Interest-bearing debt <i>(Note 4)</i>	931.1	1,211.6	1,170.7	1,120.8	481.2
Shareholders' equity ratio (%)	12.7	13.7	16.6	17.1	6.1
Net debt/equity ratio (Times)	1.3	1.5	1.1	1.0	1.5
Investment					
R&D expenditures	284.3	264.2	289.6	309.7	360.9
Capital expenditures	321.9	238.4	262.6	243.9	279.2
Depreciation	231.9	186.3	157.8	172.2	203.7
Return indicators (%)					
Return on investment (ROI) <i>(Note 5)</i>	4.6	3.0	8.5	6.7	(28.4)
Return on equity (ROE)	0.4	1.7	6.5	(3.6)	(65.1)
Return on assets (ROA)	0.1	0.2	1.0	(0.6)	(7.8)
Free cash flow					
Net cash provided by (used in) operating activities	337.5	132.3	284.1	330.4	(1.2)
Net cash provided by (used in) investing activities	(377.2)	(196.3)	(244.1)	(190.1)	653.4
Free cash flow	(39.7)	(64.0)	40.0	140.3	652.2
Per share of common stock (yen)					
Net income (loss) <i>(Note 6)</i>					
—basic	0.75	3.17	14.23	(8.93)	(108.64)
—diluted	0.74	—	—	—	—
Cash dividends	8.00	8.00	8.00	4.00	—
Number of employees (Thousands)					
Number of employees	210	206	200	199	188
Japan	117	113	112	111	105
Overseas	93	93	88	88	83

Notes: 1. Operating income (loss) 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 the Company is described as Net income (loss).

3. Equity attributable to shareholders of the Company is based on U.S. GAAP.

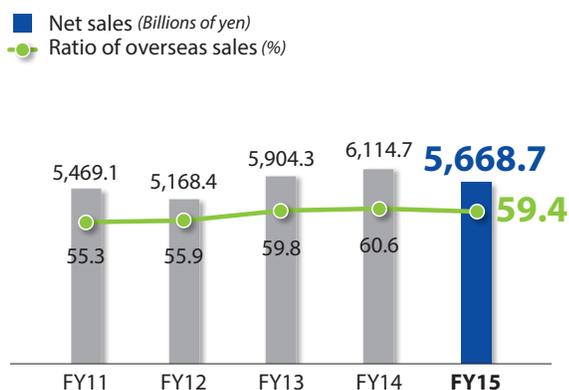
4. Net Interest-bearing debt is derived by deducting cash and cash equivalents from interest-bearing debt.

5. ROI = Operating income / (Average equity attributable to shareholders of the Company + Average equity attributable to noncontrolling interests + Average interest-bearing debt) × 100

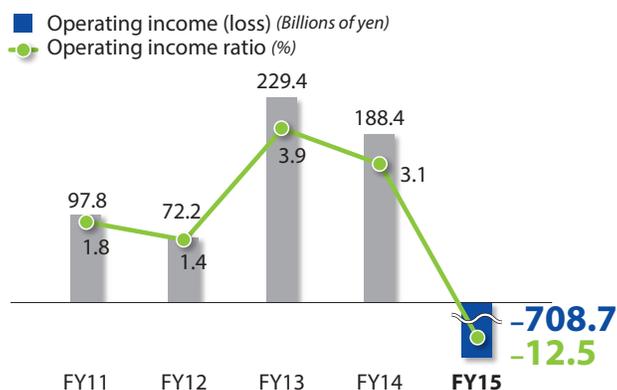
6. Basic earnings (losses) per share attributable to shareholders of the Company (EPS) is computed based on the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the dilution that could occur if convertible bonds were converted or stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

7. The Healthcare Systems & Services segment and Home Appliances business are discontinued operations as of the end of March 2016. Results of the past fiscal years have been revised to reflect this change.

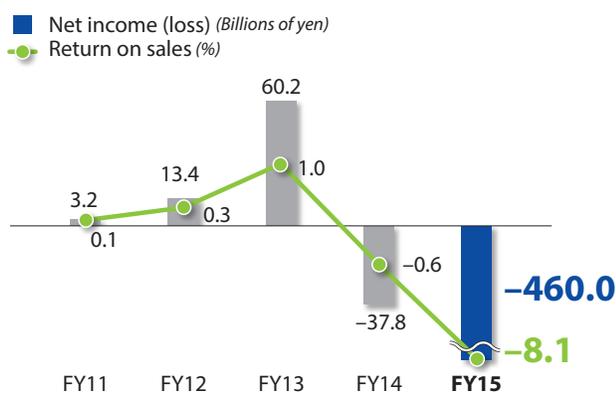
→ Please see the Data Section from P. 76 for Consolidated Financial Statements.



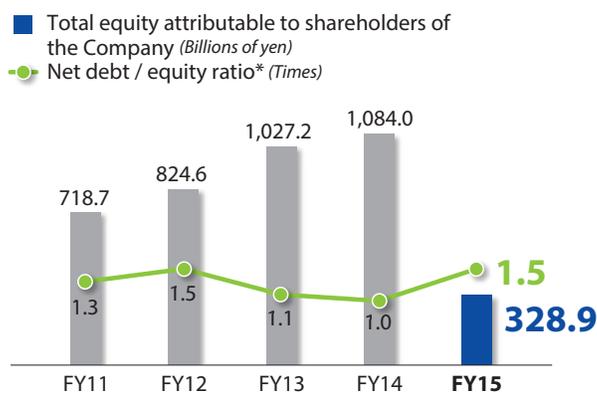
Net sales decreased by ¥446.0 billion YoY to ¥5,668.7 billion, reflecting lower sales in the Lifestyle Products & Services segment and Electronic Devices & Components segment, despite the increase in sales in the Energy & Infrastructure segment and Community solutions segment.



Toshiba Group as a whole recorded a consolidated operating deficit of ¥708.7 billion, its largest ever. Impairment losses were recorded, mainly in the Nuclear Power Systems business, TGCS*, and the Transmission & Distribution and Solar Photovoltaic Systems businesses. To ensure profit in FY2016, Toshiba Group also recorded structural reform costs and provisions for unprofitable projects and revaluation of inventories.
*Toshiba Global Commerce Solutions

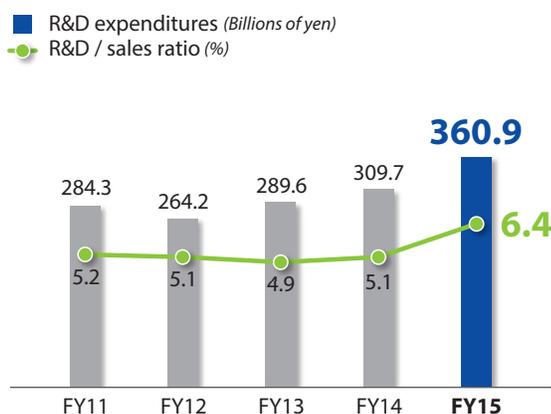


Net loss was -¥460.0 billion, despite the recording of a gain from the sale of Toshiba Medical Systems Corporation as profit from a discontinued operation. A major factor was a reversal of deferred tax assets of Toshiba Corporation and its wholly owned subsidiaries in Japan.

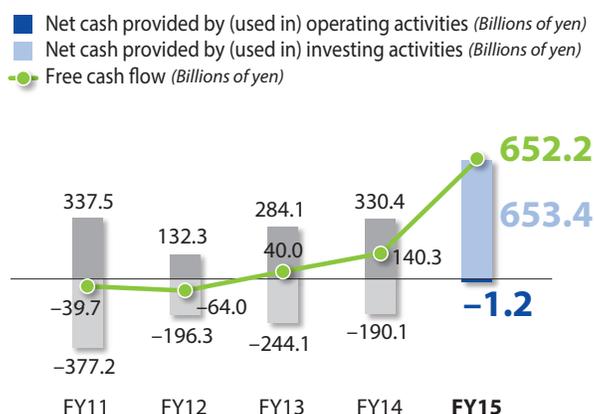


Equity attributable to shareholders of the Company declined sharply to ¥328.9 billion, due to deterioration in net income (loss). Although net interest-bearing debt decreased as a result of proceeds from sales of assets and other measures, the net debt / equity ratio fell as a result of the decline in the shareholder equity, to approximately 150%.

* Net debt / equity ratio = (interest-bearing debt - cash and cash equivalents) / equity attributable to shareholders of the Company



R&D expenditures increased by 17% YoY to ¥360.9 billion, and the R&D to sales ratio increased to 6.4%.



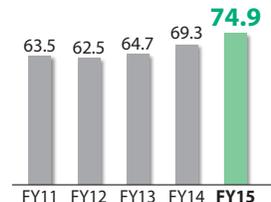
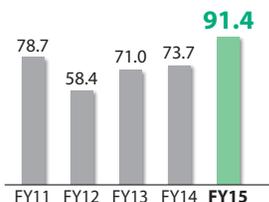
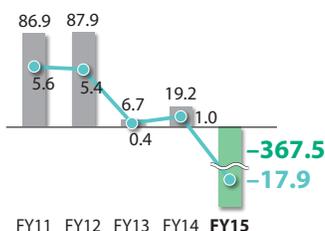
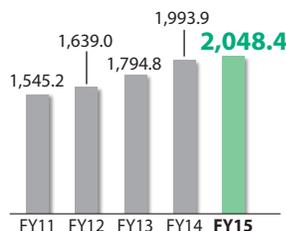
Free cash flow improved by ¥511.9 billion to ¥652.2 billion, despite a significant decline in cash flow from operating activities compared to the previous fiscal year, due to the recording of the gain from the sale of shares in Toshiba Medical Systems Co., Ltd. and revenue from sales of securities and other measures.

Business Review

FY2015 **Net 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)

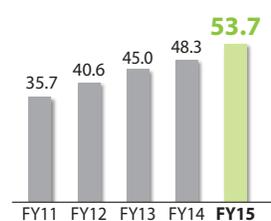
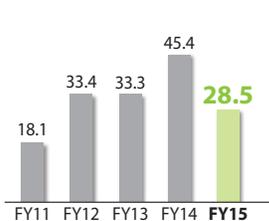
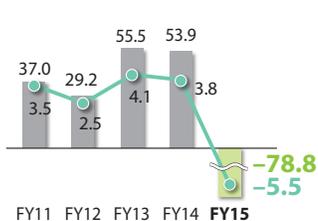
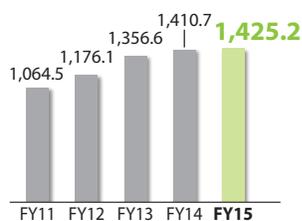
Energy & Infrastructure

→ P.49



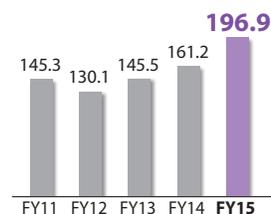
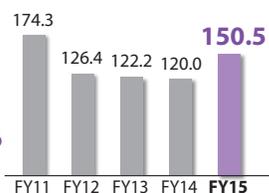
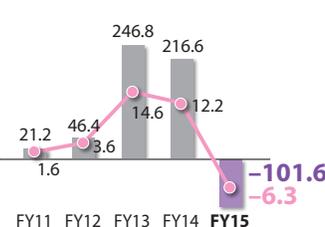
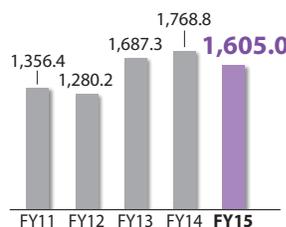
Community Solutions

→ P.51



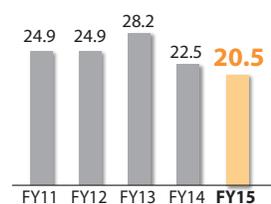
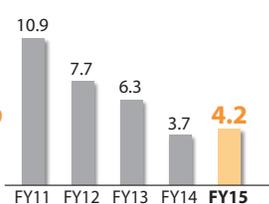
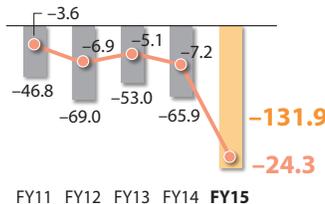
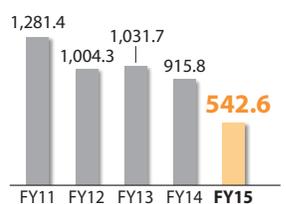
Electronic Devices & Components

→ P.52



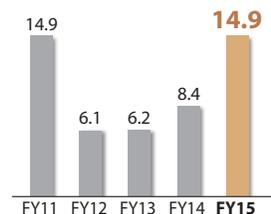
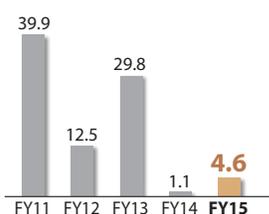
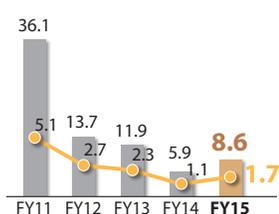
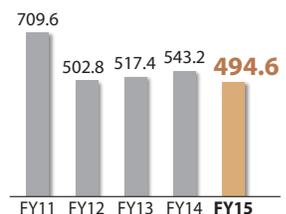
Lifestyle Products & Services

→ P.54



Others

→ P.55



Note: Business results in the segment information are presented on the basis of the organization structure as of April 1st, 2016. The figures represent the amount excluding the discontinued operation for the previous fiscal year.

Energy & Infrastructure

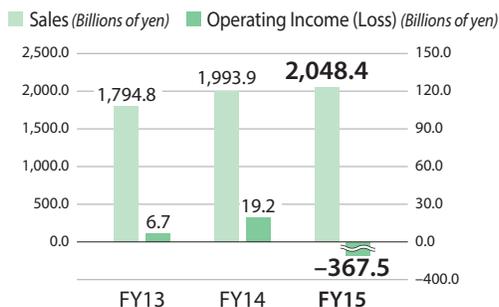
Main products & services
(As of March 31, 2016)

Nuclear power generation systems, Thermal power generation systems, Hydroelectric power generation systems, Hydrogen related technologies, Solar photovoltaic systems, Transmission & Distribution systems, Instrumentation and control systems, Automatic railroad station equipment, Transportation equipment, Electrical machineries, Government systems

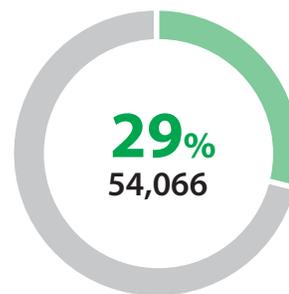
Net Sales by Segment



Net Sales / Operating Income (Loss)



Number of Employees by Segment



Business Overview

Net sales increased by ¥54.5 billion to ¥2,048.4 billion (US\$18,127.5 million). Sales were higher in the nuclear power systems business, Landis+Gyr AG and others, but lower in the Transmission & Distribution systems, solar photovoltaic systems and railway systems businesses.

Operating income fell ¥386.7 billion to -¥367.5 billion (-US\$3,251.4 million). It was down significantly in the nuclear power systems, Transmission & Distribution systems and solar photovoltaic systems businesses, on impairments to goodwill and intangible fixed assets, and lower in the thermal & hydro power systems and railway systems businesses on provisions for unprofitable projects and other factors.

Overseas order-winning activities in the thermal power generation systems business

In FY2015, Toshiba was awarded a full EPC (Engineering, Procurement, Construction) contract for the ultra-super critical coal-fired thermal power plant in India. Moreover, the Company received an order for supplying and installing a 1,000MW ultra-super critical steam turbine and generator as well as plant control equipment for the expansion of the coal-fired thermal power plant project in Indonesia. It will be the country's largest output ultra-super critical coal-fired thermal power plant. Toshiba will reinforce its thermal power generation systems business for the global market in the future as well.



1,000MW thermal power generation system

Contribution to the initiative to decommission the Fukushima Daiichi Nuclear Power Plant

In collaboration with the International Research Institute for Nuclear Decommissioning (IRID), Toshiba developed a small-sized robot to examine the inside of the primary containment vessel (PCV) of Unit 2 at the Fukushima Daiichi Nuclear Power Plant. Moreover, the Company is now in the process of developing equipment to remove debris and fuel from the used fuel pool at Unit 3 of the power plant on a remote-control basis. Going forward, Toshiba will continue to develop relevant technologies, thereby contributing to the initiative to decommission the Fukushima Daiichi Nuclear Power Plant.



A small-sized robot able to enter and examine the PCV (co-developed by IRID and Toshiba through a government subsidy program for projects of decommissioning and contaminated water management)

Receiving increased orders for hydrogen-based autonomous energy supply systems

H₂One™, Toshiba's hydrogen-based autonomous energy supply system, which integrates a solar power generation system and pure hydrogen fuel cells systems, went into operation at a hotel at the Huis Ten Bosch theme park. Toshiba also received orders for this system from the City of Yokohama Port and Harbor Bureau and East Japan Railway Company. Toshiba is committed to advancing progress toward a low-carbon hydrogen economy to extend use of hydrogen into various areas.



Toshiba H₂One™ system now in operation

Expansion of the smart meter business

Toshiba subsidiary Landis+Gyr is the world's number one smart meter provider having a 21% share of the residential smart electricity meter market in 2015. A smart meter is a next-generation measuring device that measures energy (electricity and gas) digitally to eliminate the need for meter readings, based on an embedded telecommunication function, and can be applied in diverse ways. In 2015, Landis+Gyr received an order from leading Dutch electric power and gas companies for supplying 2.5 million home-use electricity and gas smart meters. Landis+Gyr will continue to accelerate its global expansion efforts in the coming years.



An image of smart meter

Expansion of the battery energy storage systems business

A battery energy storage system (BESS) that Toshiba supplied to Tohoku Electric Power Company Co., Inc. for its Minami-Soma power transmission substation came into commercial operation. With an output of 40,000 kilowatts and a capacity of 40,000 kilowatt-hours, this was one of the largest BESS in the world (as identified by Toshiba). This BESS was intended to verify the effect achieved by the introduction and expansion of renewable energy based on BESS. With the BESS being supplied to overseas customers as well, the Company will continue to expand the battery energy storage system business globally in the coming years in an effort to step up the market penetration of large-scale battery energy storage systems based on an SCiB™ battery modules.



Toshiba's SCiB™ supports the battery energy storage system at Minami-Soma power transmission substation

Community Solutions

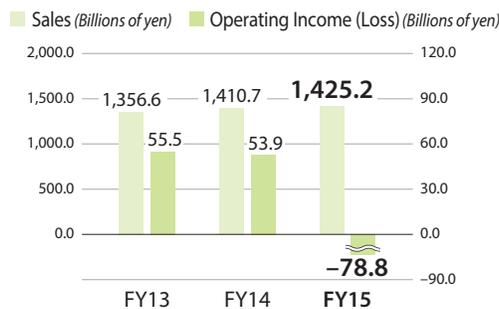
Main products & services
(As of March 31, 2016)

Water supply and sewerage systems, Environmental systems, Broadcasting systems, Highway systems, Communication systems, Electric power sources for building and facilities, Elevators, Escalators, Light fixtures, Industrial light sources, Commercial air-conditioners, Compressors, POS systems, Multi-function peripherals

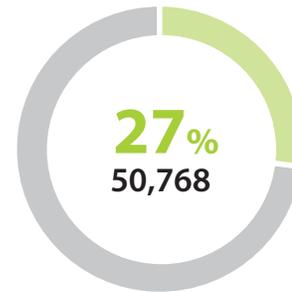
Net Sales by Segment



NetSales / Operating Income (Loss)



Number of Employees by Segment



Business Overview

Net sales increased by ¥14.5 billion to ¥1,425.2 billion (US\$12,612.8 million). While the lighting businesses saw lower sales, electric power sources for building and facilities, elevator and building systems, commercial air-conditioners businesses and the community infrastructure such as water supply and sewerage systems recorded higher sales. Operating income decreased by ¥132.7 billion to -¥78.8 billion (-US\$697.5 million). Although the community infrastructure, electric power sources for building and facilities, and commercial air-conditioners businesses all recorded higher operating income, elevator and building systems saw decrease, and the retail information systems and office equipment such as POS systems, and the lighting businesses saw a significant deterioration due to impairments in goodwill and intangible fixed assets.

Global business expansion

Toshiba increased its stake in UEM India Private Limited (UEM), a water treatment engineering company, making it a consolidated subsidiary. Toshiba will promote global expansion of the water treatment business by combining its monitoring control and energy-saving technologies with the sophisticated water treatment technologies and advanced solutions that UEM has delivered to customers worldwide.

A subsidiary of Toshiba Elevator and Building Systems Corporation in Shenyang, China, improved its product assessment reliability capabilities by establishing an inspection center for elevator lifting equipment, brakes and doors. Via subsidiaries, the corporation exports elevators to China, the world's largest elevator market, as well as Southeast Asia, India and the Middle East, and aims to further enhance product quality and to deliver highly reliable products on a global basis.

Toshiba Carrier Corporation established subsidiaries in France (Nov. 2015) and the U.S. (April 2016) that will expand operations under a strategic partnership in the commercial air-conditioner business with U.S. company United Technologies Corporation (UTC). The new companies will plan and develop products and roll out systems suited to the European and U.S. markets on a step-by-step basis, growing operations in the process.



New elevator inspection center in Shenyang, China, a key facility for quality control

Electronic Devices & Components

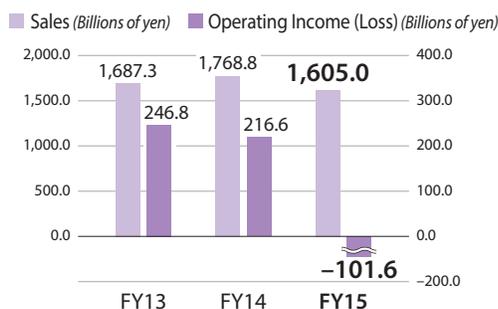
Main products & services
(As of March 31, 2016)

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

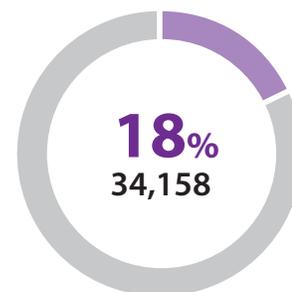
Net Sales by Segment



Net Sales / Operating Income (Loss)



Number of Employees by Segment



Business Overview

Net sales decreased by ¥163.8 billion to ¥1,605.0 billion (US\$14,203.2 million). In the semiconductor business, discretives such as power devices, system LSIs such as logic LSIs and mixed signal ICs, and memories recorded lower sales. The storage products business recorded significantly lower sales.

Operating income decreased by ¥318.2 billion to -¥101.6 billion (-US\$899.5 million). In the semiconductor business, memories recorded lower operating income on lower sales price and other factors, and discretives and system LSIs recorded significantly deteriorated operating income due to the effects of structural reform, impairment of fixed assets and other factors. The storage products business also recorded significantly deteriorated operating income, also due to the effects of structural reform, impairment of fixed assets and other factors.

Production of three-dimensional stacked cell structure flash memories

Toshiba launched the mass production of a 48-layer stacking process-based 256 gigabit three-dimensional stacked cell structure flash memory called BiCS FLASH™. Optimizing circuitry technologies and processes resulted in greater capacity, longer life and higher writing speed compared to existing two-dimensional stacked cell structure flash memories. Meanwhile, to expand the production of three-dimensional stacked cell structure flash memory, Yokkaichi Operations' new Fab 2 fabrication facility came into operation in July 2016. The Company plans to enlarge the plant's premises before setting up a new fabrication facility there. We will continue to carry out capital spending in a timely and appropriate manner in the coming years, striving to step up our production platform aggressively towards raising the competitiveness of our memory business.



Yokkaichi Operations' new Fab 2 fabrication facility for 3D flash memory

Expansion of the automobile image recognition processor business

The automobile image recognition processor designed to visually recognize preceding lanes and vehicles was adopted by Denso Corporation for its automobile front-monitoring camera system. To realize a safe, comfortable and convenient motorized society, advanced driving aid systems have been growing in importance. Thus, going forward, Toshiba will continue to develop and provide semiconductor products meeting such demand.



An image recognized by Toshiba image recognition processor, supporting ADAS

Commercialization of SSD equipped with 15nm NAND flash memory

Toshiba commercialized solid state drive (SSD) products (storage device equipped with NAND flash memory) available in up to 1,920 gigabytes, launching the shipment of samples designed for large enterprise servers, data centers and PCs. These products, using the Company's unique technologies, employ multiple error-correction circuits to properly deal with various types of errors occurring within an SSD, and realize efficient and more precise processing. Toshiba will continue to broaden its SSD product lineup in the coming years, catering to diverse user needs.



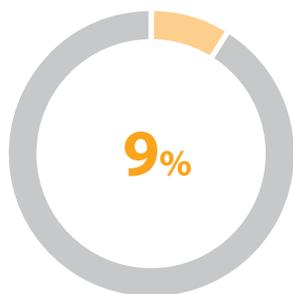
A high-density enterprise SSD (HK4 series)

Lifestyle Products & Services

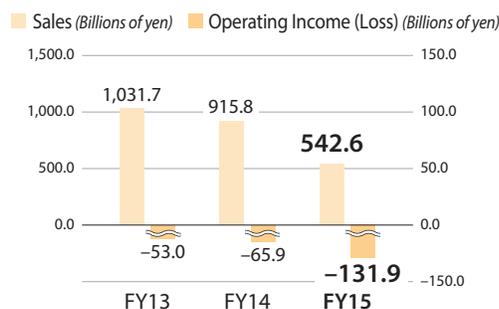
Main products & services
(As of March 31, 2016)

Personal computers, Tablets, Televisions, Video recording/playback devices (BD recorders, etc.), Video devices repair services

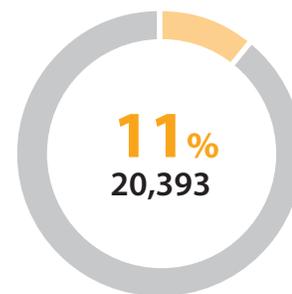
Net Sales by Segment



Net Sales / Operating Income (Loss)



Number of Employees by Segment



Business Overview

Net sales in the Lifestyle Products & Services segment decreased by ¥380.9 billion to ¥542.6 billion (US\$5,400.6 million), reflecting lower sales in the visual products and the PC businesses due to a shift in focus to redefined sales territories and other factors.

Segment operating income decreased by ¥66.0 billion to -¥131.9 billion (-US\$1,167.3 million), reflecting deteriorated operating income in the visual products and PC businesses.

Rollout of 12-inch large display-equipped and thin and light “dynaPad N72”

Toshiba rolled out “dynaPad N72” a new mobile notebook PC, in Japan, that doubles as a Windows tablet. This product was made thin and light as well as tough by using the Company’s unique carbon material and plastic-based single mold structure and mounting technologies.

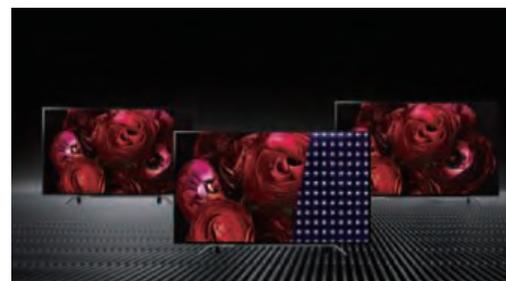
Moreover, equipped with a highly innovative keyboard, the device offers a comfortable key touch and superior usability while containing various applications that solidly support the user’s business and learning activities.



12-inch, thin and light, Windows tablet “dynaPad N72”

Rollout of 4K Regza high-end model “Z20X series”

In recent years, the 4K television market has been growing rapidly with consumers eager to watch high-quality video image on a large-sized screen at home. To cater to their needs, Toshiba rolled out the 4K Regza high-end model Z20X series in Japan, a product family offering the highest-ever picture quality in the history of Regza by fully leveraging the Company’s newly developed technologies. The Company will strive to attain a greater share of the 4K television market in Japan by employing three sets of series composed of the Z20X series, mid-range model J20X series and standard model G20X series.



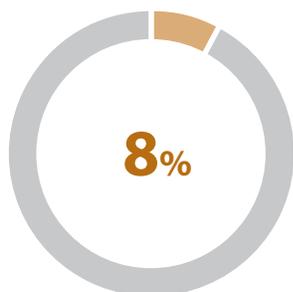
4K Regza high-end model “Z20X series”

Others

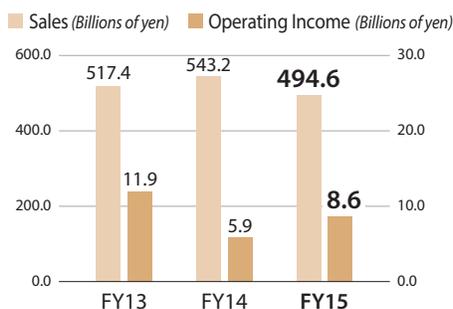
Main products & services
(As of March 31, 2016)

IT solutions, Logistics services

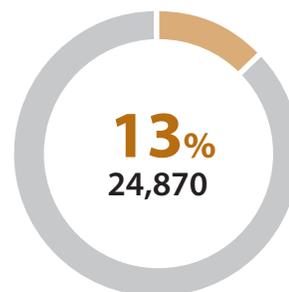
Net Sales by Segment



Net Sales / Operating Income



Number of Employees by Segment



Business Overview

The Others segment recorded operating income of ¥8.6 billion (US\$76.1 million) on sales of ¥494.6 billion (US\$4,377.4 million).

Launch of the “RECAIUS™” cloud service

Toshiba launched RECAIUS™, a cloud service that leverages its unique technology and know-how in speech and image recognition. This service has features such as text-to-speech conversion, lecture/meeting transcription, simultaneous interpretation and audio interaction arrangement. At JR Kyushu Hakata Station, Toshiba conducted an empirical experiment on the service of providing various types of support to foreign tourists who were visiting Japan.

Going forward, the Company will continue to provide a variety of services based on an integration of technologies utilizing speech and images.

Receiving increased orders for heavy-ion radiotherapy cancer treatment device

Toshiba's next-generation heavy-ion radiotherapy cancer treatment device delivered to the Kanagawa Cancer Center came into operation. This device can treat cancer on a pinpoint basis. Meanwhile, the Company completed manufacturing the world's first-ever superconductivity technology-based rotating gantry for heavy-ion radiotherapy cancer treatment as a product designed for the National Institute of Radiological Sciences. Going forward, this gantry will become operational following the necessary testing process. Toshiba received from Yamagata University an order for next generation type heavy-ion radiotherapy cancer treatment equipment including a rotating gantry. The Company will continue to make contributions to society in the coming years using products to which its nuclear technologies are applied.



A next-generation heavy-ion radiotherapy cancer treatment device

Research & Development and Intellectual Property

Research & Development

R&D Strategy

The world must overcome many complex issues, among them population growth, resource depletion, ever-growing need for energy, and climate change. Toshiba Group aims to “solve social issues with substantial solutions” in technology development, and to grow together with society.

As well as providing “substantial products” offering excellent performance, functionality and quality, we provide value-added solutions by making best use of our products. We also develop information technologies that create customer value by utilizing data generated by our wide-ranging products, and technologies that expand our core competence into a number of business domains through a synergy of products and businesses. We focus on open innovation with government, academia and industry, and co-creation with customers, in order to provide society with products and services that satisfy customers’ needs in a timely and efficient manner.

In energy, we will promote stable supply and efficient use of energy. In addition, we will help limit CO₂ emissions by

providing technologies and services that create, distribute and store clean energy, thus contributing to the realization of a low carbon society.

In infrastructure, we will support the growth and evolution of our wide-ranging customers in areas such as public infrastructure, buildings & facilities, and industrial systems. All require high level reliability and a strong involvement with the public, and we will work to realize a safe, secure and reliable modern society with our technology platforms and adaptability to customer requirements.

In storage, we will contribute to creating the infrastructure of the information society with leading storage technologies and by working with consumers, in order to meet and handle exponentially increasing volumes of data. To this end, we will deploy advanced manufacturing technology to bring cutting-edge products that create new markets.

We will also support all three areas by focusing on development of IoT solutions, by utilizing data generated by our products and through co-creation with customers.

Global Research & Development

Toshiba R&D sites in the U.S., Europe, China, India and elsewhere work in close collaboration with our sites in Japan. R&D sites in the U.S. and Europe are focusing on advanced technologies and innovative value creation in collaboration with world-class universities. In China, India and Vietnam, all expanding markets, we are building local engineering and development sites, and working on collaborative R&D with local universities and companies.

Major R&D bases in Japan and overseas



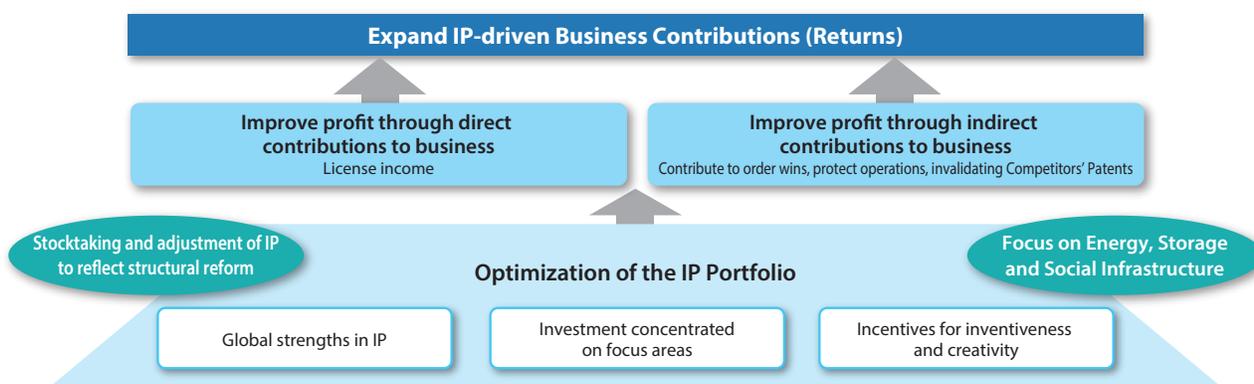
Intellectual Property

Intellectual Property Strategy

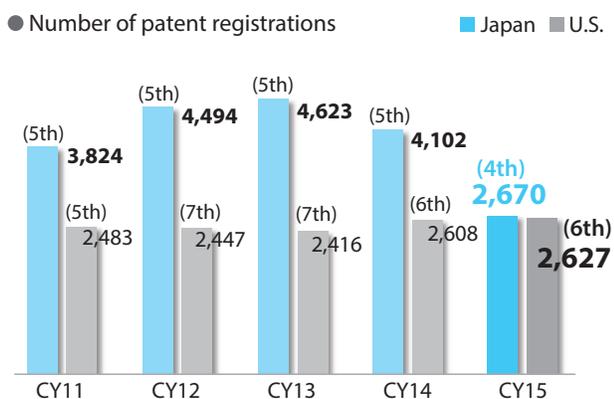
Toshiba Group promotes "Expand IP-driven Business Contributions (Returns)" as basic policy. We concentrate efforts on the focus business areas of energy, storage and social infrastructure and are working to reinforce intellectual property that contributes to business development. Increasing patents connected to Toshiba's business is an extremely effective way to

rebuild business, and we believe it will put us in a strong position that is sure to generate profit. Going forward we will continue to work proactively to expand profit through indirect business contributions, such as by patenting technologies that enable business development, and contributing to order wins through the utilization of intellectual property.

Toshiba's Intellectual Property Strategy



IP Achievements



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

● Number of patents registered in Japan (2015)

● Number of patents registered in U.S. (2015)

Ranking	Company Name	Number	Ranking	Company Name	Number
1	Toyota Motor	4,601	1	IBM	7,355
2	Canon	3,735	2	Samsung Electronics	5,072
3	Mitsubishi Electric	3,375	3	Canon	4,134
4	Toshiba	2,670	4	Qualcomm	2,900
5	Panasonic	2,574	5	Google	2,835
6	Fujitsu	2,325	6	Toshiba	2,627
7	Seiko Epson	2,198	7	Sony	2,455
8	Ricoh	2,052	8	LG Electronics	2,242
9	Denso	2,000	9	Intel	2,048
10	Honda Motor	1,904	10	Microsoft	1,956

Survey results from Patent SQUARE

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:

- 2015 Top 100 Global Innovators



Creating Value that Shapes Tomorrow

Power Systems

Supercritical CO₂ Turbine System

Supercritical CO₂ combustion is an eco-friendly thermal power generation system that separates and recovers CO₂ while generating power with high efficiency. In November 2015, we successfully completed a series of combustion tests on a supercritical CO₂ turbine combustor, and the test data will be used to construct a pilot plant that will start operation in 2017.



Power Systems

Adjustable-Speed Pumped Power Station

When Unit 2 of Hokkaido Electric Power Co., Inc. Kyogoku Hydroelectric Power Station entered commercial operation on November 1, 2015, it was as the first anywhere with two Toshiba adjustable-speed pumped storage systems. The advantages of adjustable-speed pumped storage include a wide turbine output and adjustable pump input, and the advantage of two units is that they can start pumping back to back, with either acting as the driving generator. The systems at Kyogoku are reducing frequency fluctuations in the grid caused by output shifts in renewable power generation systems such as wind and photovoltaic helping to maintain stable power supply.



Power Systems

Specialized Seismic Option Report for AP1000™ Plant

The AP1000™ nuclear plant developed by Westinghouse Electric Company LLC, a member of Toshiba Group, is a state-of-the-art Generation III+ pressurized water reactor with passive safety systems. The seismic design of the AP1000™ plant covers conditions in many areas in the world. In order to extend feasible area of the AP1000™ plant, Westinghouse and Toshiba prepared together a Specialized Seismic Option Report for this plant. The analysis for the Option Report confirmed that a limited number of customized materials and reinforcements will provide the same advanced safety features, modular design, and simplified system as the standard the U.S. Nuclear Regulatory Commission certified AP1000™ plant technology.



Social Infrastructure Systems

Emergency-Running System with SCiB™

Toshiba has supplied emergency-running battery systems for Tokyo Metro's Ginza Line. The emergency-running battery system ensures that trains can safely carry passengers to the nearest station in the event of a total power loss. The SCiB™ used in the emergency-running battery system draws power from the third rail during normal operation, and supplies its stored electricity to the train's propulsion system in the event of power outage or other emergencies.



Social Infrastructure Systems

X-Band Phased-Array Weather Radar (PAWR)

Field trials have successfully confirmed that Toshiba's X-band phased-array weather radar (PAWR) can capture detailed 3-D observations of precipitation distribution at a range of 15 to 60km and up to an altitude of 14km, in just 10 to 30 seconds. The results confirm that PAWR can quickly and accurately detect sudden localized torrential rain, gusting wind and other meteorological phenomena.



Social Infrastructure Systems

Toshiba Elevators "SPACEL-GR II" Improves Safety & Comfort

The newly released SPACEL-GR II greatly expands elevator functions related to safety, sense of security and comfort. One notable advance is elimination of the gap between the elevator car sill and the landing, improving passenger safety and the risk of dropping items through the gap. Further advances in safety and passenger convenience are offered by "Smart Door", which captures and analyzes images around the elevator door and landing and determines individual intent: if a person is heading for the elevator, the door stays open; if only passing, the door closes.



Creating Value that Shapes Tomorrow

Electronic Devices

BiCS FLASH™ 3D Flash Memory Fabricated Using 48-Layer Process Technology

Mass production of 256-Gigabit per chip BiCS FLASH™ is now steaming ahead. The three-dimensional 48-layered 3-bit/cell flash memory successfully doubles the capacity of a conventional two-dimensional floating gate NAND flash memory. We will continue to increase capacities to meet demand in the rapidly growing storage market.

BiCS FLASH is a trademark of Toshiba Corporation.



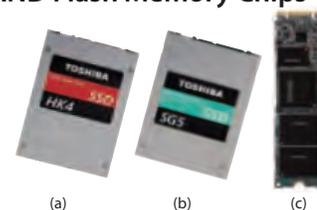
Electronic Devices

Solid-State Drives Equipped with 15nm NAND Flash Memory Chips

We have shipped samples of SSD built around NAND chips fabricated with 15-nanometer process, including a model with a large capacity of 1920GB. All are equipped with Toshiba's proprietary QSBC™ technology, a highly efficient error correction code. We continue to develop leading-edge technologies for SSD products.

QSBC is a trademark of Toshiba Corporation.

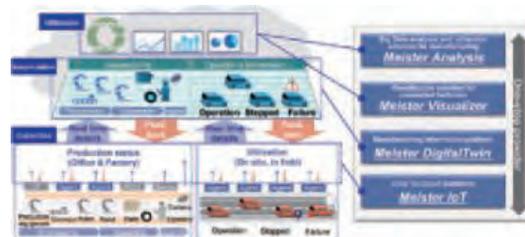
(a) Enterprise SSD, (b) Client SSD: 2.5type, (c) M.2 2280



ICT Solutions

Next Generation Manufacturing Solution that innovates Manufacturing and Usage of products by linking to IoT

Toshiba has launched the “Meister series”, the next Generation Manufacturing solutions for the manufacturing industry. With IoT / ICT technology, Meister series bring innovation not only to “the manufacturing process” but also to “the asset utilization of the products”. By leveraging Toshiba’s manufacturing expertise spanning from device to cloud, Meister series is provided as a one-stop service.



ICT Solutions

High Speed Data Matching Technology

Toshiba developed a data processing technology that is able to perform a high speed matching of big data and a large-scale media data. A human face, sales data, etc. can be expressed as high dimension vector. With Toshiba technology, high speed matching of data can be achieved by indexing similar vector groups in advance. In an experiment where a specific human face is extracted from 10 million images of people, Toshiba technology outperforms the previous technology by about 50 times.

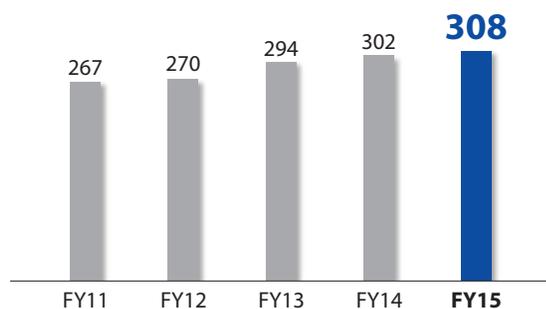
External Evaluations Related to R&D

Awarding entity	Name of the award / Awarded achievement
The New Technology Development Foundation 48th Ichimura Prizes: The Ichimura Prizes in Industry	Development of secure, high-speed wireless LAN technology Contribution Prize
The Japan Electrical Manufacturers' Association 65th JEMA TECHNICAL AWARD	Excellent Award, Heavy Electrical Sector Development of lightning arrester for the world's smallest GIS with ultra-high voltage element realizing the world's highest voltage.
The Japan Electrical Manufacturers' Association 65th JEMA TECHNICAL AWARD	Excellent Award Development of small vacuum valve with high voltage and large breaking capacity.
6th Monozukuri Nippon Grand Award	Minister of Economy, Trade and Industry Prize Development and mass production of epoch-making flexible printed circuit board which is bonded by molecular level
The Institute of Electrical Engineers of Japan	9th One Step on Electro-Technology Practical Operation of Slip Frequency Type Vector Control Induction Motor Drive
Japan Institute of Invention and Innovation Local Commendation for Invention of Kanto 2015	Chairman Prize of Kanagawa Institute of Invention and Innovation Manufacturing equipment and process of sealed secondary battery (Patent number: 5197701)

Non-Financial Highlights (Consolidated)

Environment

Total Emissions of Greenhouse Gases (10kt-CO₂)

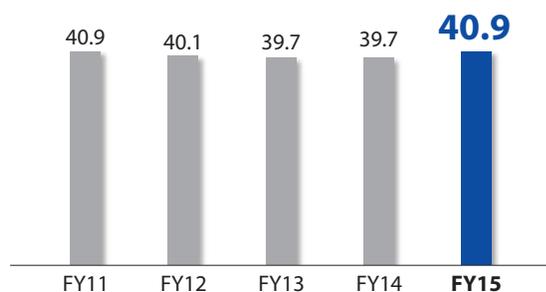


The CO₂ emissions coefficient for electricity is used to calculate energy-derived CO₂ emissions (in Japan, 4.76 t-CO₂/10,000 kWh in FY2011, 4.87 t-CO₂/10,000 kWh in FY2012, 5.70 t-CO₂/10,000 kWh in FY2013, 5.54 t-CO₂/10,000 kWh in FY2014, and 5.10t-CO₂/10,000 kWh in FY2015). Overseas electricity is based on the GHG Protocol.

In FY2015, proactive energy-saving measures to reduce electricity consumption resulted in a reduction in CO₂ emissions of 150 thousand tons against the previous year. However, emissions of greenhouse gasses (GHG) from sources other than energy increased to 210 thousand tons pushing up the total amount of GHG emissions by 60,000tons. Going forward, we will continue to make steady efforts to reduce total GHG emissions by investing proactively in high-efficiency equipment.

Environment

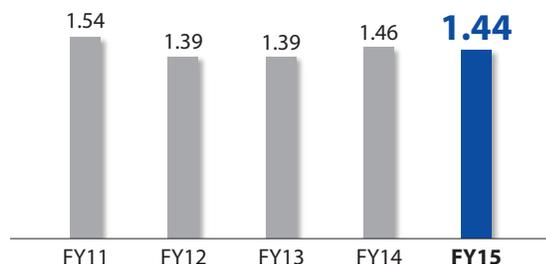
Volume of Water Received (1,000 km³)



In FY2015, the total amount of water received slightly increased year on year, despite Toshiba Group improving the efficiency of its 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 approximately 80% of the water received by Toshiba Group.

Environment

Emission of Chemical Substances Targeted for Reduction (kt)

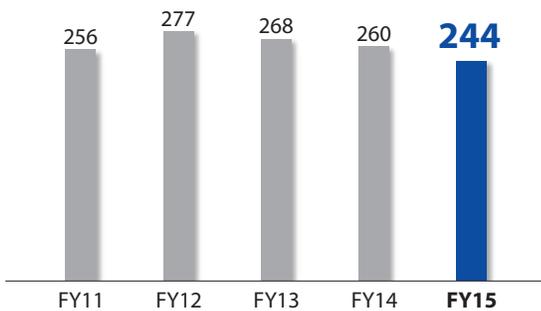


551 substances, including chemical substances designated as Type 1 under the PRTR (Pollutant Release and Transfer Register) law as well as volatile organic compounds (VOC) and other substances.

In FY2015, emission of substances targeted for reduction was decreased by 20 tons year on year. Going forward, we will continue promoting 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)

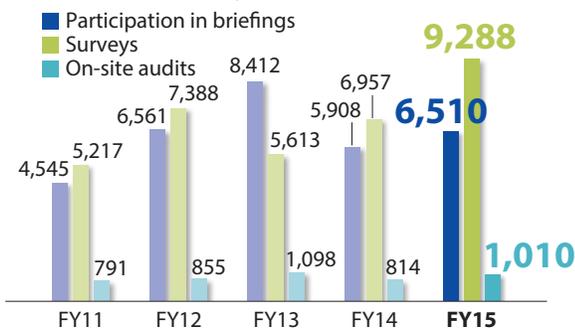


In FY2015, Toshiba Group reduced total waste generated by 16,000 tons year on year.

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

Number of Suppliers Covered by CSR Survey

(Total number of Companies*)

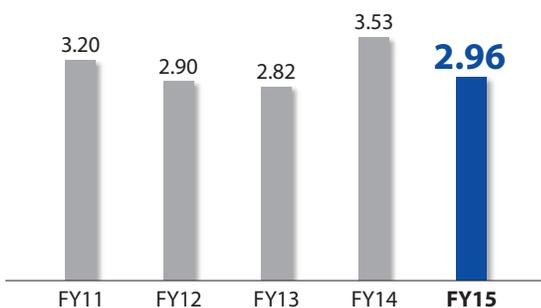


* Total number of Companies: Toshiba Group companies conduct surveys based on each contract. For this survey multiple contracts with a supplier are counted as one contract.

Toshiba Group requests our suppliers to consider human rights, labor, occupational health and safety as well as the environment in their operations, and we hold briefings on CSR management in the supply chain and monitor their implementation at business sites in Japan and overseas. In FY2015, we held briefings on the policy to 6,510 companies, conducted CSR surveys in 9,288 companies and requested to perform self-checks to 1,010 companies.

Expenditures on Corporate Citizenship Activities

(billions of yen)



Expenditures include cash contributions to support disaster recovery.

Toshiba Group conducts a wide range of social contribution activities around the world to support science & technology education, disaster recovery, sports & culture promotion, social welfare, healthcare, protection of the natural environment, and international exchanges programs and friendship. In fiscal 2015, expenditure was lower than in the previous fiscal year, the result of deductions following discontinuation of the healthcare business and the home electronics business.

CSR Management of Toshiba Group

CSR Management

Toshiba Group's CSR management is the base for all corporate activities. 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 employees will promote CSR activities based on Toshiba Group Standards of Conduct.

● Toshiba Group's CSR Management



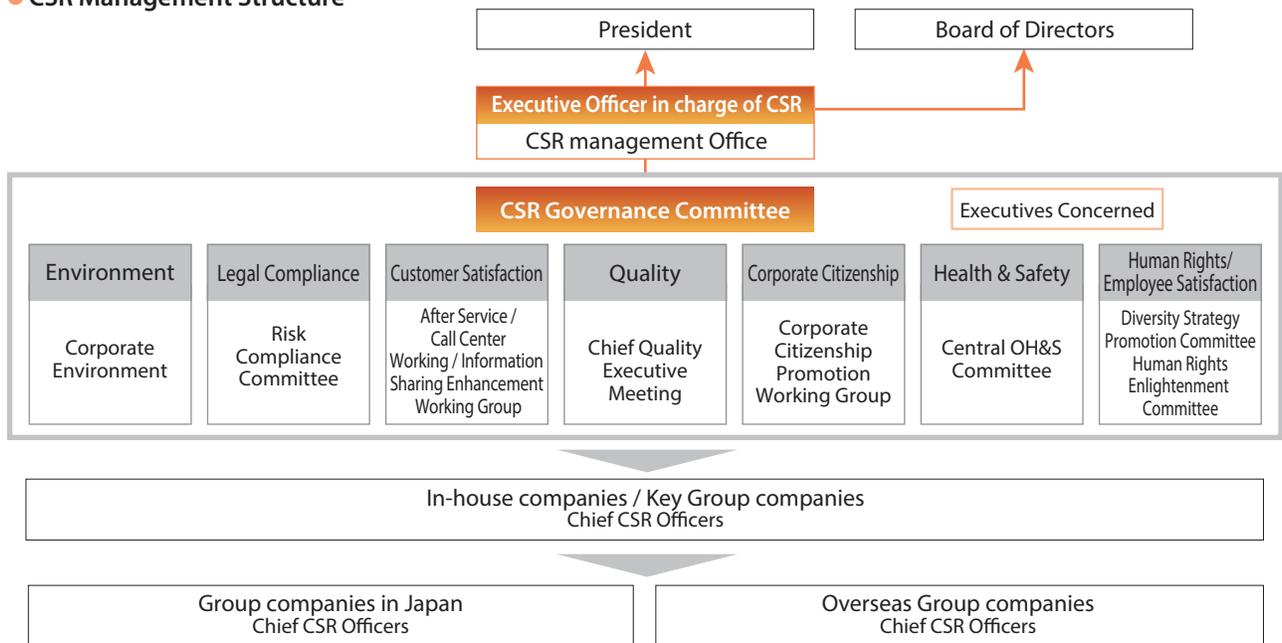
■ Organization of CSR Management

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 periodically, in order to discuss and determine Toshiba Group CSR Action Policy. Based on the policies 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



■ Monitoring

We have been conducting the Global CSR Survey annually since FY2005, in order to check and improve CSR-related activities at overseas Group companies.

The survey consists of items concerning human rights, labor, ethics, amount of expenditure on social contribution activities, management of suppliers, and so on. The answers submitted by suppliers are gathered, analyzed and shared with the department in charge of managing the results, and we request improvements be made in problematic areas.

■ Increasing Employee's Awareness of CSR

In order to increase CSR awareness throughout Toshiba Group, the President speaks about the Group's corporate philosophy, "Committed to People, Committed to the Future" at the start of accounting periods, during company ceremonies and start-of-year addresses, as well as at any other opportunity. He puts particular emphasis on practicing CSR management and on its importance. The overview is circulated among domestic and overseas bases and Group companies through in-house newsletters and the office organization system. We also conduct training programs all year around, including rank-specific CSR education such as new employees and newly appointed officers, and e-learning on various themes such as the environment, information security, human rights and engineering ethics.

Toshiba Group's CSR Month

Toshiba Group has designated December as its CSR Month since FY2006. During this month, we assess our CSR initiatives and hold a variety of events, such as the Group-wide CSR Conference and other events at our companies and business sites focusing on social contribution and other CSR activities.

In FY2015, in order to prevent recurrence of the account processing issue, we conducted seminars for senior management about the importance of proper financial reporting and compliance, and e-learning that in particular deals with accounting compliance, targeting all employees at domestic Group companies.

On December 15, we held our annual CSR Conference, which was attended by some 830 employees, including executive officers and labor union representatives. In addition to the report on management reform by the Executive Officer in charge of CSR, the lectures on CSR by two Outside Directors highlighted the need to doubt what passes by as internal common knowledge and the importance of remembering the company's founding philosophy. These proposals pointed out what is essential to Toshiba today and what it needs to put renewed focus on.

The occasion offered an invaluable opportunity to renew our awareness which is indispensable as we at Toshiba Group endeavor as one to ensure prevention of recurrence and restore various stakeholders' trust.

Identifying Material Issues

■ The Situation Up to FY2015

Since FY2011, Toshiba Group has been repeating a PDCA cycle (plan, do, check, act) to administer self-evaluations based on ISO26000. We refer also to opinions we receive via dialogue with stakeholders and evaluative reviews from third-party organizations, in order to identify material issues.

With regard to material issues in FY2015, at the end of FY2014 we identified “Respect for Human Rights,” “CSR Management in the Supply Chain,” and “Environmental Management” as in the previous fiscal year.

● FY2015 Material Issues (Identified at the end of FY2014)

		Basic	Middle	High	Materialities		
Priority for stakeholders	↑	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 Promoting social responsibility in the supply chain Prevention of pollution Sustainable resource use Climate change mitigation and adaptation	Respect for Human Rights CSR Management in the Supply Chain Environmental Management	
			Middle	Resolving grievances Conditions of work and social protection Sustainable consumption Employment creation and skills development	Human rights risk situations Discrimination and vulnerable groups 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	
			Basic	Civil and political rights Economic, social and cultural rights Access to essential services Education and awareness Education and culture Technology development and access Wealth and income creation Health Social investment	Respect for property rights		
		→ Impact on Toshiba Group					

However, in FY2015, due to the accounting issue that transpired, we tackled the tasks of identifying its cause and of preventing its recurrence, as a priority issue for the whole company. We referred to the “Principles for Listed Companies in Scandal,” which is released by Japan Exchange Regulation, then formulated and released an Improvement Plan and Situation Report containing the details of our efforts.

Improvement Plan and Situation Report
http://www.toshiba.co.jp/about/ir/en/news/20160315_3.pdf

Furthermore, we have included in the IR website or CSR performance report in the CSR website the details of the following measures, out of the measures we have taken to prevent accounting issues from recurring.

Corporate Governance

- Reduced the Board of Directors to 11 people
- Increased the ratio of Outside Directors to more than half
- Enabling an Outside Director to become Chairman of the Board of Directors
- An Audit Committee, a Nomination Committee and a Compensation Committee composed, in principle, only of independent Outside Director members

Risk Management and Compliance

- Established a new Accounting Compliance Committee
- Set up the new Audit Committee Hotline
- Gave accounting compliance training to senior management, and to all ranks of employees at domestic Group companies
- Debated the account processing issue at CSR workplace meetings

Employment and Labor Relations

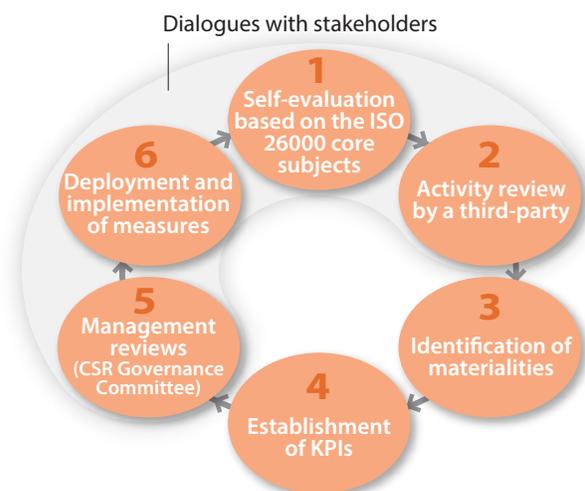
- Reported to the Toshiba Union the results of the investigation regarding the account processing issue, and explained our measures to prevent recurrence

Fair Evaluation and Talent Development

- Conducted the Leadership Survey (360-degree survey)
- Conducted Employee Morale Survey

As for material issues for and beyond FY2016, we are currently examining and reevaluating the processes (as of June 2016).

Toshiba Group's CSR Management Cycle (from FY2014)



Regular Dialogues with Stakeholders

We maintain the dialogues with our stakeholders at all times when identifying material issues. Toshiba Group values regular dialogues with stakeholders, and assesses its own

efforts based on the results of such dialogues, leveraging them when developing and executing measures.

Stakeholders	Major dialogues and their opportunities
Customers 	Routine sales activities, Call center (via phone and email, etc.), Monitoring system, Customer satisfaction (CS) survey
Shareholders/ Investors 	General Meeting of Shareholders, Meetings with investors, Questionnaire survey, Investor Relations (IR) website
Suppliers 	Routine procurement activities, Briefing session on procurement policy, CSR survey, Supplier whistleblower system "Clean Partner Line"
Employees 	Employee morale survey (TEAM Survey), Dialogues, Information exchange meetings, Whistleblower system "Risk Hotline," "Audit Committee Hotline," "Employee Consultation Room"
Local communities 	Dialogues, Information exchange meetings, Factory visits, Employees' participation in community activities
Governments and public bodies 	Dialogues with economic and/or industry association
NPOs/NGOs 	Dialogue through collaboration, Exchange of views at stakeholder dialogues

Respect for Human Rights

Toshiba Group's Corporate Philosophy emphasizes "Respect for People." We have declared that we will respect the rights of all people associated with our company, such as our employees, customers, and stakeholders. We comply with universal principles regarding human rights and labor practices worldwide, including the Universal Declaration of Human Rights, and respect human rights through sound business activities.

Medium- to Long-term Vision

Spreading awareness on respect for human rights

Quantitative Target:

Conduct activities to raise human rights awareness in two or more regions worldwide

(Toshiba, FY2016)

FY2015 Achievements

Target: Implementation of workshop on human rights enlightenment

Achievement: Held workshops on global human rights for human resources and procurement managers in Thailand

Held human rights awareness seminars in Japan for human resources and general affairs managers

Future Challenges and Approaches

We will continue to monitor human rights risks, including potential ones, indicated by the human rights impact assessment and improve efforts to avoid and mitigate such risks. We will also communicate with human rights experts and stakeholders to deepen understanding of human rights issues.

CSR Management in the Supply Chain

In order to fulfill CSR in regards to human rights, labor, and the environment in cooperation with suppliers, Toshiba Group continues to ensure that its suppliers are also committed to improving working conditions and reducing their environmental impact.

Medium- to Long-term Vision

Contributing to solving social issues in our supply chain through appropriate procurement transactions

- **Full notification of our procurement policy to our suppliers**
- **Obtaining consent for the Toshiba Group Procurement Policy from new suppliers**
- **Keeping track of supplier activities, and advising on improvement**

100% of our new suppliers

FY2015 Achievements

- **Holding training sessions for suppliers:**
 - Explaining the Toshiba Group Procurement Policy
 - Explaining the UN Global Compact and the EICC Code of Conduct, which are stipulated in the Procurement Policy
- **Surveys of suppliers and providing instructions for improvement:**
 - Checks of compliance status regarding environmental laws and regulations in China
 - CSR self-assessment (EICC Self-Assessment Questionnaire)

Future Challenges and Approaches

We will continue to request that new suppliers consent to the Toshiba Group Procurement Policy, and to strengthen our measures to monitor and support suppliers' compliance with the policy.

We will also educate our procurement employees about important CSR issues, such as compliance and handling conflict minerals, so that they can instruct and support our suppliers.

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. “Overall eco-efficiency”^{*} is the index by which we measure harmony with the Earth and the creation of rich value, and we aim to raise this ten times (Factor 10) by 2050 against the 2000 level.

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

Medium- to Long-term Vision

In order to realize our Environmental Vision 2050, we have formulated a medium-term plan, “Environmental Action Plan.” In line with this plan, we promote the four Greens: “Greening of Products,” (creation of products with the highest level of environmental performance); “Greening by Technology,” (global development of advanced low-carbon technology); “Greening of Process,” (pursuit of the world’s lowest level of environmental impacts) and “Green Management,” (basic activities, including human resource development and environmental communication).

Main Achievements in FY2015

Greening of Products

Creating products with the highest level of environmental performance

- Increasing sales amounts of Excellent ECPs

FY2015 Net Sales **¥2.75 trillion**

Toshiba Group is making efforts to achieve the highest level of environmental performance for all products we develop. In FY2015, we certified 95 products as Excellent ECPs*.

^{*} Excellent ECP: After assessing the products based on three elements: mitigation of climate change, efficient use of resources, and management of chemicals, we certify and publicize products with the highest level of environmental performance as Excellent ECP at the time of product release. ECP= Environmentally Conscious Product

EV bus system using SCiB™ batteries



LCD television 4K REGZA G20X series



Greening by Technology

Global development of advanced low-carbon technology

- Amount of CO₂ emissions reduction of energy-related products

Amount of CO₂ emissions reduction **471 million tons**

For stable electric power supply and climate change mitigation, Toshiba Group is developing technologies to reduce CO₂ emissions of thermal power as well as developing and spreading renewable energy technologies such as hydroelectric, geothermal and photovoltaic power. The Group is also making sustained efforts to develop technologies for the safety of nuclear power.



Waita Geothermal Power Plant



Tahara Solar - Wind Joint Project
Tahara Solar/Wind Electricity Generation Plant (50MW)

Main Achievements in FY2015

Greening of Process

Pursuit of the world's lowest level of environmental impacts

- Reductions in GHG emissions

3.08 million tons

Through installation of PFC* removal equipment and proactive energy-saving measures, total amount of GHG emissions were 3.08 million t-CO₂ (46% of the FY1990 level). Toshiba will further decrease the amount of GHG emissions by proactively investing in high-efficient equipment. *PFC: Perfluorocarbon



Toshiba Yokkaichi Operations

Green Management

Basic activities, including human resource development and environmental communication

- Developing ecosystem networks with our sites playing a central role in collaboration with local communities

We have developed biotopes at 62 company sites worldwide by 2015. In particular, due to our efforts to protect rare species on company premises, we have

achieved successful results, with more than 100 species, including endangered species, inhabiting Toshiba Group's production sites.



Future Challenges and Approaches

The Paris Agreement, which provides a new framework for mitigating climate change, was adopted at COP21 in Paris in 2015. As the trend toward mitigating climate change gains momentum worldwide, our industry will also be required to take more active measures than ever before. By placing priority on mitigation measures to reduce GHG emissions, Toshiba Group will promote energy-saving programs at individual production and business sites as well as implement measures for high-efficiency manufacturing at an accelerated pace throughout our entire supply chain. At the same time, we will proactively provide energy-efficient products and low-carbon technologies, thereby contributing to reducing GHG emissions worldwide. In addition, we will make steady efforts to find solutions to issues besides climate change, including reducing risks to water resources, developing programs to ensure effective use of resources, and ensuring proper management of chemicals used in products and in manufacturing processes.

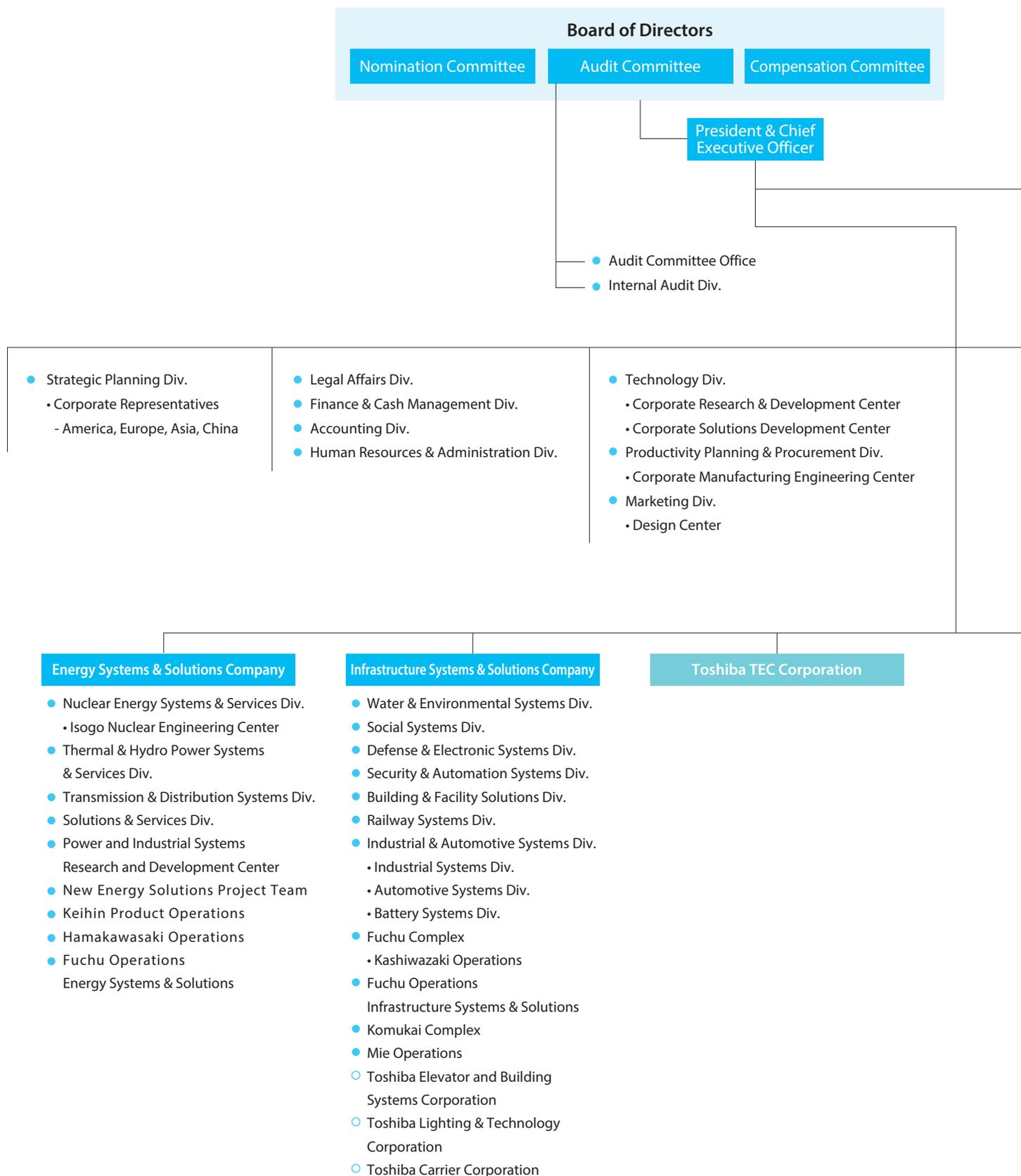
History of CSR Activities

Concerned with environmental issues

FY2015	<ul style="list-style-type: none"> • Started investigation into the cause of accounting issue, and addressing various measures for recurrence prevention. • Held seminars to explain Global Compact and EICC Code of Conduct for both suppliers and people from Toshiba Group companies.
FY2014	<ul style="list-style-type: none"> • Revised Toshiba Group Standards of Conduct and added Respect for Human Rights as Article 1. • Revised Toshiba Group Procurement Policy and requested some 10,000 suppliers (cumulative numbers) to abide by this revised content. • Commenced Toshiba Group Simultaneous Social Contribution Activities
FY2013	<ul style="list-style-type: none"> • Organized "Business & Human Rights Workshop" for human resource managers from 9 Asian countries. • Newly established "Social Contributions by Business" category to Social Contribution Award. • Introducing T-Compass, a new concept of environmental management. 🌱
FY2012	<ul style="list-style-type: none"> • Continued implementation of the PDCA cycle according to ISO 26000. • Surveys of some 10,000 suppliers regarding their approaches to issues related to conflict minerals and CSR promotion. • Achievement of 0.67 trillion yen in sales of excellent ECPs (Environmentally Conscious Products with the industry's highest level of environmental performance in terms of KPIs). 🌱
FY2011	<ul style="list-style-type: none"> • Implementation of PDCA cycle of checking, identification of issues, planning, action, and evaluation based on ISO 26000. • Established Toshiba Group Conflict Mineral Policy. • Revised Toshiba Group Procurement Policy and requested that suppliers continue to promote CSR in the supply chain. • Formulation of the Fifth Environmental Action Plan. 🌱 • Reviewing the BCP based on the experience of the Great East Japan Earthquake and the floods in Thailand.
FY2010	<ul style="list-style-type: none"> • Strengthened CSR management based on the principles of ISO 26000. • Initiated workplace meetings focusing on integrity. • Introduction of a system for visualizing working hours • UD advisor* system expanded to include non-Japanese employees. • Announcement of the new concept for environmental management at a business policy briefing(Greening of Process, Greening of Products and Greening by Technology) 🌱
FY2009	<ul style="list-style-type: none"> • Ending production of general-use incandescent bulbs • Formulation of Toshiba Group Biodiversity Guidelines 🌱 • Establishment of Sign Language Club • Enforcement of the requirement to leave the office at the regular time for at least two days during the Family Week in Japan
FY2008	<ul style="list-style-type: none"> • Collaboration with NPOs to promote experiential science education. (Supporting the activities of experiential science education research organizations) • 1st Toshiba Cup Contest among students specializing in science and math education at teacher-training universities in China to present their creative teaching plans. • Reorganization of home appliance call centers (change to product-wise call centers) • Implementation of on-site CSR audit (related to human rights, occupational health and safety, the environment) of suppliers in Thailand. • Issue of Environmental Report. 🌱 • Announcement to allow the peak out of Toshiba Group's greenhouse gas emissions in 2012 and thereafter reduce the absolute emissions. 🌱
FY2007	<ul style="list-style-type: none"> • Toshiba Group Environmental Vision 2050 is established. 🌱 • Structures and systems for Quality Control at Toshiba Group is reinforced. • Ethical education to Technical Employees in Japan and overseas is provided. • Toshiba Group Fourth Voluntary Plan is extended from FY2010 to FY2012, with New Targets Added. 🌱 • Statutory Ratio of Employment of People with Disabilities is fulfilled in all the subject Group Companies in Japan.
FY2006	<ul style="list-style-type: none"> • Toshiba Group CSR Month is established. • Toshiba Group Standards of Conduct is revised. • The Clean Partner Line, a whistleblower system for suppliers and other business partners, is established. • Toshiba Group 1.5 Million Tree-planting Project is launched. • The New EASTER comprehensive audit system is put in place. 🌱
FY2005	<ul style="list-style-type: none"> • Toshiba With Co., Ltd., a special subsidiary for employment of people with disabilities, is established. • Toshiba Group CSR Conference is held. • Toshiba "ASHITA" Award is established. • The philosophy, policies and criteria for universal design are established. • Standards of Conduct concerning Sales to Government and Authorities are established and thoroughly implemented. • Participates in the Eco-Products International Fair. 🌱

* UD advisor : Universal Design advisor

Organization Structure (As of September 30, 2016)



- Public Relations & Investor Relations Div.
 - Information Disclosure Office
- Management Reform Div.
- Internal Management System Reinforcement Project Team
- Project Monitoring & Oversight Div.

- Kanto Branch
- Kansai Branch
- Chubu Branch
- Kyushu Branch
- Chugoku Branch

- Hokuriku Branch
- Tohoku Branch
- Hokkaido Branch
- Shikoku Branch

- Yokohama Complex
- Ome Complex
- Himeji Operations

- Toshiba General Hospital

Storage & Electronic Devices Solutions Company

- Discrete Semiconductor Div.
 - Himeji Operations - Semiconductor
- Mixed Signal IC Div.
- Memory Div.
 - Yokkaichi Operations
- Storage Products Div.
- Center For Semiconductor Research & Development

Industrial ICT Solutions Company

- IoT Technology Center
- Distribution, Media & Financial System Solutions Div.
- Manufacturing, Industrial and Social Infrastructure Solutions Div.
- Toshiba Solutions Corporation

Toshiba Client Solutions Co., Ltd.

Toshiba Visual Solutions Corporation

- Materials & Devices Div.
 - Fukaya Complex
- ODD Div.
- Life Science Div.*

*(Eliminated on October 1, 2016)

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 lineup 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."
June	2003	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.
Oct.	2006	Acquired Westinghouse Group.
June	2009	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).
Sep.	2015	Decided that, in principle, the majority of the directors of the Company, and all members of the Nomination Committee, Audit Committee and Compensation Committee, shall be outside directors.
Dec.		Announced the "Toshiba Rebuilding Initiative."
Mar.	2016	Sold off all shares of Toshiba Medical Systems Corporation.
June		Sold off 8.01% shares of Toshiba Lifestyle Products & Services Corporation.
June		Eliminated the system of advisers to the board.

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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, 2016, please refer to the "Financial Review 2016."

Consolidated Financial Summary

	2012
Net Sales, Operating Income (Loss) and Net Income (Loss) Attributable to Shareholders of the Company	
Net sales	¥5,469,119
Cost of sales	4,280,507
Selling, general and administrative expenses	1,090,766
Impairment loss on goodwill	—
Operating income (loss)	97,846
Income (loss) from continuing operations, before income taxes and noncontrolling interests	47,341
Income taxes	40,580
Net income (loss) attributable to shareholders of the Company	3,194
EBITDA*1	309,833
Profitability Ratios	
Operating income ratio (%)	1.8
Return on sales (%)	0.1
Cost of sales ratio (%)	78.3
Selling, general and administrative expenses ratio (%)	19.9
Total Assets, Equity Attributable to Shareholders of the Company and Interest-bearing Debt	
Total assets	5,673,064
Equity attributable to shareholders of the Company	718,664
Net Interest-bearing debt	931,056
Long-term debt	907,382
Short-term debt	221,364
Shareholders' equity ratio (%) ^{*2}	12.7
Net debt/equity ratio (Times) ^{*3}	1.3
R&D, Capital Expenditures and Depreciation	
R&D expenditures	284,283
Capital expenditures (Property, plant and equipment)	321,902
Depreciation (Property, plant and equipment)	231,946
Return Indicators	
Return on investment (ROI) (%) ^{*4}	4.6
Return on equity (ROE) (%) ^{*5}	0.4
Return on total assets (ROA) (%) ^{*6}	0.1
Efficiency Indicators	
Inventory turnover (Times) ^{*7}	6.92
Total assets turnover (Times) ^{*8}	0.99
Inventory turnover (Days) ^{*9}	52.72
Cash Flows	
Net cash provided by (used in) operating activities	337,497
Net cash provided by (used in) investing activities	(377,227)
Net cash provided by (used in) financing activities	(2,740)
Effect of exchange rate changes on cash and cash equivalents	(2,065)
Net increase (decrease) in cash and cash equivalents	(44,535)
Cash and cash equivalents at end of year	197,690
Liquidity Indicators	
Debt/cash flow ratio (%) ^{*10}	23.38
Interest coverage ratio (Times) ^{*11}	3.5
Corporate Value	
Free cash flow ^{*12}	(39,730)
Market capitalization ^{*13}	1,542,487
Other Data	
Number of employees (Consolidated) (Thousands)	210
Number of employees (Non-Consolidated) (Thousands)	37
Ratio of Consolidated to Non-Consolidated Performance (Times) (Net sales)	1.7

• 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 the Company is based on U.S. GAAP.

• The Healthcare Systems & Service segment and Home Appliances business are classified as discontinued operations. Results of the past fiscal year have been revised to reflect these changes.

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

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

*3 Net debt/equity ratio (Times) = Net Interest-bearing debt/Equity attributable to shareholders of the Company

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

(Millions of yen)

2013	2014	2015	2016
¥5,168,398	¥5,904,288	¥6,114,682	¥5,668,688
4,055,147	4,495,623	4,703,208	4,813,702
1,041,075	1,179,301	1,223,065	1,268,752
—	—	—	294,972
72,176	229,364	188,409	(708,738)
51,418	158,546	156,615	(633,145)
33,582	72,487	143,016	253,748
13,425	60,240	(37,825)	(460,013)
269,221	348,915	352,017	(408,667)
1.4	3.9	3.1	(12.5)
0.3	1.0	(0.6)	(8.1)
78.5	76.1	76.9	84.9
20.1	20.0	20.0	22.4
6,021,603	6,172,519	6,334,778	5,433,341
824,584	1,027,189	1,083,996	328,874
1,211,614	1,170,669	1,120,814	481,197
1,036,671	1,182,668	1,043,021	831,300
367,605	147,633	267,975	619,612
13.7	16.6	17.1	6.1
1.5	1.1	1.0	1.5
264,231	289,631	309,713	360,858
238,373	262,578	243,931	279,188
186,339	157,774	172,188	203,725
3.0	8.5	6.7	(28.4)
1.7	6.5	(3.6)	(65.1)
0.2	1.0	(0.6)	(7.8)
6.23	7.05	7.11	6.91
0.88	0.97	0.98	0.96
58.57	51.78	51.31	52.80
132,316	284,132	330,442	(1,230)
(196,347)	(244,101)	(190,130)	653,442
41,772	(89,309)	(125,795)	135,747
17,123	11,449	13,509	(11,796)
(5,136)	(37,829)	28,026	776,163
192,662	159,632	190,182	969,715
16.67	16.97	11.52	(17.82)
2.6	7.4	8.6	(33.8)
(64,031)	40,031	140,312	652,212
2,000,148	1,851,832	2,136,599	928,035
206	200	199	188
36	36	35	37
1.8	1.8	1.9	2.0

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

*6 Return on total assets (ROA) (%) = Net income (loss) attributable to shareholders of the Company/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 the Company + 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	2012	2013	2014	2015	2016
ASSETS					
Current Assets:					
Cash and cash equivalents	¥ 197,690	¥ 192,662	¥ 159,632	¥ 190,182	¥ 969,715
Notes and accounts receivable, trade					
Notes	37,275	29,870	34,216	35,081	33,229
Accounts	1,160,501	1,226,740	1,326,634	1,333,547	1,155,803
Allowance for doubtful notes and accounts	(16,108)	(13,750)	(13,472)	(34,394)	(32,473)
Inventories	791,487	867,252	808,109	911,009	729,123
Deferred tax assets	160,792	158,439	154,436	182,421	63,303
Prepaid expenses and other current assets	425,026	395,609	431,628	520,945	471,515
Current assets of discontinued operations	238,401	251,908	257,490	199,615	68,370
	2,995,064	3,108,730	3,158,673	3,338,406	3,458,585
Long-term Receivables and Investments:					
Long-term receivables	48,958	30,173	367	9,851	10,039
Investments in and advances to affiliates	409,717	408,255	380,916	359,445	266,554
Marketable securities and other investments	231,229	256,221	267,961	262,147	86,953
	689,904	694,649	649,244	631,443	363,546
Property, Plant and Equipment:					
Land	88,774	87,786	89,242	91,242	91,881
Buildings	862,911	862,745	890,650	898,270	890,659
Machinery and equipment	1,984,230	1,892,801	1,926,173	1,956,782	1,905,122
Construction in progress	63,309	75,783	70,937	77,428	64,065
	2,999,224	2,919,115	2,977,002	3,023,722	2,951,727
Less—Accumulated depreciation	(2,267,717)	(2,165,777)	(2,131,620)	(2,170,180)	(2,157,423)
	731,507	753,338	845,382	853,542	794,304
Other Assets:					
Deferred tax assets	377,257	355,729	281,035	160,479	27,921
Other	767,094	965,841	1,096,100	1,236,091	788,985
Non-current assets of discontinued operations	112,238	143,316	142,085	114,817	—
	1,256,589	1,464,886	1,519,220	1,511,387	816,906
	¥5,673,064	¥6,021,603	¥6,172,519	¥6,334,778	¥5,433,341

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

(Millions of yen)

March 31	2012	2013	2014	2015	2016
LIABILITIES AND EQUITY					
Current Liabilities:					
Short-term borrowings	¥ 17,360	¥ 129,794	¥ 93,541	¥ 61,987	¥ 410,983
Current portion of long-term debt	204,004	237,811	54,092	205,988	208,629
Notes and accounts payable, trade	1,189,910	1,103,446	1,116,232	1,161,946	877,061
Accounts payable, other and accrued expenses	354,965	390,745	451,081	488,891	520,030
Accrued income and other taxes	41,574	50,553	65,453	62,662	108,152
Advance payments received	266,767	290,631	317,228	386,763	486,225
Other current liabilities	373,607	405,624	366,610	376,983	365,623
Discontinued operations current liabilities	290,248	260,130	269,273	165,648	95,306
	2,738,435	2,868,734	2,733,510	2,910,868	3,072,009
Long-Term Liabilities:					
Long-term debt	907,382	1,036,671	1,182,668	1,043,021	831,300
Accrued pension and severance costs	706,986	642,015	538,183	515,446	629,402
Other liabilities	156,654	187,592	182,049	208,120	228,372
Non-current liabilities of discontinued operations	79,749	80,768	90,115	91,966	—
	1,850,771	1,947,046	1,993,015	1,858,553	1,689,074
Equity Attributable to Shareholders of the Company:					
Common stock	439,901	439,901	439,901	439,901	439,901
Additional paid-in capital	396,789	401,594	401,830	402,008	399,470
Retained earnings (losses)	449,023	428,569	454,931	383,231	(76,782)
Accumulated other comprehensive loss	(565,551)	(443,938)	(267,786)	(139,323)	(431,828)
Treasury stock, at cost	(1,498)	(1,542)	(1,687)	(1,821)	(1,887)
	718,664	824,584	1,027,189	1,083,996	328,874
Equity Attributable to Noncontrolling Interests:	365,194	381,239	418,805	481,361	343,384
Commitments and contingent liabilities					
	¥5,673,064	¥6,021,603	¥6,172,519	¥6,334,778	¥5,433,341

(Millions of yen)

March 31	2012	2013	2014	2015	2016
Accumulated Other Comprehensive Loss:					
Unrealized gains on securities	¥ 57,093	¥ 78,165	¥ 93,924	¥ 113,567	¥ 23,655
Foreign currency translation adjustments	(283,834)	(219,546)	(110,846)	(14,757)	(91,906)
Pension liability adjustments	(338,348)	(301,584)	(248,502)	(240,172)	(357,962)
Unrealized gains and losses on derivative instruments	(462)	(973)	(2,362)	2,039	(5,615)

Consolidated Statements of Operations

(Millions of yen)

Year ended March 31	2012	2013	2014	2015	2016
Sales and Other Income:					
Net sales	¥5,469,119	¥5,168,398	¥5,904,288	¥6,114,682	¥5,668,688
Interest and dividends	9,263	11,156	13,223	10,267	6,600
Equity in earnings of affiliates	17,066	21,503	3,021	20,656	—
Other income	70,480	84,007	55,869	116,224	228,067
	5,565,928	5,285,064	5,976,401	6,261,829	5,903,355
Costs and Expenses:					
Cost of sales	4,280,507	4,055,147	4,495,623	4,703,207	4,813,702
Selling, general and administrative	1,090,766	1,041,075	1,179,301	1,223,066	1,268,752
Impairment loss on goodwill	—	—	—	—	294,972
Interest	30,546	31,464	32,595	23,214	20,753
Equity in losses of affiliates	—	—	—	—	23,223
Other expense	116,768	105,960	110,336	155,727	115,098
	5,518,587	5,233,646	5,817,855	6,105,214	6,536,500
Income (loss) from Continuing Operations, before Income Taxes and Noncontrolling Interests	47,341	51,418	158,546	156,615	(633,145)
Income Taxes:					
Current	42,063	44,501	44,341	57,930	74,269
Deferred	(1,483)	(10,919)	28,146	85,086	179,479
	40,580	33,582	72,487	143,016	253,748
Income (Loss) from Continuing Operations, before Noncontrolling Interests	6,761	17,836	86,059	13,599	(886,893)
Loss from Discontinued Operations, before Noncontrolling Interests	5,065	13,751	(10,789)	(32,614)	370,858
Net Income (Loss) before Noncontrolling Interests	11,826	31,587	75,270	(19,015)	(516,035)
Less: Net Income (Loss) Attributable to Noncontrolling Interests	8,632	18,162	15,030	18,810	(56,022)
Net Income (Loss) Attributable to Shareholders of the Company	¥ 3,194	¥ 13,425	¥ 60,240	¥ (37,825)	¥ (460,013)

Consolidated Statements of Comprehensive Income

(Millions of yen)

Year ended March 31	2012	2013	2014	2015	2016
Net Income (Loss) before Noncontrolling Interests	¥ 11,826	¥ 31,587	¥ 75,270	¥(19,015)	¥(516,035)
Other Comprehensive Income (Loss), Net of Tax:					
Net unrealized gains and losses on securities	(5,324)	25,571	18,417	22,664	(106,947)
Foreign currency translation adjustments	(11,007)	145,066	128,278	129,089	(101,585)
Pension liability adjustments	(33,619)	38,506	55,797	5,041	(118,908)
Net unrealized gains and losses on derivative instruments	(659)	(841)	(1,734)	4,785	(7,973)
Total other comprehensive income (loss)	(50,609)	208,302	200,758	161,579	(335,413)
Comprehensive Income (Loss) before Noncontrolling Interests	(38,783)	239,889	276,028	142,564	(851,448)
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interests	3,969	60,037	39,636	51,926	(98,930)
Comprehensive Income (Loss) Attributable to Shareholders of the Company	¥(42,752)	¥179,852	¥236,392	¥ 90,638	¥(752,518)

Consolidated Statements of Cash Flows

(Millions of yen)

Year ended March 31	2012	2013	2014	2015	2016
Cash Flows from Operating Activities:					
Net income (loss) before noncontrolling interests	¥ 11,826	¥ 31,587	¥ 75,270	¥ (19,015)	¥(516,035)
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by operating activities					
Depreciation and amortization	242,913	197,747	171,796	189,938	213,869
Provisions for pension and severance costs, less payments	5,301	(2,021)	(12,960)	(14,355)	(44,413)
Deferred income taxes	(172)	(12,498)	40,510	86,121	345,770
Equity in (earnings) losses of affiliates, net of dividends	(13,926)	(13,889)	12,992	(10,708)	33,778
Gain (loss) from sales, disposal and impairment of property, plant and equipment, intangible assets and securities, net	57,896	17,533	12,787	82,361	(305,556)
(Increase) decrease in notes and accounts receivable, trade	(195,502)	6,369	(91,309)	94,186	157,576
(Increase) decrease in inventories	(2,405)	(24,804)	46,363	(80,372)	167,432
Increase (decrease) in notes and accounts payable, trade	124,495	(167,415)	(59,784)	(43,124)	(271,785)
Increase (decrease) in accrued income and other taxes	6,350	8,355	4,703	(5,082)	48,573
Increase (decrease) in advance payments received	104,886	(3,844)	12,831	38,489	130,335
Other	(4,165)	95,196	70,933	12,003	39,226
Net cash provided by (used in) operating activities	337,497	132,316	284,132	330,442	(1,230)
Cash Flows from Investing Activities:					
Proceeds from sale of property, plant and equipment	103,818	87,672	40,491	54,059	49,409
Proceeds from sale of securities	9,638	3,876	12,134	66,486	157,197
Acquisition of property, plant and equipment	(331,159)	(296,211)	(251,899)	(287,884)	(291,465)
Purchase of securities	(18,435)	(9,203)	(5,292)	(4,052)	(1,410)
(Increase) decrease in investments in affiliates	15,444	24,616	(1,437)	8,769	104,493
Other	(156,533)*1	(7,097)	(38,098)	(27,508)	635,218*3
Net cash provided by (used in) investing activities	(377,227)	(196,347)	(244,101)	(190,130)	653,442
Cash Flows from Financing Activities:					
Proceeds from long-term debt	370,911	350,101	198,826	241,845	3,106
Repayment of long-term debt	(206,325)	(208,865)	(234,773)	(249,795)	(215,076)
Increase (decrease) in short-term borrowings, net	(130,767)	66,885	(13,678)	(74,353)	391,363
Dividends paid	(37,007)	(42,547)	(38,954)	(42,068)	(31,848)
Purchase of treasury stock, net	(42)	(50)	(145)	(134)	(66)
Other	490	(123,752)*2	(585)	(1,290)	(11,732)
Net cash provided by (used in) financing activities	(2,740)	41,772	(89,309)	(125,795)	135,747
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,065)	17,123	11,449	13,509	(11,796)
Net Increase (Decrease) in Cash and Cash Equivalents	(44,535)	(5,136)	(37,829)	28,026	776,163
Cash and Cash Equivalents at Beginning of Year	258,840	214,305	209,169	171,340	199,366
Cash and Cash Equivalents at End of Year	214,305	209,169	171,340	199,366	975,529
Less: Cash and cash equivalents of discontinued operations at end of year	16,615	16,507	11,708	9,184	5,814
Cash and cash equivalents of continuing operations at end of year	¥ 197,690	¥ 192,662	¥ 159,632	¥ 190,182	¥ 969,715
Supplemental Disclosure of Cash Flow Information:					
Cash paid during the year for—					
Interest	¥ 31,759	¥ 33,090	¥ 33,777	¥ 28,194	¥ 22,779
Income taxes	¥ 43,912	¥ 48,662	¥ 50,997	¥ 86,846	¥ 77,466

*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.

*3 Includes ¥638,442 million in proceeds from the sale of shares of Toshiba Medical Systems Co., Ltd.

Industry Segment Performance

(Billions of yen)

Year ended March 31	2012	2013	Change (%)	2014	Change (%)	2015	Change (%)	2016	Change (%)
Energy & Infrastructure									
Net sales	¥1,545.2	¥1,639.0	6.1	¥1,794.8	9.5	¥1,993.9	11.1	¥2,048.4	2.7
Share of net sales (%)	25.9	29.3	—	28.1	—	30.0	—	33.5	—
Operating income (loss)	86.9	87.9	1.2	6.7	(92.4)	19.2	187.4	(367.5)	—
Operating income ratio (%)	5.6	5.4	—	0.4	—	1.0	—	(17.9)	—
Number of employees (Thousands)	57	56	(1.8)	55	(1.8)	54	(1.8)	54	0.0
R&D expenditures	63.5	62.5	(1.4)	64.7	3.5	69.3	7.1	74.9	8.0
Depreciation	59.0	58.6	(0.7)	57.7	(1.6)	65.0	12.7	73.5	13.1
Capital expenditures	78.7	58.4	(25.8)	71.0	21.5	73.7	3.9	91.4	23.9
Total assets	2,269.2	2,369.4	4.4	2,639.4	11.4	2,842.1	7.7	2,428.2	(14.6)
Community Solutions									
Net sales	1,064.5	1,176.1	10.5	1,356.6	15.4	1,410.7	4.0	1,425.2	1.0
Share of net sales (%)	17.9	21.0	—	21.2	—	21.3	—	23.3	—
Operating income (loss)	37.0	29.2	(21.1)	55.5	89.8	53.9	(2.8)	(78.8)	—
Operating income ratio (%)	3.5	2.5	—	4.1	—	3.8	—	(5.5)	—
Number of employees (Thousands)	45	47	4.4	48	2.1	49	2.1	51	4.1
R&D expenditures	35.7	40.6	13.7	45.0	10.8	48.3	7.2	53.7	11.1
Depreciation	23.8	26.2	10.1	28.1	7.0	28.6	1.7	31.5	10.3
Capital expenditures	18.1	33.4	84.5	33.3	(0.2)	45.4	36.3	28.5	(37.2)
Total assets	663.8	982.6	48.0	983.1	0.1	1,064.0	8.2	859.8	(19.2)
Electronic Devices & Components									
Net sales	1,356.4	1,280.2	(5.6)	1,687.3	31.8	1,768.8	4.8	1,605.0	(9.3)
Share of net sales (%)	22.8	22.8	—	26.4	—	26.7	—	26.2	—
Operating income (loss)	21.2	46.4	119.5	246.8	431.3	216.6	(12.2)	(101.6)	—
Operating income ratio (%)	1.6	3.6	—	14.6	—	12.2	—	(6.3)	—
Number of employees (Thousands)	43	38	(11.6)	35	(7.9)	34	(2.9)	34	0.0
R&D expenditures	145.3	130.1	(10.5)	145.5	11.8	161.2	10.9	196.9	22.1
Depreciation	123.9	83.4	(32.7)	59.5	(28.6)	67.5	13.4	89.3	32.3
Capital expenditures	174.3	126.4	(27.5)	122.2	(3.4)	120.0	(1.8)	150.5	25.4
Total assets	1,303.8	1,320.7	1.3	1,373.8	4.0	1,380.5	0.5	1,016.1	(26.4)
Lifestyle Products & Services									
Net sales	1,281.4	1,004.3	(21.6)	1,031.7	2.7	915.8	(11.2)	542.6	(40.8)
Share of net sales (%)	21.5	17.9	—	16.2	—	13.8	—	8.9	—
Operating income (loss)	(46.8)	(69.0)	—	(53.0)	—	(65.9)	—	(131.9)	—
Operating income ratio (%)	(3.6)	(6.9)	—	(5.1)	—	(7.2)	—	(24.3)	—
Number of employees (Thousands)	27	28	3.7	26	(7.1)	24	(7.7)	20	(16.7)
R&D expenditures	24.9	24.9	(0.2)	28.2	13.5	22.5	(20.4)	20.5	(8.8)
Depreciation	8.7	11.3	29.2	5.8	(48.8)	3.6	(37.5)	1.1	(68.3)
Capital expenditures	10.9	7.7	(29.5)	6.3	(17.2)	3.7	(41.9)	4.2	15.1
Total assets	557.9	534.6	(4.2)	461.3	(13.7)	409.4	(11.3)	164.6	(59.8)
Others									
Net sales	709.6	502.8	(29.1)	517.4	2.9	543.2	5.0	494.6	(9.0)
Share of net sales (%)	11.9	9.0	—	8.1	—	8.2	—	8.1	—
Operating income (loss)	36.1	13.7	(62.1)	11.9	(12.6)	5.9	(51.1)	8.6	47.4
Operating income ratio (%)	5.1	2.7	—	2.3	—	1.1	—	1.7	—
Number of employees (Thousands)	28	28	0.0	27	(3.6)	28	3.7	29	3.6
R&D expenditures	14.9	6.1	(59.0)	6.2	1.3	8.4	35.8	14.9	78.6
Depreciation	16.5	6.8	(58.4)	6.7	(1.5)	7.6	12.3	8.3	9.7
Capital expenditures	39.9	12.5	(68.8)	29.8	138.6	1.1	(96.4)	4.6	321.8
Total assets	566.4	541.1	(4.5)	461.1	(14.8)	413.7	(10.3)	904.5	118.6

Long-term Debt

(Millions of yen)

March 31	2015		2016	
Loans, principally from banks,	Secured	¥ —	Secured	¥ —
due 2015 to 2030 with weighted-average interest rate of 0.69% at March 31, 2015, and	Unsecured	¥ 850,772	Unsecured	¥ 713,605
due 2016 to 2030 with weighted-average interest rate of 0.70% at March 31, 2016				
Unsecured yen bonds,		370,000		300,000
due 2015 to 2020 with interest rates ranging from 0.25% to 2.20% at March 31, 2015 and				
due 2016 to 2020 with interest rates ranging from 0.04% to 2.20% at March 31, 2016				
Capital lease obligations		28,237		26,324
		1,249,009		1,039,929
Less—Portion due within one year		(205,988)		(208,629)
		¥ 1,043,021		¥ 831,300

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	2015	2016
2016	¥ 198,229	¥ —
2017	208,754	201,202
2018	239,430	239,798
2019	163,302	166,536
2020	340,502	339,557
2021 and thereafter	70,555	—
2021		33,503
2022 and thereafter		33,009
Total	¥1,220,772	¥1,013,605

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>

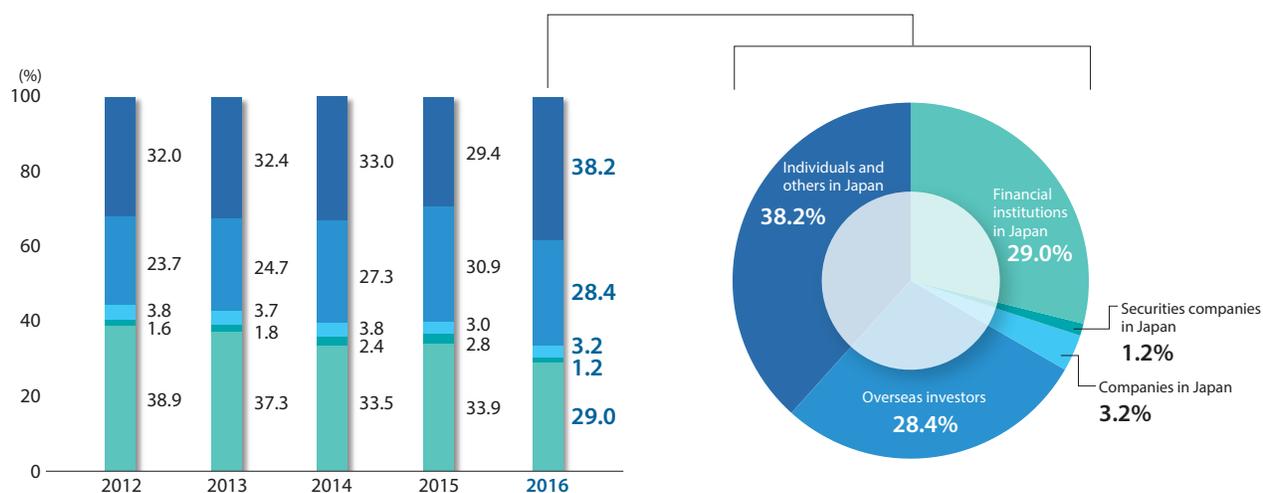
Shareholder Information

Distribution of Shareholders

(Shareholding ratio by category)

March 31	2012	2013	2014	2015	2016
■ Individuals and others in Japan	32.0 %	32.4 %	33.0 %	29.4 %	38.2 %
■ Overseas investors	23.7	24.7	27.3	30.9	28.4
■ Companies in Japan	3.8	3.7	3.8	3.0	3.2
■ Securities companies in Japan	1.6	1.8	2.4	2.8	1.2
■ Financial institutions in Japan	38.9	37.3	33.5	33.9	29.0

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



Major Shareholders

(As of March 31, 2016)

	Percentage of shareholding ratio (Rounded to one decimal place)
JP MORGAN CHASE BANK 380055	4.4%
The Master Trust Bank of Japan, Ltd. (Trust accounts)	3.4
Toshiba Employees Shareholding Association	3.1
Japan Trustee Services Bank, Ltd. (Trust accounts)	2.8
The Dai-ichi Life Insurance Company, Limited	2.7
Nippon Life Insurance Company	2.6
JPMCB:CREDIT SUISSE SECURITIES EUPORE-JPY 1007760	1.5
Japan Trustee Services Bank, Ltd. (Trust accounts No. 49)	1.4
BNYML - NON TREATY ACCOUNT	1.4
Japan Trustee Services Bank, Ltd. (Trust accounts No. 4)	1.3

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

Stock Information

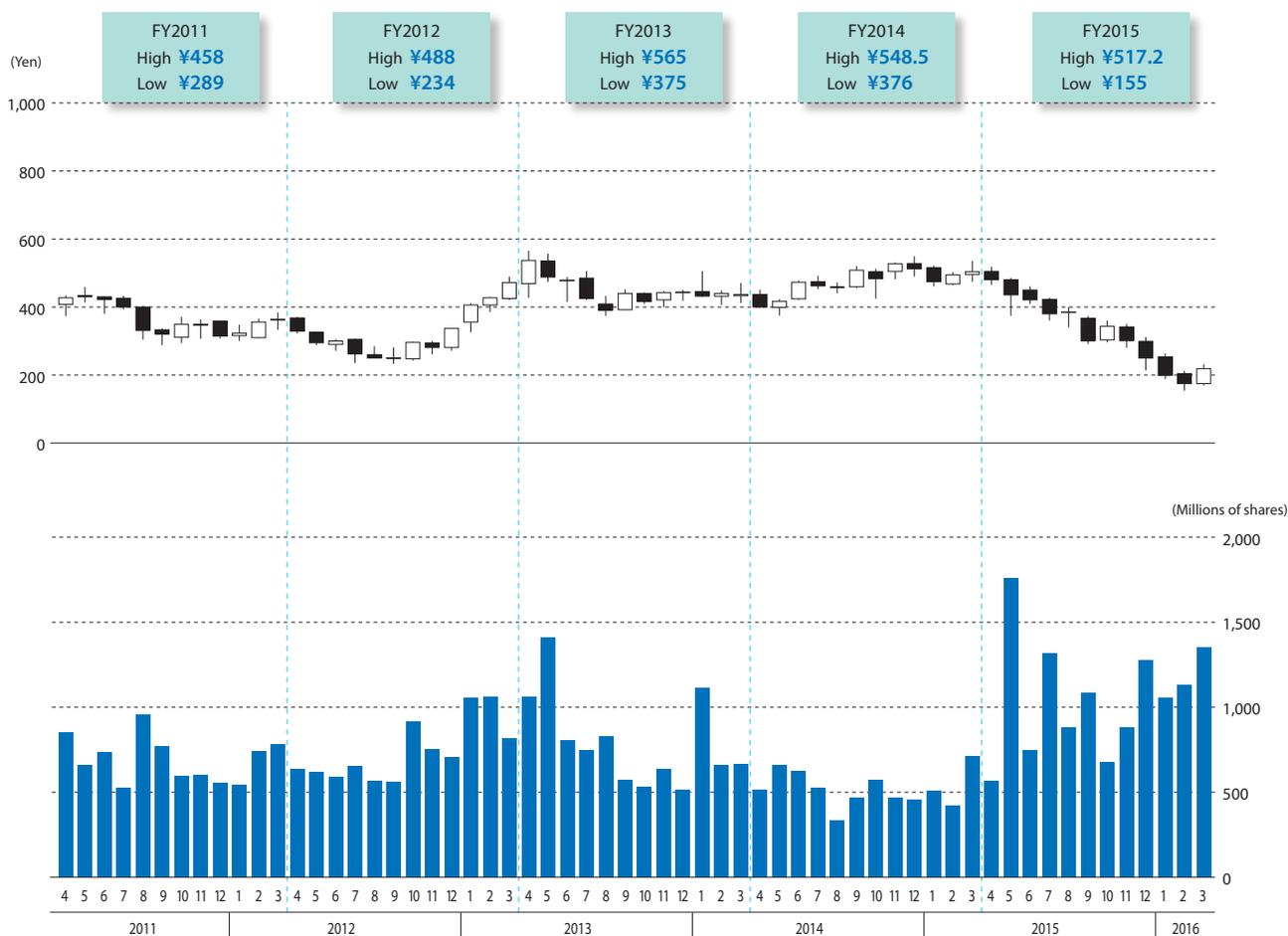
Common Stock Price Trends

Year ended March 31	2012	2013	2014	2015	2016
Common stock price (Yen, fiscal year)*1					
High	458	488	565	548.5	517.2
Low	289	234	375	376	155
Nikkei average (Yen)	10,083.56	12,397.91	14,827.83	19,206.99	16,758.67
Number of shares issued (Millions of shares)	4,238	4,238	4,238	4,238	4,238
Market capitalization (Billions of yen)*2	1,542.5	2,000.1	1,851.8	2,136.6	928.0
Earnings (Loss) per share attributable to shareholders of the Company (Yen)					
—Basic (EPS)	0.75	3.17	14.23	(8.93)	(108.64)
—Diluted (EPS)	0.74	—	—	—	—
Annual dividends per share (Yen)	8	8	8	4	—
Payout ratio (%) (Consolidated)	—	252.4	56.2	—	—
Number of shareholders	457,467	446,001	436,540	391,614	437,466
Price-to-earnings ratio (PER) (Times)	482.64	148.89	30.72	—	—
Price-to-cash flows ratio (PCFR) (Times)	6.3	9.5	8.0	14.0	(3.8)
Price-to-book value ratio (PBR) (Times)	2.1	2.4	1.8	2.0	2.8

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

*2 : Market capitalization = Common stock price [year-end/yen/close] × Total issues shares

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

<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Toshiba Elevator and Building Systems Corporation • Toshiba Global Commerce Solutions Holdings Corporation • Toshiba Lifestyle Products & Services Corporation • Toshiba Industrial Products and Systems Corporation • Toshiba Information Equipments Co., Ltd. • Toshiba Lighting & Technology Corporation 	<ul style="list-style-type: none"> • Toshiba Logistics Corporation • Toshiba Plant Systems & Services Corporation * • Toshiba Solutions Corporation • Toshiba TEC Corporation * • Toshiba Trading Inc.
161 companies in total including the 19 above		
* Listed Company in stock market		

Overseas

<ul style="list-style-type: none"> • Advance Energy UK Ltd. • Landis +Gyr A.G. • Landis +Gyr Holding A.G. • Mangiarotti S. p. A • NuGeneration Ltd. • Taiwan Toshiba International Procurement Corporation • Toshiba America Business Solutions, Inc. • Toshiba America Electronic Components, Inc. • Toshiba America Energy Systems Corporation • Toshiba America Information Systems, Inc. • Toshiba America Nuclear Energy Corporation • Toshiba America, Inc. • Toshiba Asia Pacific Pte., Ltd. 	<ul style="list-style-type: none"> • Toshiba Carrier (Thailand) Co., Ltd. • Toshiba (China) Co., Ltd. • Toshiba Dalian Co., Ltd. • Toshiba Electronics Asia, Ltd. • Toshiba Electronic Components Taiwan Corp. • 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. 	<ul style="list-style-type: none"> • Toshiba Lighting & Technology (Kunshan) Co., Ltd • 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) Limited. • Toshiba Nuclear Energy Holdings (US) Inc. • WECTEC LLC • Westinghouse Electric Company LLC
390 companies in total including the 36 above		

Affiliated Companies Accounted for by the Equity Method

Domestic

<ul style="list-style-type: none"> • Flash Alliance, Ltd. • Flash Forward • Flash Partners, Ltd. 	<ul style="list-style-type: none"> • Shibaura Mechatronics Corporation * • Toshiba Machine Co., Ltd. * • Toshiba Mitsubishi-Electric Industrial Systems Corporation 	<p>48 companies in total including the 6 above</p> <p>* Listed Company in stock market</p>
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Overseas

<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • TMEIC Corporation • UNISON Co., Ltd. * <p>96 companies in total including the 12 above</p> <p>* Listed Company in stock market</p>
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(As of March 31, 2016)

TOSHIBA CORPORATION

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

Founded:	July 1875
Number of Employees:	Approx. 188,000 (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:	437,466
Stock Exchange Listings:	Tokyo, Nagoya
ISIN:	JP359 2200004* <small>* On September 15, 2015, the shares of the Company were designated as "Securities on Alert" by the Tokyo Stock Exchange and the Nagoya Stock Exchange.</small>
Ticker Code on the Tokyo Stock Exchange:	6502
Shareholder Registration Agent:	Sumitomo Mitsui Trust Bank, Limited

● **The business section of this annual report has not been audited by our independent auditor**

● **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.

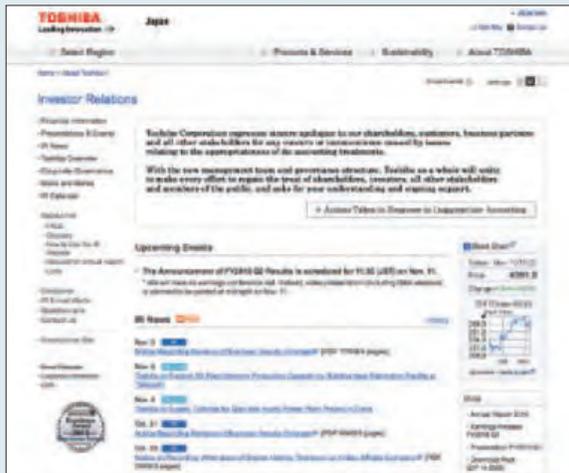
● **Product names may be trademarks of the respective companies.**

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.

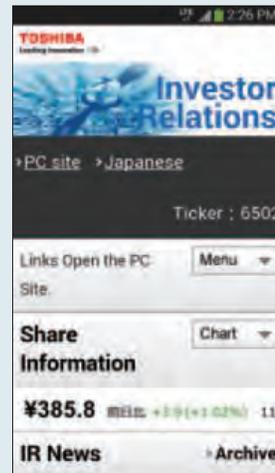
PC website

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



Smartphone website

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



Editorial Note

In editing this annual report, we have referred to the IIRC's International Integrated Reporting Framework. In order to provide information essential to an integrated report, we have expanded nonfinancial information (P.33-, P.60-) and the environmental, social and governance (ESG) section (P.62-).

We provide timely ESG information 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

Contacts:

Public Relations & Investor Relations 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



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



Use of Forest Thinning Support Paper

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



Tree use recycle mark

We believe that it is important to make proactive use of domestic wood products and to grow forests, and we support the Forestry Agency's efforts to promote "tree trainer activities." Domestic timber provided the raw material for the paper on which this report is printed, and its use contributed to increased absorption of CO₂ by native forests.

Printing



Waterless Printing

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



Non-VOC Ink

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