

2017

Annual Report

Year ended March 31, 2017 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

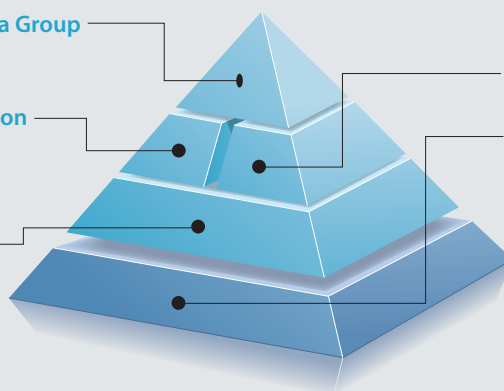
Toshiba Group's mission

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.

Editorial Policy

This annual report is published for shareholders and investors after the close of the business year for the purpose of reporting Toshiba Group business performance in the target business year.


We utilize the Internet and constantly strive to provide the latest IR information in a timely manner. We post materials that include IR news and earnings releases on our IR website. We also provide a site that can be accessed from smartphones.

Information on our continuing efforts in ESG, including non-financial information, is posted in the following reports and on our website.

Reports


Financial and non-financial information

Annual Report
Financial reports (main), non-financial outlines




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

Non-financial details



CSR Report
Overview of CSR activities

<http://www.toshiba.co.jp/csr/en/report/download.htm>



Environmental Report
Overview of environmental activities


<http://www.toshiba.co.jp/env/en/communication/report/index.htm>

Website

Sources of timely information


Financial information

IR website
Financial information; legal disclosures



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


IR website for smartphones
Financial information; legal disclosures



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


Non-financial information

CSR website
CSR information



<http://www.toshiba.co.jp/csr/en/>

Environment website
Environmental information



<http://www.toshiba.co.jp/env/en/>

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We are making all-out efforts towards rebuilding Toshiba and returning it to a strong growth path

S. Tsunakawa

Satoshi Tsunakawa
President and CEO



In the wake of the inappropriate financial accounting issue that emerged in 2015, Toshiba's shares were designated as Securities on Alert by the Tokyo Stock Exchange and the Nagoya Stock Exchange and we explained in our FY2015 Annual Report that the entire Toshiba Group would make efforts to carry out comprehensive plans for preventing recurrence of such an event and for transforming Toshiba's corporate culture. After that, Westinghouse Electric Company (WEC) incurred a huge loss and the WEC Group filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code.

Furthermore, a difference of opinion between Toshiba and our independent auditor developed over the timing of the recognition of the loss, and we received a qualified opinion from the independent auditor with regard to Toshiba's FY2016 Annual Securities Report.

Along with the damage to our company's financial base, it required a lot of time for Toshiba to conclude agreement of share transfers of Toshiba Memory Corporation, which is engaged in the memory business, one of the most profitable businesses. This was partly because many stakeholders were involved in the sales process.

On the other hand, as a result of Toshiba conscientiously implementing various internal management improvements such as in management decision-making processes and in management of our Group companies, especially our overseas subsidiaries, the designations of Toshiba's stock as Securities on Alert and Securities under Supervision (Examination) were cancelled by both stock exchanges as of October 12, 2017.

We deeply apologize to all of our shareholders, investors and stakeholders for causing much anxiety and a great deal of concern during the difficult period in which the Company's stock was under these designations.

At this point, I would like to introduce some further background information about the important and challenging issues that arose and to discuss our plans for Toshiba's future directions.

FY2016's business results; restoring to normality our financial statements

In FY2016 (April 2016-March 2017) Toshiba recorded consolidated operating income of ¥270.8 billion, an increase of ¥753.8 billion. All business segments other than Nuclear Power Systems recorded improved results, as a result of one-time expenses recorded in the previous fiscal year (FY2015), such as asset write-downs, restructuring costs and provision for unprofitable projects, plus the effect of continued emergency measures, including bonus reductions. In particular, the profitability of the memory business saw further improvement.

Net income (loss) attributable to shareholders of the Company recorded a large loss of -¥965.7 billion due to the recording of the loss from the discontinued operations related to the WEC Group's Chapter 11 filings under the U.S. Bankruptcy Code.

Regrettably, as a result of the large loss in retained earnings, shareholders' equity became negative at -¥552.9 billion.

Toshiba filed its Annual Securities Report for FY2016 on August 10, 2017, the extended deadline set by the authority. With regard to the audit report received from our independent auditor, although a qualified opinion was expressed with, the financial statements for FY2016 included in the FY2016 Annual Securities Report was deemed to be fairly presented except a specified matter and the Report was filed. On the same day, the FY2017 First Quarter Financial Report was filed. The independent auditor also expressed a qualified conclusion due to the auditor's concern that comparisons made with the same period of the previous year could result in errors.

Although we have caused a great deal of concern among all of you, with the submission of these reports, the Company firmly believes that the financial reporting has been restored to normality.

Eliminating risks related to our global nuclear power business

On December 27, 2016, Toshiba announced the possibility of the recognition of a large amount of goodwill and the impairment of goodwill related to WEC's acquisition of CB&I Stone & Webster from Chicago Bridge & Iron Company N.V. (CB&I).

In consideration of cash flow prospects and other circumstances, and in order to maintain WEC's business value, the Board of Directors of WEC has resolved to file for Chapter 11 protection as a means to rebuild WEC.

In addition, Toshiba Nuclear Energy Holdings (UK) Limited, a holding company for the WEC Group operating companies outside the U.S., made the same filing. With these filings, the WEC Group was deconsolidated from Toshiba's FY2016 full-year business results.

Another important management issue was the parent company guarantees for four nuclear power reactors of the U.S. nuclear power construction projects for which WEC accepted orders. By July 2017, Toshiba reached agreements which fixed the maximum amount that Toshiba is obliged to bear under the parent company guarantees. As a result, Toshiba eliminated the risk of additional payment related to its parent company guarantees.

Cancellation of designations as Securities on Alert and Securities Under Supervision (Examination)

Toshiba received the investigation report of the Independent Investigation Committee concerning its inappropriate accounting on July 20, 2015, and on September 7 of the same year, submitted its corrections to past financial reports to the Kanto Local Finance Bureau.

In response to these developments, the Tokyo Stock Exchange and the Nagoya Stock Exchange deemed that improvements in such areas as Toshiba's internal management system were highly necessary, and our stock was designated as Securities on Alert on September 15, 2015.

On September 15, 2016, a year following the original date of the designations, Toshiba submitted a written confirmation of its internal management system, but it was considered that it was still necessary to further verify the implementation and progress of the Company's improvement measures. Accordingly, both stock exchanges decided to continue the designations of Toshiba's stock as Securities on Alert on December 19, 2016.

After receiving notice of the decision regarding the continuation of the designations, in addition to its ongoing existing measures, Toshiba implemented further measures designed to thoroughly enforce compliance and to strengthen the monitoring of Group companies – measures that were put in place to respond to the reasons given for the continuation of the designations. Toshiba also worked conscientiously to improve the issues with regard to its managerial decision-making process. On March 15, 2017, one year and six months after the designations of its stock as Securities on Alert, Toshiba resubmitted the written confirmation of its internal management system to both stock exchanges.

As a result, we were able to receive notifications from both stock exchanges cancelling the designations of Toshiba's stock as Securities on Alert and Securities under Supervision (Examination) as of October 12, 2017.

Measures for the improvement of our Internal Management System

Following the cancellation of the designations of Toshiba's stock as Securities on Alert and Securities under Supervision (Examination), Toshiba released a "Report on Improvements in our Internal Management System" that explains the measures the Company has implemented and the status of its improved internal management system and discusses what future measures it plans to take.

We intend to continue to implement these measures for improvement and reinvigoration of our system as well as to introduce new additional measures that reflect the status of all of the measures we have taken so far. We are currently implementing the necessary steps that will enable us to fully regain the trust of all of our stakeholders.

Injection of third-party capital into our memory business

On April 1, 2017, the Company transferred its memory business (which includes product development, manufacturing and sales) to Toshiba Memory Corporation (TMC), a wholly owned subsidiary of the Company. This transfer was done for further growth of TMC by giving TMC greater flexibility in rapid decision-making and enhancing its financing options. The Company's Board of Directors selected a consortium led by Bain Capital Private Equity, LP, as the purchaser and on September 28, 2017, the Company executed a share purchase agreement to transfer TMC shares at a price of ¥2 trillion for the purpose of securing funds to repay the Company's debts and to restore its financial position. The Company intends to close the transaction by the end of March 2018 subject to clearance of the required processes.

Splitting off in-house companies into a new entities system; reinvigorating our corporate executives system

By October 2017, Toshiba split off its existing in-house companies and moved to a new business structure.

After the company split-off, Toshiba Group is devoting its efforts to further enhancing collaboration between the new split-off companies, and at the same time, aims to maximize the value of each business. In addition, it establishes an optimized structure for ensuring business continuity with respect to maintaining special construction business licenses that are required to do business in Japan.

With regard to corporate functions, after the company split-offs, the corporate will further concentrate on maximizing the Group's value and strengthening its governance system as a whole. As a part of its structural reform of the corporate designed to better reflect Toshiba's current corporate mission and functions, as of November 1, 2017, we revised our executive structure by reducing the number of Corporate Executive Officers in charge of corporate function from 18 to 10 persons.

Under this new reorganization, Executive Officers responsible for corporate functions will gain wider and deeper perspectives of the Group as a whole and will be able to execute management with greater speed. As a result, the number of Executive Officers as a whole has been reduced from 23 to 15.

Raising capital by issuing new shares

On November 19, 2017, Toshiba's Board of Directors resolved to raise capital by issuing new shares through a third-party allotment, and on December 5, 2017 approximately 2.3 billion new shares were issued that raised an amount of approximately ¥600 billion from 60 overseas investment funds.

The use of the proceeds from this financing was to make full payments of the parent company guarantees and to settle the obligations to creditors related to the nuclear power construction projects of WEC in the U.S.

Toshiba is planning to sell to a third party the WEC-related assets including the subrogation right against WEC to demand reimbursement of the amount paid by Toshiba to make full payment of the parent company guarantees. When this transfer is completed, Toshiba can significantly reduce the internal resources it has to allocate to the rehabilitation proceedings of WEC and also will be freed from the currency fluctuation risk related to the maximum amount of the parent company guarantees, as specified in U.S. dollars.

In addition, if the sale to the third party of the claims including the subrogation right against WEC and interests related to WEC is completed by the end of March 2018, we can expect at least approximately ¥240 billion to be contributed to further increase consolidated shareholders' equity by the end of March 2018.

In this way, by having carried out financing through a third party allotment of shares, we can expect to move forward toward the remedy of the situation of having a negative shareholders' equity and avoid the delisting of Toshiba's shares, both of which have been pressing challenges for the Company to deal with.

Nurturing of growth businesses and future strategic policy measures

Going forward, with the elimination of the risks posed by the nuclear power business, which was an enormous management issue, we made the decision to transfer the shares of Toshiba Memory Corporation. We are expecting the further growth of the memory business, a business that will require large facility investments every year going forward.

We firmly believe that by successfully implementing the raising of capital through a third-party allotment and completing the WEC-related claims transfer, the pressing issue of our negative shareholders' equity will be resolved and the possibility of the delisting of our company's shares is expected to be able to be eliminated.

Given the decisive steps we have taken to effectively respond to the business challenges we have faced, looking toward the future, from FY2018 on, while strengthening the profit base of our existing businesses, from the medium- to long-term perspective, we will work to reinvigorate our business structure so that it will possess the power to generate cash flows and a high profit ratio.

Going forward, a renewed Toshiba Group will focus on its four business domains, positioning Social Infrastructure as a core business along with Energy, Electronic Devices, and Digital Solutions. For that purpose, we intend to carry out three key strategic policy measures.

Focusing on Toshiba's future growth

Strengthening of our profit base
(over 3 years)

Improving the quality of our existing
businesses

Nurturing of our growth businesses
(3 years and beyond)

Transforming the quality of the
Company's cash flow and profit structure

1. Strengthening our power to generate cash

Selecting and focusing on promising businesses, reforming the corporate functions, reducing the expenditure level of operating capital, strengthening business risk management, making investments more efficiently, optimizing indirect expenses, and others.

2. Nurturing of growth seeds

We are going forward with technology development that will lead to new profit-earning sources such as development toward further technological breakthroughs in our rechargeable battery SCiB™, development of AI technology that will improve such functions as high-precision image recognition of the movement of multiple people, of turbine-generators for biomass power generation and of advanced visualization technologies for retail stores.

3. Joint development with customers/ partners

We are accelerating development work aimed at solving issues together with our customers and partners by utilizing technologies involving the IoT and AI. Currently about 400 joint development projects are in progress.

In conclusion

In order to recover Toshiba's damaged corporate value, we are now continuing forward with a multitude of measures aimed at regenerating and reinvigorating the Company and setting it once again on the path to robust growth.

Once again I deeply apologize for the occurrence of the recent business problems that have placed the Company in this difficult business situation.

Reflecting on our severe business experiences of the recent past, we have tightened our systems for business risk control over the past year, and from now on we have elected to focus on carrying out our business operations with an emphasis on improving cash flow as the key, instead of putting too high a priority on expansion of scale.

In order to effectively carry out these steps, we will carry out management while keeping in mind the importance of "consistently demonstrating a sincere management attitude," "ensuring a corporate culture that is transparent," "making appropriate investment decisions that are congruent with our corporate resource capabilities" and "pursuing effective risk management."

In addition, in all of our business activities, we will strive to meet our corporate social responsibilities as a good corporate citizen by constantly putting into practice the principles of thorough CSR management, as we endeavor to meet the requirements of society and contribute to the achievement of sustainable development goals (SDGs).

At first, we must strive to resolve one by one such issues as dealing by the end of March of 2018 with the negative shareholders' equity recorded on our consolidated balance sheets and achieving the strengthening of our internal management system so that we can return the Company to a normal fiscal situation. We will endeavor to achieve the resumption of the dividend as soon as possible, and make all-out efforts to recover the trust of all of our stakeholders, including shareholders and investors. We are moving forward to meet the challenges before us committed in an optimistic spirit to work with management united as one to ensure that Toshiba resumes its path to strong sustained business performance.

(This message was written as of Dec. 2017)

Toshiba Group's Forward Looking Management Policies

Issues to be Addressed

We have incurred a major loss in the overseas nuclear power business and extended the deadline for the submission of the annual securities report and quarterly report. We sincerely apologize for the inconvenience and concern that these events have caused to all of our stakeholders, including shareholders, investors, customers, employees and others. The following is a report on the circumstances surrounding these events and the subsequent response, and on the issues to be addressed in the future.

Losses Relating to the Overseas Nuclear Power Business

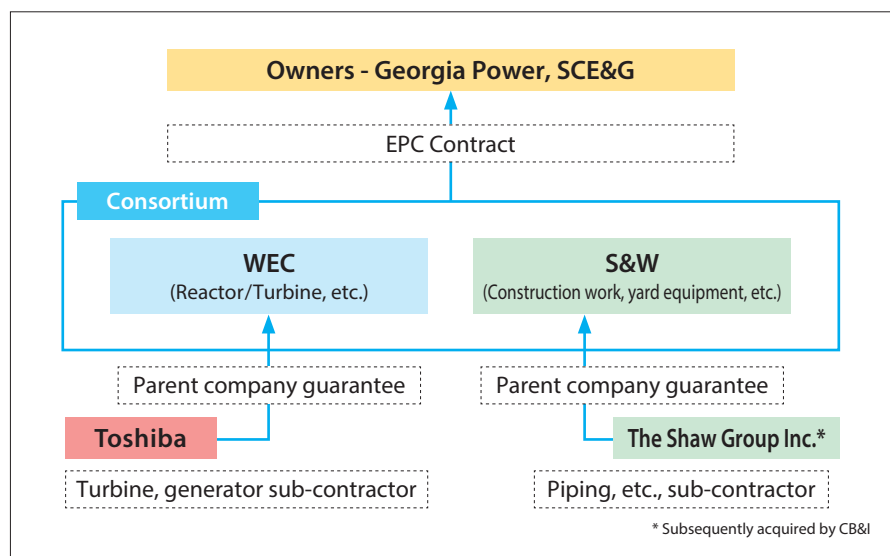
In 2008 WEC received orders for two U.S.-based projects (hereinafter "the Projects") to build its new AP1000 nuclear reactors. The orders came from a subsidiary of Southern Company of the U.S. called Georgia Power Company (hereinafter referred to by the name of its parent as "Southern Company") and a subsidiary of SCANA Corporation of the U.S. called South Carolina Electric & Gas Company (hereinafter referred to by the name of its parent as "SCANA Corporation"). The orders for the Projects were received after forming a consortium with CB&I Stone & Webster (S&W), and the work was divided between the two contractors: WEC was responsible for designing, manufacturing and procuring equipment associated with the reactors and turbines, while S&W was responsible for designing and procuring auxiliary equipment, as well as performing onsite engineering and construction work. After receipt of the orders, however, additional safety measures were mandated in the wake of the terrorist attacks in the U.S. on September 11, 2001, requiring design changes and reinspection to obtain official approval. In addition, the Great East Japan Earthquake led to a situation in which even more thorough safety checks were required. This necessitated coordination between the consortium and its clients regarding additional costs and the adjustment of completion dates, but discussions failed to produce agreement, and Southern Company brought a lawsuit, while potential lawsuits by SCANA Corporation and S&W also became a concern. In order to resolve this situation and progress with the Projects, WEC established a structure capable of centralized management for the Projects in their entirety by acquiring S&W and taking over the operations that had been under its jurisdiction. At the same time, WEC started considering a plan to help its clients accept the postponed completion dates and increased contract prices. With regard to construction-related work, the plan called for the construction workers employed by S&W to be transferred to major U.S.-based engineering company Fluor Corporation, after which Fluor Corporation would be appointed as the subcontractor responsible for engineering and construction work and site management, while WEC would focus on management and supervision of the building works. Then, in October 2015, WEC signed an agreement with CB&I to acquire all S&W's shares, acquiring the shares on December 31, 2015.

After WEC acquired S&W, it obtained detailed estimates in FY2016Q3 and after that assessed the value of S&W's assets in accordance with U.S. accounting standards. As a result, it found that the estimated costs of building, engineering and construction relating to the Projects far exceeded what it had assumed at the time of the acquisition. WEC also found that progress had not been made in improving the efficiency of the building, engineering and construction work. For these and other reasons WEC had to allow for a cost increase totaling US\$6.1 billion (hereinafter "the Cost Increase") comprising 1) personnel costs for onsite workers to complete the work remaining until completion of the building work, as well as indirect workers to undertake management and supervision, 2) costs for procurement of equipment and building materials, and outsourcing costs, and 3) additional compensation costs and contingency funds. When WEC included the Projects' losses due to the Cost Increase in goodwill recorded for the Nuclear Energy Systems & Services Division, then combined it with the Nuclear Energy Systems & Services Division's existing balance of goodwill to perform an impairment test, the full value of goodwill recorded for the division was subject to impairment.

	Vogtle 3 & 4 Project	V. C. Summer 2 & 3 Project
Owners	Georgia Power Company (100% affiliate of Southern Company)	South Carolina Electric & Gas Company (SCE&G) (Affiliate of SCANA Corporation)
Equipment	AP1000(1,117MWe)×2	
Scope	EPC* contract including construction at site WEC's original scope of work: reactors, turbines, design, other equipment, testing	
Contract	April 2008	May 2008

* Engineering, Procurement and Construction

Original EPC Structure



WEC's Voluntary Petition Filing

On March 29, 2017, the WEC Group filed the Voluntary Petition with the U.S. Bankruptcy Court for the Southern District of New York, having determined that, in light of the need to maintain future cash flow prospects and business value following the Cost Increase, the best way to revive its business and serve the interests of all stakeholders was to rebuild it under the legal protection of the court. As a result of the filing, the Westinghouse Group was excluded from the Company's scope of consolidation in the full year business results for FY2016.

The Company posted a loss of approximately ¥1,240 billion on a net income (loss) basis in its full year business results for FY2016 as a result of factors including the aforementioned impairment of goodwill and deconsolidation of the Westinghouse Group, along with losses posted in relation to parent company guarantees provided by the Company to power utility companies for the Projects, and the Company's recording of an allowance for doubtful accounts with respect to the Company's claims against the Westinghouse Group.

Breakdown of Westinghouse Loss

(Billions of yen)

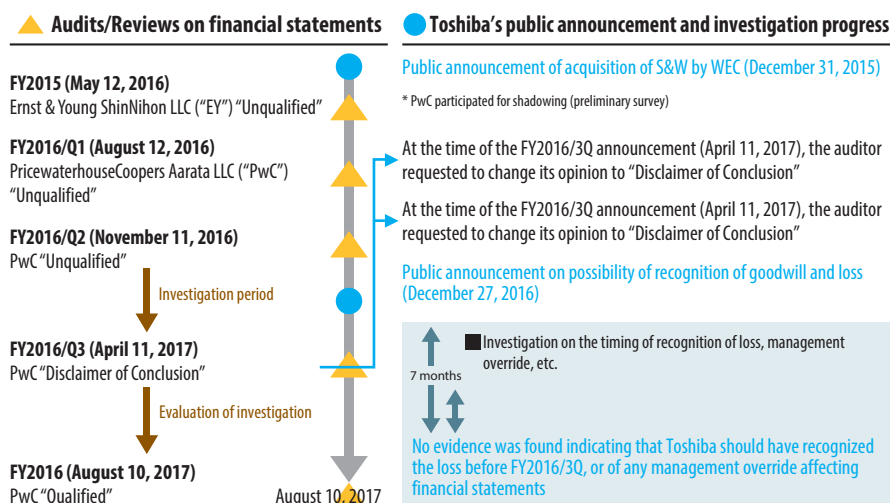
	Consolidated (US GAAP)
Impairment loss on goodwill	-731.6
Impairment loss on fixed assets	-114.2
Reservation for loan loss	-242.1
Provision for parent company guarantee	-687.7
Income related to deconsolidation	462.0*
Others	-80.6
Loss from discontinued operation, before income taxes and noncontrolling interests	-1,394.2

* After excluding impairment loss on investment

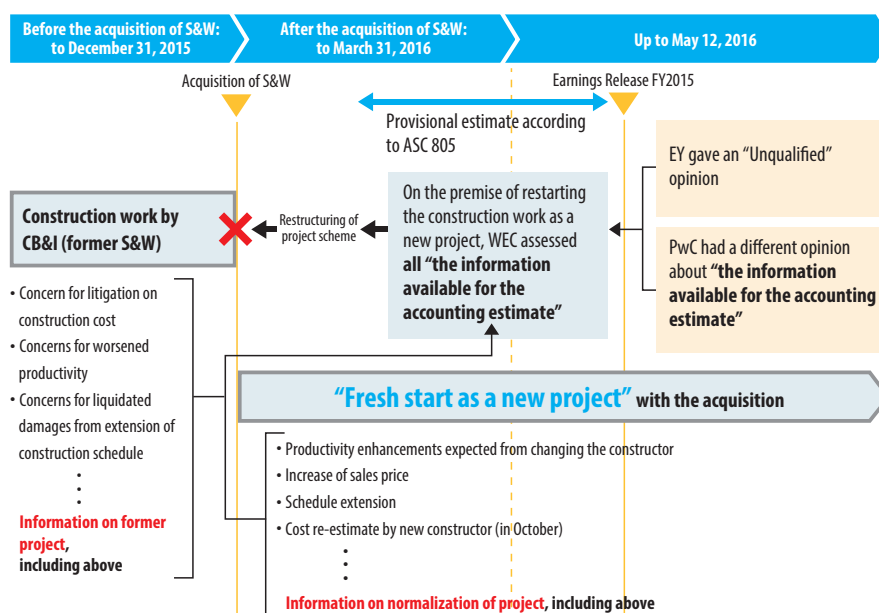
Delayed Business Results

The aforementioned voluntary petition filed by the WEC Group necessitated special accounting treatment for the portion of the filing relating to the WEC Group, including careful examination of the value of liabilities relating to the voluntary petition filing and the timing for allocation of such liabilities. Moreover, following completion of account settlement and auditing procedures by the WEC Group, the independent auditor had to perform the final auditing procedures required to complete the Toshiba Group's auditing, such as evaluating the results of auditing by WEC's auditors and completing internal procedures required within the audit corporation itself. In addition, with regard to the allowance for losses on construction contracts relating to the WEC Group, it was necessary to investigate the proper period for recognizing the losses in question to confirm whether the period in which the losses were recognized was appropriate and so on. The account settlement and auditing procedures therefore took a correspondingly long time.

Timeline of Westinghouse Investigation



Differences of Opinion between Toshiba and the Auditor



Material Uncertainty Related to Assumptions for the Going Concern

Primarily as a result of posting the aforementioned extremely high losses, the Toshiba Group recorded a negative net worth, causing a partial breach of financial covenants in the Company's loan agreements and leading to a situation in which it will be unable to renew the Company's Special Construction Business License in December 2017. Accordingly, it is acknowledged that material uncertainty exists with regard to the assumption that the Company can continue as a going concern and "Notes Relating to Assumptions for the Going Concern" have been included in the notes to consolidated financial statements.

Section Transfer of Toshiba's Stock in Tokyo and Nagoya Stock Exchanges

Toshiba Group was designated by the Tokyo Stock Exchange (TSE) and Nagoya Stock Exchange (NSE) that its stock will be transferred from the first to the second section of exchanges as of August 1, 2017. This designation was made based on the consolidated balance sheet, which shows that Toshiba Group's shareholders' equity was negative as of March 31, 2017.

On September 15, 2015, Toshiba's shares were designated by the Tokyo Stock Exchange and the Nagoya Stock Exchange as a "Securities on Alert" subject to performance review. Subsequently, on October 11, 2017, as a result of both exchanges recognizing that appropriate improvements had been made in the Company's internal control systems, we were informed that the designation of the Company's stock as a "Security on Alert" and "Securities Under Supervision (Examination)" would be cancelled, and on October 12, 2017, these designations were withdrawn.

Problem Recognition and Improvement Measures

Based on the facts, carry out cause analysis, including historical circumstances and background, and formulate remedial measures
In the future, continue efforts in order to constantly realize the best control systems and operations

Problem Recognition		Improvement Measures
1 Management policy, governance, compliance awareness	(1) Management policy	<ul style="list-style-type: none"> Strengthen the checks and balances function of the Nomination Committee and review of budget controls, etc.
	(2) Governance	<ul style="list-style-type: none"> Strengthen the supervisory function of the Board of Directors, the Nomination Committee and the Audit Committee Strengthen checks and balances by the Internal Audit Division and improve internal reporting systems
	(3) Responsibility and compliance awareness	<ul style="list-style-type: none"> Improve awareness among management and employees (awareness training, awareness surveys, transmission of messages from the management side)
2 Management decision process		<ul style="list-style-type: none"> Organize and strengthen the framework for business risk management
3 Accounting and disclosure system	(1) Accounting treatment	<ul style="list-style-type: none"> Strengthen the checks and balances function by the CFO and Accounting Division Business Process Reform (J-SOX)
	(2) Disclosure system	<ul style="list-style-type: none"> Improve information disclosure system, clarify information collection methods
4 Subsidiary control		<ul style="list-style-type: none"> Strengthen subsidiary control / governance

While the designation as a “Securities on Alert” has ended, we nonetheless recognize ways in which we can further implement reforms. There are still some matters after improvement that we regard as current issues, and these are described below.

1 Continue to strengthen the management structure, reviewing management policy, strengthening governance, and raising awareness of responsibilities and compliance

While we have made efforts to secure improvements, we continue to work to ensure that nothing prevents us from saying that awareness of the need for compliance has penetrated and established itself throughout the Group. We accordingly recognize that there is a need for continuous efforts to reform the awareness of executives and employees.

2 Continue to strengthen the management decision-making process

To ensure that we do not put the recent series of events out of mind, we recognize that it is necessary to reconfirm the way we think about business risk management, and to continue measures to strengthen its implementation. As we continue to implement measures to strengthen business risk management (training for executives and business managers in business risk management using case study materials), carry out evaluations of business managers that take into consideration the status of the implementation of business risk management, and carry out periodic monitoring at joint staff division review meetings and performance reporting meetings, we will also continue to periodically confirm operational conditions. If and when we identify areas where these measures are lacking, we will formulate and implement reinforcement.

3 Continue to strengthen the system of financial reporting and disclosure

The delivery of appropriate financial reports without delay is the most important issue. We recognize that it is important to continue to maintain a system where serious discussions with our independent auditors are held even when there are differences in opinion on accounting-related issues.

4 Continue to strengthen management of subsidiary companies

We recognize that we need to continue efforts to raise management awareness at the many overseas subsidiaries that we continue to own and operate, and that we must secure and nurture human resources that are capable of fulfilling their responsibilities.

Strengthening the governance and management system is a continuous improvement process. We will review other measures in a timely and appropriate manner that reflects changes in the external environment and our scope of business, and aim to always achieve the best possible management system and operations.

Message from the CFO



Towards restoring the financial base and sustainable implementation of appropriate accounting

Masayoshi Hirata

Representative Executive Officer
Corporate Executive Vice President

Performance and achievements in FY2016

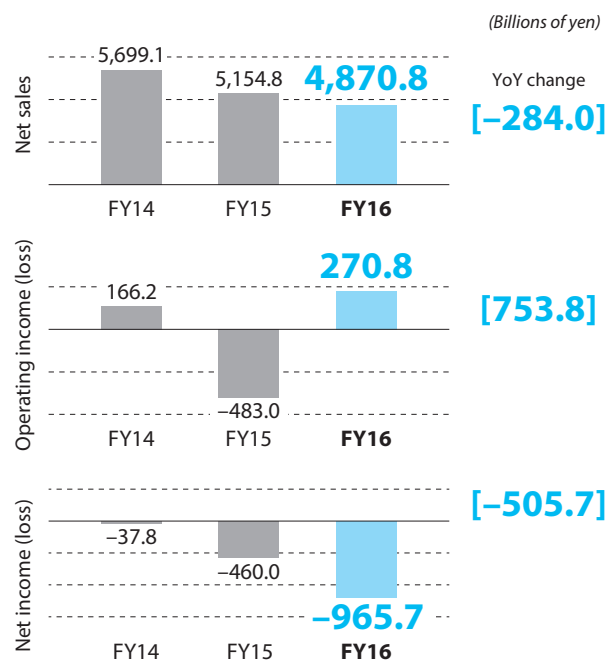
Toshiba Group's performance in FY2016 saw net sales decreased by ¥284.0 billion (5.5%) against the previous year. Operating income improved from a loss of ¥483.0 billion in the previous year to record a surplus of ¥270.8 billion. Major reasons for this improvement include the implementation of emergency measures, such as the reduction of bonuses, and improved profit margins in the memory business. In net income/loss, we recorded a loss in the overseas nuclear power business that caused a large deficit of ¥965.7 billion. As a result, Toshiba shareholders' equity decreased from ¥328.9 billion at the end of the previous fiscal year, to a capital deficit of ¥552.9 billion.

In recognition of the significant damage to shareholders' equity and a deterioration in the funding environment due to conflicts with financial covenants caused by downgrade of the Company's credit rating by rating agencies, we recognized in the notes to the consolidated financial statements that there is uncertainty in respect of the assumption of Toshiba being able to operate as a going concern.

Efforts to restore the financial base

On March 29, 2017, WEC, WEC's U.S. subsidiaries and affiliates, and Toshiba Nuclear Energy Holdings (UK) Ltd., a holding company for Westinghouse Group operating companies outside the U.S., filed a petition for rehabilitation proceedings under Chapter 11 of the Federal Bankruptcy Act of the United States at the United States Bankruptcy Court

Business Results



for the Southern District of New York. As a result of the petition, Westinghouse Group is now deconsolidated from the Company's consolidation.

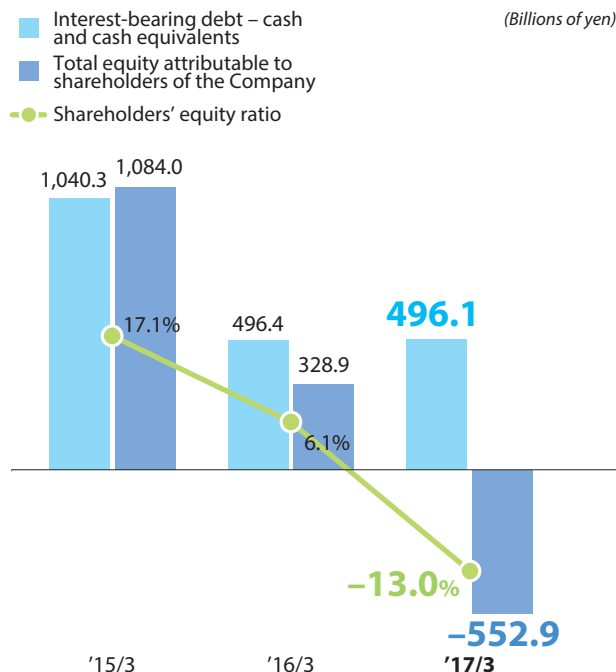
In respect of parent company guarantees made by Toshiba for projects to construct nuclear power plants in the United States, we reached agreements with the owners of a

project in Georgia, U.S., on June 9, 2017, and the owners of a project in South Carolina, U.S., on July 27, 2017, that capped the maximum amounts Toshiba was obliged to bear under the guarantees.

These initiatives generated large losses relating to the above efforts. In order to secure resources for repayment of borrowed funds and restore the financial base, in September 2017 the Company signed a contract to transfer all shares of Toshiba Memory Corporation, a spun-off company that succeeded the memory business, to a consortium of companies led by Bain Capital, for the sum of approximately ¥2 trillion, and we aim to complete this transaction by the end of March 2018.

At the same time as making efforts to eliminate excessive debts, with “operations grounded in cash flow,” and through thorough implementation of the fundamental actions of tightening cash management, improving working capital efficiency, and making selective and concentrated investments, we will also strive to secure a stable long-term financial base.

Financial Platform



Towards sustainable implementation of appropriate accounting

In September 2015 we implemented various remedial measures that include strengthening internal control functions, reforming governance, thoroughly implementing risk management, and striving to practice sincere business management, toward cancellation of the designation of Toshiba's stock as a Security on Alert. These efforts bore fruit in October 2017, when the designation was lifted. We subsequently published a report on how we had improved our internal control systems, as a means to inform all of our stakeholders. From now on, without bringing an end to various improvement measures as temporary efforts, we will strive to firmly establish compliance as a basic premise of our business management, and in particular to share with all Toshiba Group employees a culture in which we determine the essence of the business through appropriate accounting.

In addition, in the audit report for FY2016, PricewaterhouseCoopers Aarata LLC expressed a qualified opinion with exclusion items attached. The qualified opinion is based on the view that part or all of the provision for losses of the construction contract of S&W, which was acquired by WEC on December 31, 2015, should have been

recorded in FY2015 rather than FY2016, and that not doing so has affected the current fiscal year's financial statements.

For seven months from December 2016, the Company conducted a variety of measures including investigations by external experts, but found no evidence indicating a need to recognize additional losses relating to S&W in any period other than the FY2016 third quarter consolidated accounting period. Regarding the initial estimate of the provision for loss of the construction contract arising from the acquisition of S&W in FY2015, Toshiba made its calculations based on the best information available when we prepared the FY2015 financial statements, and I am convinced that appropriate accounting practices are being followed with respect to the FY2016 annual securities report.

Moving forward, in order to secure the continued support of all Toshiba Group stakeholders, including our shareholders, and after resolving the problem of capital deficit, as CFO I will continue to steadily implement measures to recover our financial base and to promote stability, and, acting in good faith, make every effort to expand Toshiba's corporate value.

Directors and Executive Officers



(From left)

Outside Director
Chairman, the Audit
Committee
Member, the Nomination
Committee

Ryoji Sato

Outside Director
Chairman, the Nomination
Committee
Member, the
Compensation
Committee

Koichi Ikeda

Outside Director
Chairman, the
Compensation Committee
Member, the Audit
Committee

Yuki Furuta

Outside Director
Member, the Audit
Committee
Member, the
Compensation Committee

Teruko Noda

Outside Director
Chairman of the Board
Member, the Nomination
Committee
Member, the
Compensation Committee

**Yoshimitsu
Kobayashi**

Director
Representative Executive
Officer
President and Chief
Executive Officer

Satoshi Tsunakawa

Director
Representative Executive
Officer
Corporate Executive Vice
President

Masayoshi Hirata

Director
Representative Executive
Officer
Corporate Senior
Executive Vice President

Shinichiro Akiba

Director
Executive Officer
Corporate Senior Vice
President

Naoya Sakurai

Outside Director
Member, the Nomination
Committee
Member, the
Compensation Committee

Shinzo Maeda

Executive Officers

Representative Executive
Officer
President and Chief
Executive Officer

Satoshi Tsunakawa

Representative Executive
Officers
Corporate Senior
Executive Vice Presidents

**Yasuo Naruke
Shinichiro Akiba**

Representative Executive
Officer
Corporate Executive Vice
President

Masayoshi Hirata

Executive Officers
Corporate Executive Vice
Presidents

**Hironobu Nishikori
Yoshihiro Aburatani**

Executive Officers
Corporate Senior Vice
Presidents

**Masayasu Toyohara
Shiro Saito**

Fumio Otani

Noriaki Hashimoto

Naoya Sakurai

Hiroshi Fukuchi

Executive Officers
Corporate Vice Presidents

Ichiro Hirata

Mamoru Hatazawa

Naoto Hasegawa

Outside Directors

Teruko Noda Outside Director

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 Accountants
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	Director
June	2016	Outside Director (to present)

Koichi Ikeda Outside Director

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	Advisor to the Board, Asahi Breweries, Ltd (to present)
September	2015	Outside Director (to present)

Yuki Furuta Outside Director

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	Registered as Attorney at Law (to present)
September	2015	Outside Director (to present)

Yoshimitsu Kobayashi Chairman of the Board

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	Director, Chairman, Mitsubishi Chemical Corporation (until March 2017)
April	2015	Director, Chairman, Mitsubishi Chemical Holdings Corporation (to present)
September	2015	Outside Director (to present)

Ryoji Sato Outside Director

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	Outside Director (to present)

Shinzo Maeda Outside Director

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	Senior Advisor, SHISEIDO Co., Ltd. (to present)
September	2015	Outside Director (to present)

Corporate Governance

Message from the Chairman of the Board of Directors

With the normalization of accounting, the reduction of risk in the overseas nuclear power business, the conclusion of a share transfer agreement for Toshiba Memory Corporation, and the cancellation of the designations of the Company's stock as a Security on Alert and Security under Supervision (Examination), Toshiba is overcoming the hurdles to its survival one by one. Doubtless, there will be more tough trials in the future, but the only option is to organize and resolutely move forward. In these circumstances, I took on the major appointment of Chairman of the Board of Directors. The Board of Directors will take incidents that have surfaced in recent years and rocked the trust in Japanese manufacturing industry as valuable lessons, and we will make full use of our management supervision function to ensure thorough compliance and safety throughout the Company. Ensuring Toshiba's revival through this kind of "protective" corporate governance is the primary obligation of the Board of Directors.

At the same time, the Board must also implement "proactive" governance. Here, through vigorous and effective discussion, we must put forward a future vision, and define tangible milestones that will put Toshiba on track for growth. With "Infrastructure" as the core, and with "Energy," "Electronic Devices" and "Digital Solutions" making up the other of our four focus business areas, the course to be taken by the new Toshiba is very clear. This business portfolio is not only closely aligned with forces for fundamental social and economic transformation, such as the "Industry 4.0" and "Society 5.0," it can be seen as quite timely in terms of Toshiba's abundant combination of competitive technologies and highly capable human resources. How can we best optimize the management resources that are responsible for change, and how do we harness our powers to support society, in order to realize growth for the new Toshiba? As its Chairman, I am deeply aware of the weight of the mission assigned to the Board of Directors.

In last year's annual report, I touched on a line from the Company song: "May the light we shine, with our aspiration, now anew illuminate the land." Fostering sophisticated technologies, generating great profits, and making solid contributions to society—in all of these, Toshiba has a positive history and proven abilities. As Chairman of the Board of Directors, I will devote all my effort to contribute to improving the intrinsic corporate value of Toshiba.



Yoshimitsu Kobayashi
Chairman of the Board of Directors

State of Progress

State of activities of the Board of Directors and committees

The following outlines the Board of Directors' and committees' principal activities held in FY2016.

■ State of activities of the Board of Directors

- Toshiba held the "Directors Council" (so-called "Executive Session") composed solely of independent Outside Directors in order for them to share information and problem awareness among themselves, better understand the Company's operations for Outside Directors and deliberate on Toshiba Group's key business challenges. At each Directors Council meeting, held prior to a Board of Directors meeting, an advance briefing on proposals to the

Board of Directors was provided before the members exchanged opinions. Moreover, the Directors Council operated to ensure that independent Outside Directors' opinions obtained through its meetings were reflected in the Company's management.

- The Board of Directors was provided with detailed explanations by Executive Officers in charge in relation to agreements on the company split involving the memory business, from the perspective of achieving further growth

of that business through development of an agile and speedy management decision-making structure and strengthening means of fundraising. Management subsequently deliberated on the reasonableness of such agreements, and determined matters in that regard.

- The Board of Directors deliberated on matters regarding support for reviving the business of Westinghouse Electric Company LLC (hereinafter “WEC”) from the perspective of eliminating risk in the Company’s overseas nuclear power business through revival and deconsolidation of the WEC Group. Accordingly, the Board of Directors made the decision not to reject without rational grounds otherwise any suggestion made by WEC to make a filing under Chapter 11 of the U.S. Bankruptcy Code, in the event that WEC makes such a suggestion.
- The Board of Directors was provided with reports on business plans, budget, monthly operating results and risk control information and the state of duty execution by Directors and Executive Officers pursuant to applicable laws and ordinances, the Articles of Incorporation, the Board of Directors Regulations, etc.

■ State of activities by committees

a. Nomination Committee

- The Nomination Committee deliberated on the proposal for the election of President and Chief Executive Officer to be submitted to the first Board of Directors meeting to be held after the closing of the Ordinary General Meeting of Shareholders for the 177th fiscal year, and on the proposal for the organizational structure of directors from the Ordinary General Meeting of Shareholders onward.
- The Nomination Committee deliberated on the content of a survey implemented in regard to the behavior and compliance mindedness of the President and Chief Executive Officer as top manager.
- The Nomination Committee deliberated on the organizational structure of directors from the Ordinary General Meeting of Shareholders for the 178th fiscal year onward.
- The Nomination Committee revised the standards for handling Executive Officers.

b. Audit Committee

- The Audit Committee appointed attorneys and other independent third parties to conduct an investigation in conjunction with WEC regarding losses associated with WEC’s acquisition of CB&I Stone & Webster Inc. The Audit Committee’s findings in that regard were reported to the Board of Directors on April 11, 2017, and on August 10, 2017. The investigation found no evidence of problems with the timing of loss recognition. It was determined that internal controls of both the Company and WEC function effectively, and that the financial statements have not been affected. In the process of conducting the investigation, it was discerned that there had been actions and comments considered as undue pressure within a limited scope and time period with respect to some of the management executives, however, there had not been any impact to the financial results. As for those management executives, the Audit Committee requested that the executive side implement measures that do not involve WEC’s management, and has accordingly verified that remedial measures are being implemented.
- The Audit Committee monitored the state of duty execution by executive side personnel by attending significant meetings such as the Board of Directors meeting and making inquiries to Executive Officers concerning measures to thoroughly prevent the recurrence of the accounting treatment incidents and the state of observance of laws and regulations. In addition, the Audit Committee made inquiries to the Internal Audit Division, the Internal Management System Reinforcement Project Team and the Management Revitalization Promotion Department regularly, thereby verifying the state of implementation of the improved internal control system and the status of progress of corporate culture reform programs.
- Outside Director Ryoji Sato, Chairman of the Audit Committee, has been serving full-time since April 1, 2016. In that capacity, he has been attentively engaged in collecting information, which involves listening to explanations furnished by senior executives and the accounting auditor prior to other part-time Audit Committee members, and attending important meetings (such as corporate management meetings, Accounting Compliance Committee meetings, and Annual Securities Report Disclosure Committee meetings). The part-time Audit Committee members have also endeavored to collect information onsite, which has entailed attending

the Internal Audit Division's onsite audit briefings. The information collected has been shared with Audit Committee members in a timely manner.

- We continued to pursue the litigation that was submitted to the Tokyo District Court on November 7, 2015, seeking compensatory damages regarding accounting issues against five individuals, including former CEOs.
- The whistleblowing system within the Audit Committee received 80 whistleblowing reports and corresponding action was taken. The Audit Committee was briefed on the details and status of responses of all 399 whistleblowing cases reported to the whistleblowing contact point on the Company's executive side. The committee has also preferentially verified investigation results and status of improvements with respect to important reports related to accounting and compliance.
- The Audit Committee held information exchange meetings and dialogues with Toshiba Group Company Auditors and Audit Committee members before providing training to Company Auditors at Group companies, thus striving to strengthen the governance over, and to improve the quality of, Toshiba Group's audits.

c. Compensation Committee

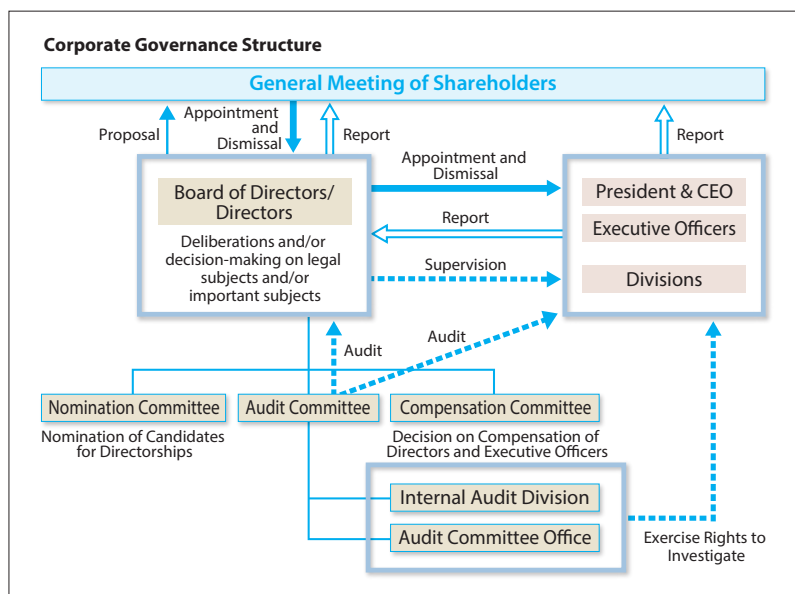
- The Compensation Committee deliberated on the payment of work compensation for Executive Officers (performance-linked portion) according to their performance evaluation for FY2015.
- The committee deliberated on the details of person-by-person compensation to be paid to Directors and Executive Officers in FY2016.
- The Compensation Committee deliberated on the state of Executive Officer compensation such as the levels, structure and composition of compensation, including on a compensation system linked to medium- to long-term performance. The committee also deliberated on compensation levels, in light of the partial reductions in force since 2015. The committee continues its discussions on the levels for next fiscal year and beyond, based on status of management and operations.

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, please visit our website at the following URL:



http://www.toshiba.co.jp/csr/en/performance/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:	Koichi Ikeda (Chairman), Yoshimitsu Kobayashi, Ryoji Sato and Shinzo Maeda
Audit Committee:	Ryoji Sato (Chairman, full-time), 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, towards 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 based on those of the parent company. For more information on this, please visit our website at the following URL:

<http://www.toshiba.co.jp/csr/en/performance/governance/governance.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 was constructed, and we are working to establish sound company management.

Risk Management and 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) Internal Audit and Audit Committee organization, personnel and procedures

The Internal Audit Division (personnel: some 50 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 and 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 audits and accounting audits is detailed in "1. The Internal Audit and Audit Committee organization, personnel and procedures." 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 the 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

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

Since the main responsibility of Directors is to supervise the execution of the overall Group's business, compensation for Directors is determined at an adequate level to secure highly competent personnel and ensure effective working 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 effective functioning of their compensation package as an 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 based on their status as a full-time or part-time Director and their duties.

Fixed compensation is paid to Directors who concurrently hold office as an Executive Officer in addition to the Executive Officer's compensation specified in 2. below.

2. Executive Officer's Compensation

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

Some 40–25% of the service compensation will fluctuate from zero (no compensation) to 2 times according to the year-end performance of the Company or of the division for which the Executive Officer is responsible.

3. Compensation Standards

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 the payroll and benefits of employees are considered when determining the Company's compensation standards for management.

Amount of Compensation

FY2016

Position	Number of Directors/ Executive Officers (Persons)	Amount (Millions of yen)
Directors (Outside Directors)	13 (7)	125 (101)
Executive Officers	33	852

(Note)

The above-mentioned compensations include: 1) compensations for Directors who retired at the closing of the Ordinary General Meeting of Shareholders for the 177th fiscal year held on June 22, 2016 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 2016 to the retirement or resignation date; 2) compensations for Directors and Executive Officers who resigned in the 2016 fiscal year with regard to the period from April 2016 to resignation date.

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

Takeover Defense Measures

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

1) Content of our basic policy

We are of the view that, in order for 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 Company, 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) the synergy effect that will likely be achieved through an organic

integration of individual business segments; 2) the actual conditions of the Group; and 3) the components of the Group's enterprise value.

In light of the above-mentioned elements, Toshiba's Board of Directors believes 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 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 action 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, Toshiba Group continues to implement the following programs: 1) “Reinforcement of Internal Management System and Reform of Corporate Culture”; 2) “Execution of Structural Reform”; 3) “Revision to Business Portfolios and Business Operation Framework”; and 4) “Development of Financial Platform.”

Disclosure Policy

■ Basic policy on timely disclosure

The Toshiba Group Standards of Conduct states as the Group’s basic policy 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.” In addition to this, Article 13 of the Corporate Governance Guidelines states that, “The Company will provide timely and appropriate disclosure pursuant to the 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 timely disclosure that were revised on April 1, 2016, defines the basic stance for disclosing company information.

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

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

Outside Directors

■ Names and Other Details

Teruko Noda

The Nomination Committee decided to select Ms. Teruko NODA as a candidate for Outside Director because she is appropriately supervising the management of the Company based on her rich experience and insight as a certified public accountant.

Koichi Ikeda

The Nomination Committee decided to select Mr. Koichi IKEDA as a candidate for Outside Director because he 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.

Yuki Furuta

The Nomination Committee decided to select Mr. Yuki FURUTA as a candidate for Outside Director because he is appropriately supervising the management of the Company based on his rich experience as a legal professional and insight concerning corporate law and corporate governance.

Yoshimitsu Kobayashi

The Nomination Committee decided to select Mr. Yoshimitsu KOBAYASHI as a candidate for Outside Director because he 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, The KAITEKI Institute, Inc.
Chairman, Japan Association of Corporate Executives
Chairman, Council on Competitiveness-Nippon

Ryoji Sato

The Nomination Committee decided to select Mr. Ryoji SATO as a candidate for Outside Director because he 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]

Outside Company Auditor, NIPPON LIFE INSURANCE COMPANY

Shinzo Maeda

The Nomination Committee decided to select Mr. Shinzo MAEDA as a candidate for Outside Director because he 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

Attendance of Board meetings and Audit Committee meetings

During FY2016, the Board of Directors met 24 times, the Nomination Committee 8 times, the Audit Committee 18 times and the Compensation Committee 4 times, and the Outside Directors commented as necessary at those meetings. The Outside Directors received explanations about the matters to be resolved at the board meetings from the staff in charge, etc., in advance. They also made efforts 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
Teruko Noda	Attended the meeting of the Board of Directors 24 times (100%), that of the Audit Committee 18 times (100%), and that of the Compensation Committee 4 times (100%). Commented as necessary based on her wealth of experience and knowledge as a certified public accountant.
Koichi Ikeda	Attended the meeting of the Board of Directors 23 times (96%), that of the Nomination Committee 7 times (88%), and that of the Compensation Committee 4 times (100%). Commented as necessary based on his wealth of experience and knowledge as a management executive.
Yuki Furuta	Attended the meeting of the Board of Directors 24 times (100%), that of the Compensation Committee 4 times (100%), and that of the Audit Committee 18 times (100%). Commented as necessary based on his wealth of experience and knowledge as a legal professional.
Yoshimitsu Kobayashi	Attended the meeting of the Board of Directors 20 times (83%), that of the Nomination Committee 8 times (100%), and that of the Compensation Committee 4 times (100%). Commented as necessary based on his wealth of experience and knowledge as a management executive.
Ryoji Sato	Attended the meeting of the Board of Directors 24 times (100%), that of the Audit Committee 18 times (100%), and that of the Nomination Committee 8 times (100%). Commented as necessary based on his wealth of experience and knowledge as a certified public accountant.

Name	Activities
Shinzo Maeda	Attended the meeting of the Board of Directors 23 times (96%), that of the Nomination Committee 7 times (88%), and that of the Compensation Committee 4 times (100%). Commented as necessary based on his wealth of experience and knowledge as a management executive.

■ Limited Liability Contracts

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: Ms. Teruko Noda, Mr. Kouichi Ikeda, Mr. Yuki Furuta, Mr. Yoshimitsu Kobayashi, Mr. Ryoji Sato and Mr. Shinzo Maeda.

Message from Outside Directors



Board of Directors meeting

At the end of 2016, a time when Toshiba was engaged in promoting reforms of its governance, operating structure and corporate culture, the first report of huge losses in overseas nuclear power projects struck like a bolt of lightning. The Audit Committee worked with diligence and over the long term to respond to the audit issues raised by this case, and to the related investigations and settlement of accounts. The impact of these events was so major that Toshiba sold its memory business, and resolved to start afresh with a new management structure that spun off its four businesses in Social Infrastructure, Energy, Electronic Devices and Digital Solutions.

This fall, in October, the designation as a Security on Alert was cancelled. However, the scope of Toshiba's business is broad, and it must contend with the different environments and challenges that face each of its businesses. Toshiba Group as a whole is made up over 500 companies in Japan and overseas, and we have the responsibility for building a system that extends into its every corner, so securing firm governance and risk management systems are still urgent matters.

Ever since my appointment, whenever I reflect on the powerful image of Toshiba's scientific and technological contributions to the richness of society and human life in so many places all over the world, I am sobered by the thought of the Company's mission and the weight of its social responsibilities. Fortunately, there is growing momentum for revitalization within the Company. In order to strengthen Toshiba's governance and to improve its corporate value, and in order to regain the trust of the market and of stakeholders, I want to continue concerted efforts to fulfill my responsibilities as an outside director.

Teruko Noda Outside Director



This year, my second year in the role, marks the first year of the start of the new Toshiba, in which we have focused on Energy, Social Infrastructure and Storage. However, due to factors such as the huge impairment loss in the nuclear power business, Westinghouse Electric Company's Chapter 11 filing under the U.S. Bankruptcy Code, the delays in the submission of the Securities Report, and the transfer of shares in Toshiba Memory Corporation, we have caused concern to all of our stakeholders, and I am keenly aware of my responsibilities as an outside director.

Following the Extraordinary General Meeting of Shareholders in October, I will continue to serve as an outside director during this important phase. This year was a turbulent one for Toshiba, but we are once again come to the start line. I believe this coming year will be the year of execution. Through our business activities, we want to realize the Toshiba Group slogan, "Committed to People, Committed to the Future," and by helping people to lead rich, safe and secure lives, we want to continue to be a company that is needed by society. Toward those ends, as I continue to work tirelessly as a member of the board, I would like to further focus on management and supervision of the executive bodies from the stakeholders' perspective.



Koichi Ikeda Outside Director

On this occasion, I have been reappointed as outside director.

While I thought that 2016 would be a time of steady rebuilding, the end of the year estimate of a huge cost overrun in nuclear power plant construction work in the United States triggered various problems that have greatly hampered the rebuilding process. Mr. Tsunakawa and his management team have made every effort to overcome and survive this difficult situation, but by the end of March 2017 we were not able to avoid excessive debt and demotion to the second section of the Tokyo Stock Exchange. It is very much to be regretted that we are still in the process of rebuilding the Company's financial condition. Having said that, however, the efforts made by everybody have led to improvements in internal controls, and the cancellation of the designation as a Security on Alert has removed one of the big problems, so steps towards rebuilding have also made steady advances.

Looking back over the past few years, I am once again reminded that Toshiba is not just an enterprise group with tens of thousands of people, it is also an entity that supports social infrastructure in various ways, one with big social responsibilities. In order to meet such expectations, it is essential that we provide a diverse range of advanced and robust infrastructure, including soft infrastructure, that contributes to the various needs of society. In order to improve and strengthen the environment that makes that possible, I want to continue striving to rebuild.



Yuki Furuta Outside Director

Since December 2016, when we recognized the huge loss at Westinghouse Electric Company, as a member of the audit committee, I have devoted considerable effort to the investigation and to responding to the independent auditor. After concerted efforts over a long period, in October 2017, following the Tokyo Stock Exchange's cancellation of the designation of the Company's stock as a Security on Alert and the approval of the settlement of accounts by an extraordinary general meeting of the shareholders, we have been able to return to our normal trajectory in respect of processes related to accounting, auditing and internal controls. I greatly appreciate the efforts made by everybody in the Company toward overcoming the excessive load throughout this time.

Going forward there will be further issues that we must overcome, and improvements that we must continue to make and refine. The first and biggest concern is the challenge of completing the sale of Toshiba Memory Corporation. Beyond that, in terms of improvements, there is the governance function, especially in respect of improving our sensitivity to risk, and also further deepening Group management with the spun-off companies. I believe that carrying out these tasks is the way to regenerate the Toshiba brand, and I will continue to work hard to achieve that.



Ryoji Sato Outside Director

.....

It is now three years since I became an outside director. During that time, as days of turbulence and tension have continued, we have tackled each and every important management task head on, and recently we received notification of the cancellation of Toshiba's designation as a Security on Alert, which had been a pending issue.

This decision means that we have obtained a certain evaluation in respect of the improvement measures made to our internal control systems—but it means no more than that we are still on the road toward reconstruction. What we need now is more of an effort than ever to improve our financial structure and to reform our corporate culture.

Toshiba has world class technology that we can be proud of. And we have the people able to create and nurture it.

In order to overcome difficult situations, it is essential to draw on the power of people who have been hardened by experience. These people are management's most important resources. I want to see a company where there is an overlap between the growth of our people and the growth of the Company.

I want to devote myself to the tasks in hand in order to establish a system that can meet the expectations of all stakeholders, in which all employees align their minds and strengths toward the vision that the new Toshiba aims for.



Shinzo Maeda Outside Director

The New Toshiba

Toshiba's New Business Structure

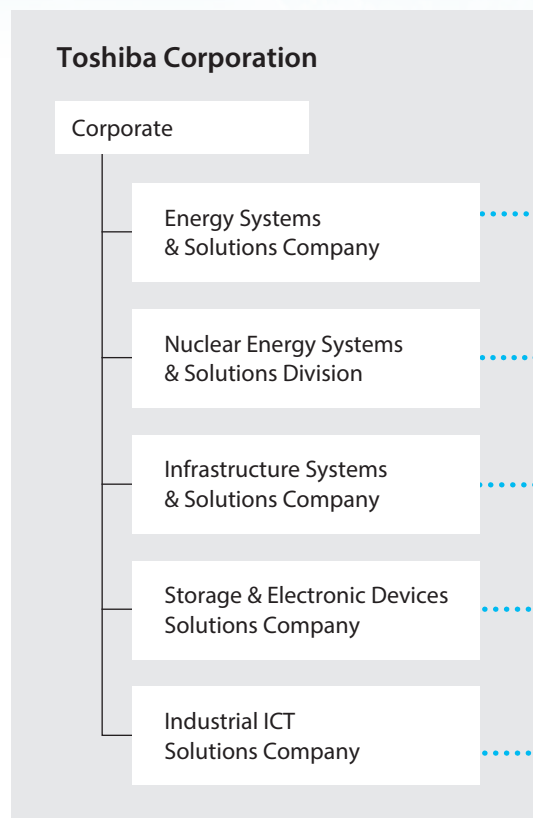
Under our new organization, our former in-house companies now operate as independent corporations. This strategic move fully realizes the goal of autonomous operations, the reason why we introduced the in-house company system in the first place, in 1999. Now each corporation is free to develop the operations and systems best suited to its business, while working together to rebuild Toshiba Group.

Three in-house companies were split off on July 1, 2017, as Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation. The Energy Systems & Solutions Company was also split off on October 1, 2017, and combined with the Nuclear Energy Systems & Solutions Division in Toshiba Energy Systems & Solutions Corporation.

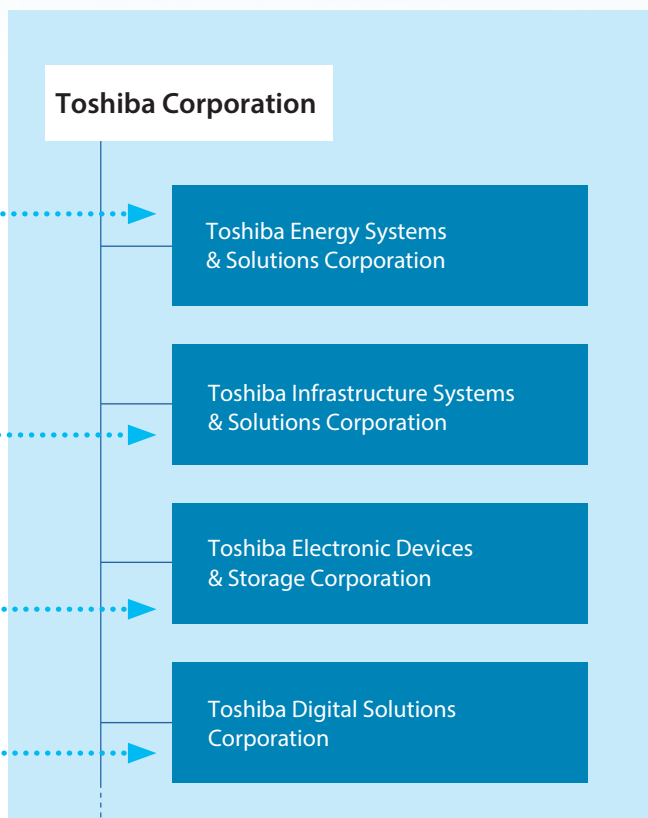
The new companies are focused on maximizing value and enhancing direct accountability to the market and customers, and strengthening cooperation with their Group companies. By establishing optimized systems, they are also ensuring business continuity in such areas as retaining licenses for specified construction work.

In parallel with this, Toshiba Corporation is now focused on maximizing the corporate value and enhancing governance for Toshiba Group as a whole.

■ Before



■ After



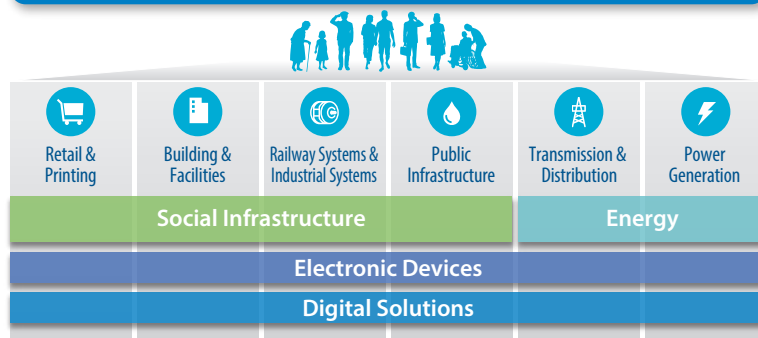
The New Toshiba

The major changes we have made to Toshiba's Group's business structure will support us in maximizing the Group's corporate value, strengthening governance, and realizing a much more resilient management organization. Building on this, and utilizing our time-tested technologies and know-how, we will aim for stable growth in each area of business, with a primary focus on social infrastructure, including retail and printing, building and facilities, railways and industrial systems, and public infrastructure.

A renewed Toshiba Group will focus on its four business domains, placing Social Infrastructure as a core business along with Energy, Electronic Devices, and Digital Solutions.

Toshiba Group Management Policy and Focus Areas

Toshiba will contribute to a sustainable society by focusing on business domains, centered on infrastructure, that sustain modern life and society and create new value with reliable technologies.



FY2017 is our year of comprehensive structural reforms. We are strengthening the revenue base by blocking risk associated with the overseas nuclear power business and promoting early recovery and strengthening our financial base and organizational operations. We will make capital investments to cultivate growth, primarily in infrastructure. After FY2018, we expect our four focus domains to generate stable profit, and in FY2019, we expect to achieve sales of over ¥4 trillion and return on sales of 5%.

[Social Infrastructure]

Ensure stable revenues through public infrastructure operations, including water treatment, power transmission and distribution, disaster prevention, roads, broadcasting, air traffic control, postal services and others. Cultivate growth in business areas including rechargeable batteries, elevators, air conditioning, railway system and logistics system.

[Energy]

Ensure stable revenues through services associated with thermal and hydro power generation and power transmission and distribution. Promote technical development of hydrogen energy, widely seen as a next-generation energy source.

[Electronic Devices]

Achieve stable revenues by increasing sales of industrial semiconductors and boosting share in the HDD market. Expand business through enhanced cooperation with customers in the fast growing areas of IoT and in-vehicle systems.

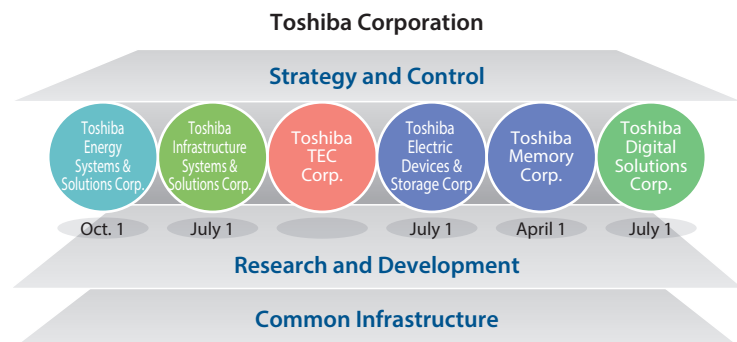
[Digital Solutions]

Focus on system integration business for public offices and manufacturing infrastructures to ensure stable revenues, and develop digital services taking advantage of IoT and AI (artificial intelligence).

Strengthen Organizational Management within the Split-off Company Structure

Maximize the Group's Corporate Value by Clarifying Roles and Responsibilities

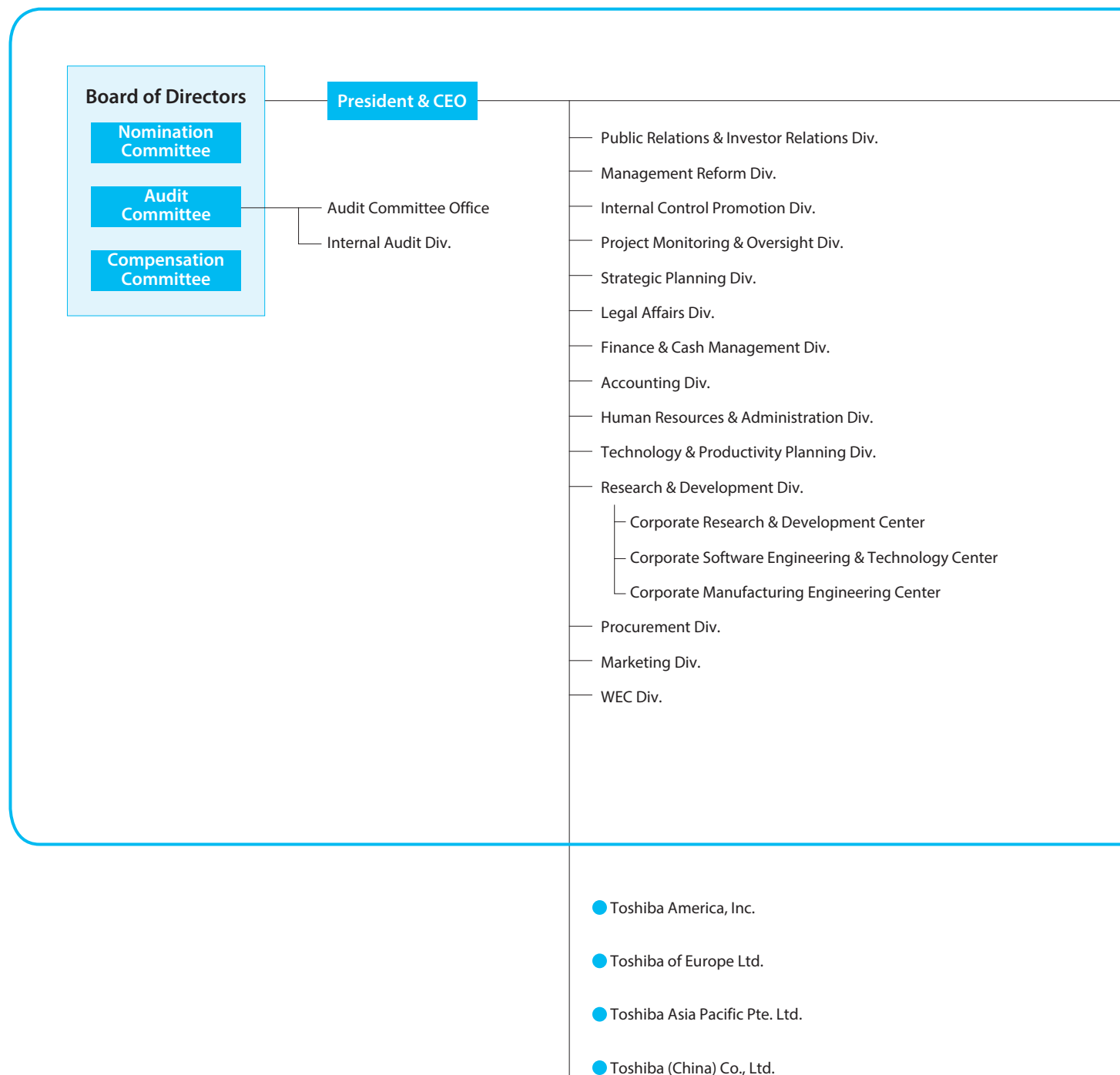
The Company has strengthened organizational management by splitting off its existing in-house companies and moved to create a new business structure. Individual split-off companies are now autonomous business entities, and they are working to maximize their business value through measures such as clarifying accountability to the market and customers. Corporate is responsible for strategic control and common infrastructure, for maintaining basic R&D, and for promoting effective utilization of resources by utilizing our superior technology assets and sharing service functions.



By splitting off its existing in-house companies, we moved to the new business structure outlined above, including Toshiba TEC Corp, which is responsible for the retail and printing business.

Organization Structure (As of November 1, 2017)

TOSHIBA CORPORATION



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

- Komukai Complex
- Fuchu Complex
- Yokohama Complex
- Himeji Operations

- Toshiba General Hospital

- Materials & Devices Div.
 - Fukaya Complex

● Toshiba Energy Systems & Solutions Corporation

**Energy
Business Domain**

● Toshiba Infrastructure Systems & Solutions Corporation

**Social Infrastructure
Business Domain**

● Toshiba TEC Corporation

● Toshiba Electronic Devices & Storage Corporation

**Electronic Devices
Business Domain**

● Toshiba Memory Corporation

● Toshiba Digital Solutions Corporation

**Digital Solutions
Business Domain**

● Toshiba Client Solutions Co., Ltd.

● Toshiba Visual Solutions Corporation

Financial Highlights (Consolidated)

➔ Please see P. 56 for the 5-year consolidated financial summary.

(Billions of yen)

	FY12	FY13	FY14	FY15	FY16
Financial performance					
Net sales	¥4,786.1	¥5,527.4	¥5,699.1	¥5,154.8	¥4,870.8
Japan	2,255.8	2,360.5	2,401.1	2,292.3	2,262.2
Overseas	2,530.3	3,166.9	3,298.0	2,862.5	2,608.6
Operating income (loss) (Note 1)	60.0	261.4	166.2	(483.0)	270.8
Income (loss) from continuing operations, before income taxes and noncontrolling interests	43.5	191.7	140.4	(399.4)	225.5
Net income (loss) (Note 2)	13.4	60.2	(37.8)	(460.0)	(965.7)
Financial position and indicators					
Total assets	6,021.6	6,172.5	6,334.8	5,433.3	4,269.5
Equity attributable to shareholders of the Company (Note 3)	824.6	1,027.2	1,084.0	328.9	(552.9)
Net interest-bearing debt (Note 4)	1,154.1	1,104.4	1,040.3	496.4	496.1
Shareholders' equity ratio (%)	13.7	16.6	17.1	6.1	(13.0)
Net debt/equity ratio (Times)	1.4	1.1	1.0	1.5	—
Investment					
R&D expenditures	257.8	283.6	303.8	351.4	295.5
Capital expenditures	224.4	249.5	225.0	262.5	163.3
Depreciation	169.6	140.8	149.9	178.7	134.1
Return indicators (%)					
Return on investment (ROI) (Note 5)	2.6	10.0	6.1	(19.7)	17.8
Return on equity (ROE)	1.7	6.5	(3.6)	(65.1)	—
Return on assets (ROA)	0.2	1.0	(0.6)	(7.8)	(19.9)
Free cash flow					
Net cash provided by (used in) operating activities	132.3	284.1	330.4	(1.2)	134.2
Net cash provided by (used in) investing activities	(196.3)	(244.1)	(190.1)	653.4	(179.0)
Free cash flow	(64.0)	40.0	140.3	652.2	(44.8)
Per share of common stock (yen)					
Net income (loss) (Note 6)					
—basic	3.17	14.23	(8.93)	(108.64)	(228.08)
—diluted	—	—	—	—	—
Cash dividends	8.00	8.00	4.00	—	—
Number of employees (Thousands)					
Number of employees	206	200	199	188	153
Japan	113	112	111	105	95
Overseas	93	88	88	83	58

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.

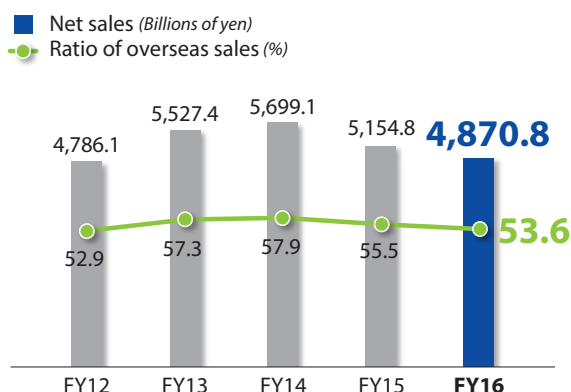
5. ROI = Operating income / (Average equity attributable to shareholders of the Company + Average equity attributable to noncontrolling interests + Average interest-bearing debt) × 100

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.

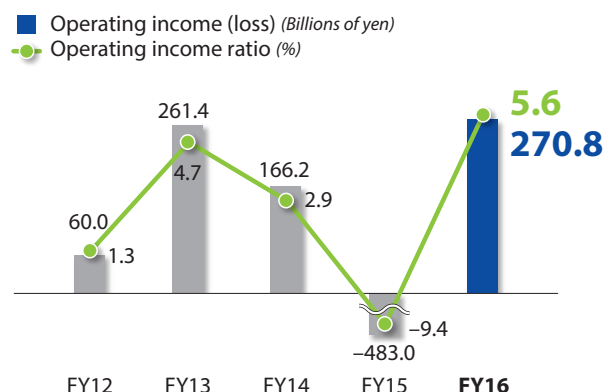
7. The Healthcare Systems & Services segment and Home Appliances business are discontinued operations as of the end of March 2016. Results of the past fiscal years have been revised to reflect this change.

8. The WEC Group's Nuclear Power Business is classified as discontinued operations in the fiscal year ended March 31, 2017. Results of the prior years have been revised to reflect these changes.

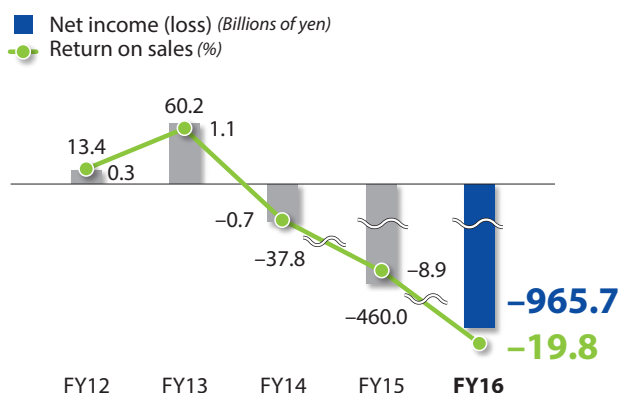
➔ Please see the Data Section from P. 58 for Consolidated Financial Statements.



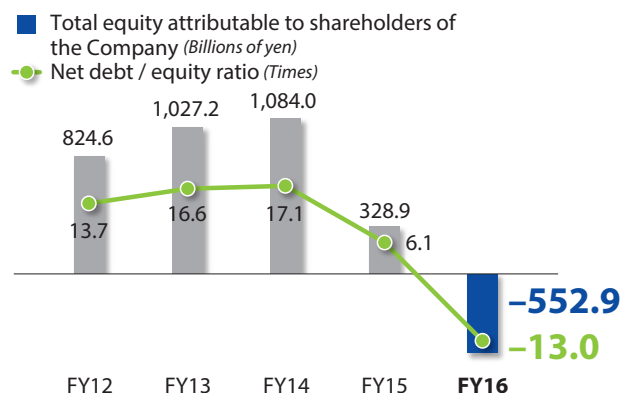
Net sales decreased by ¥284.0 billion to ¥4,870.8 billion. Although the Company recorded higher sales in Memories and HDDs, there were also impacts from yen appreciation and the shrinking scale of the PC and TV businesses due to restructuring.



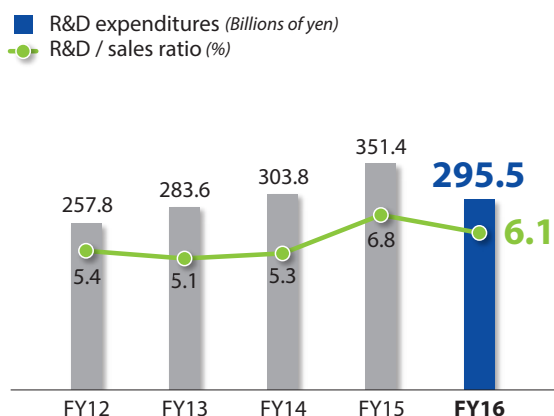
As a result of the impact of one-time expenses recorded in the previous fiscal year, such as asset write-downs, restructuring costs and provision for unprofitable projects, plus the effect of continued emergency measures, including bonus reductions, all business segments except Nuclear Power System recorded improvement, and the Group recorded consolidated operating income of ¥270.8 billion, an increase of ¥753.8 billion.



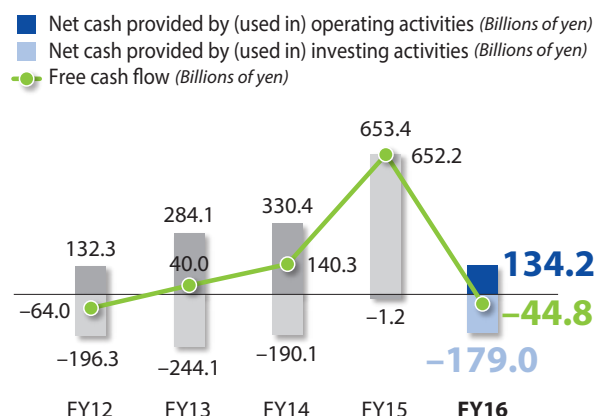
Net income (loss) attributable to shareholders of the Company decreased by ¥505.7 billion to -¥965.7 billion, due to the recording of loss related to Westinghouse Group's Chapter 11 filings as a loss from discontinued operations.



As a result of a significant decrease in retained earnings due to the impact of the WEC Group's Chapter 11 filings, equity attributable to the shareholders of the Company was -¥552.9 billion, a decrease of ¥881.8 billion from the end of March 2016. As a result, the shareholders' equity ratio at the end of March 2017 decreased by 19.1 points from the end of March 2016 to -13.0%



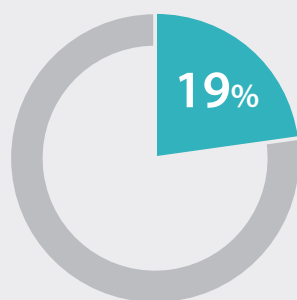
R&D expenditures amounted to ¥295.5 billion, down 16% from the previous year. The R&D expenditure to sales ratio decreased to 6.1%.



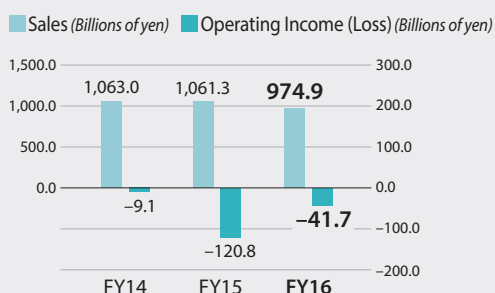
Despite an increase in operating cash flow, investment cash flow recorded a large increase in the previous year on the sale of shares in Toshiba Medical Systems Co., Ltd., and as a result free cash flow saw a significant decrease of ¥697.0 billion from the last fiscal year to finish at -¥44.8 billion.

Energy Systems & Solutions

▶ Net Sales by Segment



▶ Net Sales / Operating Income (Loss)



Main products & services As of March 31, 2017

- Nuclear power generation systems
- Thermal power generation systems
- Hydroelectric power generation systems
- Power generation
- Transmission & Distribution systems
- Solar photovoltaic systems



Yoshihiro Aburatani

President and CEO

Toshiba Energy Systems & Solutions Corporation

Business Overview

The Energy Systems & Solutions segment saw lower net sales of ¥974.9 billion, an ¥86.4 billion decrease from the previous year. Although Thermal & Hydro Power Systems recorded higher sales, Nuclear Power Systems, Transmission & Distribution Systems and Landis+Gyr recorded lower sales.

The segment as a whole recorded operating loss of ¥41.7 billion, a significant improvement from the previous year by ¥79.1 billion. Although Nuclear Power Systems recorded a major operating loss, Thermal & Hydro Power Systems, Transmission & Distribution Systems and Landis+Gyr saw significant increase in their operating income.

Orders received overseas for thermal power generation systems

Rated highly for its technological strength accumulated thus far and for its shipment record, the Company won the order for the steam turbine and power generator for an ultra-supercritical coal-fired power plant with a 1 million kilowatt output, which will place it among Indonesia's most powerful power plants. In addition, the Company won the order for the steam turbine and power generator for an ultra-supercritical coal-fired power plant with a 600 thousand kilowatt output in Vietnam. The Company will continue to bolster its thermal power generation system business for the global market with the aim of expanding orders.



The coal-fired power plant in Indonesia where the Company supplied STGs.

Efforts to promote the geothermal power systems business



The world's largest-class geothermal power plant in Indonesia, the first unit of which commenced commercial operation. Courtesy: Ormat Technologies Inc.

The Company's geothermal power systems business, which, worldwide, has shipped 53 units of geothermal power systems with an aggregate installed capacity of 3.4 million kilowatts (on a capacity basis), boasts the world's top share with approximately 23% share, and has secured a new order in Turkey for a steam turbine and power generator with 50 thousand kilowatt output. In addition, at one of the world's largest geothermal power plants (total output of 320 thousand kilowatts) in Indonesia, where we installed three units of 60-thousand-kilowatt steam turbine and electric generator sets (total output of 180 thousand kilowatts), the plant's first unit, with these systems installed,

began commercial operation. The Company also concluded a memorandum of understanding regarding cooperation in a geothermal power project with government agencies of both the countries of Djibouti and Uganda in Africa, where there is a promising market. The Company is working hard on initiatives in various renewable energy businesses such as geothermal power generation that offer the promise of a sustainable and stable power source with low levels of carbon dioxide emission volumes in order to contribute to both limiting global warming and the betterment of people's lives.

Shipment of turbine for new type of thermal power generation system

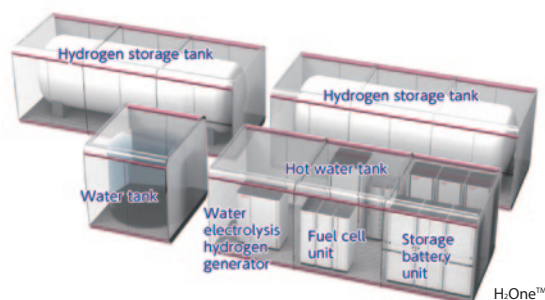


Turbine for Supercritical CO₂ Power Cycle System for Demonstration Plant

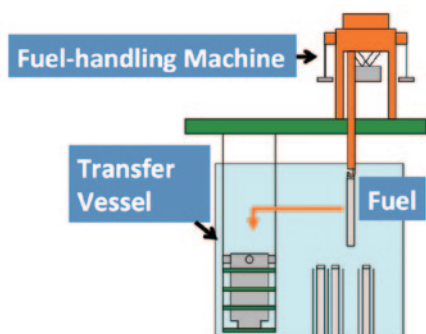
In the United States, the first ever demonstration trials have commenced for the world's first direct-fired combustion thermal power generation system, in which turbines are operated by high-temperature, high pressure supercritical carbon dioxide produced by combusting fuel and oxygen together with carbon dioxide. It is a highly efficient, environmentally harmonious compact system. The turbine (output 25 thousand kilowatts) that the Company shipped for this plant was developed by combining all its technologies for steam turbines and turbines accumulated thus far in order to continually withstand pressures more than 10 times that of currently operating turbines and temperatures exceeding 1,000°C.

Developing hydrogen-related businesses

As part of the Company's hydrogen-related businesses, the Autonomous Off-grid Hydrogen Energy System H:One™, which delivers a stable supply of electricity without producing CO₂ by using a fuel cell and solar photovoltaic power generation system, started operation in Musashi-Mizonokuchi Station (Kawasaki City), an ECO-STA model station where East Japan Railway Company is introducing energy conservation technologies. In addition, the Company won an order for the same system from Tohoku Electric Power Company Co., Inc. for research into regulating the demand-supply balance to achieve more stable electric power supply. Going forward, the Company will work to grow its hydrogen-related business, which supplies efficient and clean energy.



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

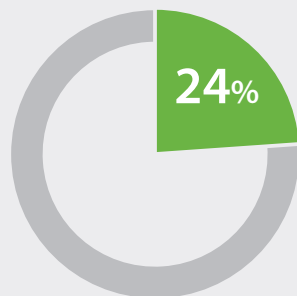


Removal operation of used fuel (diagrammatic outline)

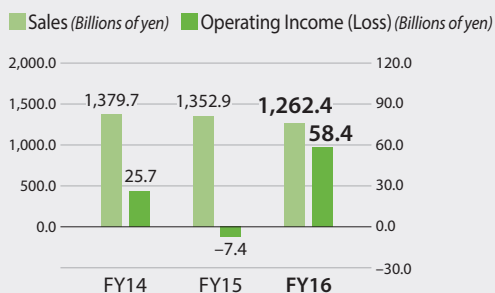
The Company successfully took measurements of temperature and radiation levels and photographs of the inside of the nuclear reactor container of Reactor 2 of the Fukushima Daiichi Nuclear Power Plant for the first time since the Great East Japan Earthquake by using a small sized robot for the internal investigation developed by the Company together with the International Research Institute for Nuclear Decommissioning. The Company is also moving forward with installation work on fuel-handling machines that will be remotely operated to remove fuel from the used fuel pool at Reactor 3. Going forward, the Company will continue to develop relevant technologies, thereby contributing to the initiative to decommission the Fukushima Daiichi Nuclear Power Plant and fulfilling a societal responsibility.

Infrastructure Systems & Solutions

► Net Sales by Segment



► Net Sales / Operating Income (Loss)



Main products & services As of March 31, 2017

- Water supply and sewerage systems
- Environmental systems
- Broadcasting systems
- Road systems
- Electrical machineries
- Automatic railroad station equipment
- Building facilities
- Elevators
- Escalators
- Light fixtures
- Industrial light parts
- Commercial air-conditioners
- Compressors
- Transportation equipment
- Instrumentation and control systems
- Industrial systems



Shinichiro Akiba

President and CEO

Toshiba Infrastructure Systems & Solutions Corporation

Business Overview

The Infrastructure Systems & Solutions segment saw lower net sales of ¥1,262.4 billion, a ¥90.5 billion decrease from the previous year, as sales shrank in all businesses.

The segment as a whole saw notably higher operating income of ¥58.4 billion, a ¥65.8 billion increase from the previous year, as all businesses recorded significantly higher operating income.

Start of operations of the Intelligent Transport Systems for an expressway in Vietnam

The Intelligent Transport Systems was contracted in 2014 through a consortium of Toshiba and two other Japanese companies. Operations of the installed Intelligent Transport Systems for an expressway in Vietnam started at the Traffic Control and Operation Management Office. This is the first Intelligent Transport Systems package installed overseas by Japanese companies. In the midst of rapid economic growth in Vietnam, there are many construction plans for future expressways. The Company will continue to contribute to Vietnam's economic growth by supporting the installation of Intelligent Transport Systems.



Intelligent Transport Systems for the Vietnam Traffic Control and Operation Management Office

An order for 70 elevators for a large office building in India



A subsidiary of Toshiba Elevator and Building Systems Corporation in India received an order for 70 elevators to an office building, which is scheduled to be built in Hyderabad. This is the largest order subsidiary has received and the demand for elevators is rapidly expanding in Hyderabad, which is the capital of IT and finance in India. Many of the global corporations are

Office building in Hyderabad, India which 70 elevators are planned to be installed (Image)

establishing hubs there. The subsidiary will also be responsible for the maintenance services of these elevators and, will strive to further expand orders with reliable quality and technological capabilities.

Enhanced line-up of SCiB™ Lithium-ion Rechargeable Battery

Toshiba Corporation added 10Ah*¹ cell SCiB™ lithium-ion rechargeable battery to its product line-up. The new cell meets customer demand for more power with a capacity over three times that of the current 2.9Ah cell. It is suited for applications requiring rapid energy input and output, such as idling-stop systems for passenger vehicles, regenerative power systems for railways, and industrial equipment.



lithium-ion rechargeable battery SCiB™

The new 10Ah SCiB™ cell has been adopted as the battery for the mild hybrid system of Suzuki Motor Corporation's new WagonR. It was chosen for its long life, safe performance and quality, plus its high energy input-output performance. The battery delivers power to on-board electrical component and provides motor assist during acceleration. It has helped to make WagonR the most fuel-efficient minivan*² in Japan at 33.4km/L*³.

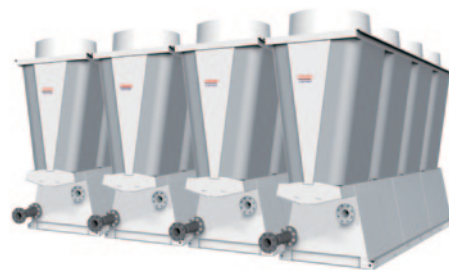
*1: 10Ah cell uses part of technology achievement made by Japan's New Energy and Industrial Technology Development Organization (NEDO) subsidized projects.

*2: Minivan is a minicar with overall height of at least 1,550mm. Measured in JC08 test cycle and verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism. (Suzuki Motor Corporation's research as of February 2017)

*3: Measured in JC08 test cycle and verified by Japan's Ministry of Land, Infrastructure, Transport and Tourism. For HYBRID FX (2WD), HYBRID FZ (Measured 2WD), WagonR Stingray HYBRID X (2WD) variants.

Rollout of the Universal Smart X EDGE, the new series of air-cooled modular heat pump chillers

Toshiba Carrier Corporation rolled out the Universal Smart X (USX) EDGE, the new series of its air-cooled modular heat pump chillers that are primarily used for medium- and large-sized building air conditioning. In the new series, the company has succeeded in raising energy efficiency with the world's biggest rotary inverter-driven compressors while making the chiller more compact compared to the previous series. The signature X shape, as also seen in the previous series, remains and provides superior functionality and design. With such enhanced features, the USX EDGE will meet customers' various needs.



The Universal Smart X EDGE, the new series of air-cooled modular heat pump chillers

Development of Depalletizer for Logistics Facilities

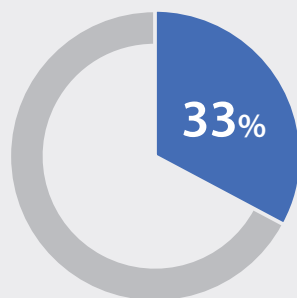


Depalletizer (Image)

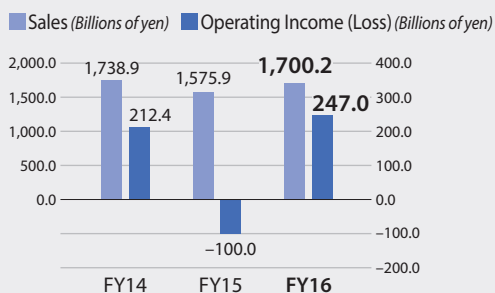
In the logistics industry, the amount of parcel deliveries has rapidly increased following the expansion of the e-commerce market. At the same time, with the declining birthrate and aging society, it is becoming difficult to secure sufficient labor capacity in the logistics industry. While seeing a growth in large-scale logistics centers and automated machines are installed for various jobs, the automation of unloading work remains difficult and it is relied on people. To help address these issues in the logistics industry, we have developed depalletizer that automatically unloads parcels from roll box pallets and containers. Sensors detect the shape and position of parcels, then an arm with multiple vacuum pads holds and moves parcels from roll box pallets and containers to a conveyor belt. The entire depalletizing process can be completed automatically without human intervention. We will accelerate solutions to the distribution industry.

Storage & Electronic Devices Solutions

▶ Net Sales by Segment



▶ Net Sales / Operating Income (Loss)



Main products & services As of March 31, 2017

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



Yasuo Naruke
President and CEO
Toshiba Memory Corporation



Hiroshi Fukuchi
President and CEO
Toshiba Electronic Devices & Storage Corporation

Business Overview

The Storage & Electronic Devices Solutions segment saw higher net sales of ¥1,700.2 billion, a ¥124.3 billion increase from the previous year. HDDs recorded notably higher sales and the memory business also recorded higher sales.

The segment as a whole saw a significant rise in operating income of ¥247.0 billion, a ¥347.0 billion increase from the previous year, as all businesses recorded significantly higher sales.

Spin-off of memory business

In order to enhance the method of procuring funds to further grow the memory business, the Company obtained approval at an Extraordinary General Meeting of Shareholders held in March 2017 to perform an absorption-type company split on April 1, 2017, whereby Toshiba Memory Corporation succeeded the memory business. Moreover, in order to further strengthen the financial position of Toshiba Group, negotiations were carried out with related parties aiming to introduce external capital, which included the transfer of shares of Toshiba Memory Corporation. As a result, in September 2017, the Company concluded an agreement with a consortium led by Bain Capital Private Equity, LP to transfer shares of Toshiba Memory Corporation.

Going forward, the Company will aim to secure continuous and steady revenues in the industrial semiconductor business and the HDD business while expanding its revenues by bolstering cooperation with its customers in growth-field semiconductor businesses such as those for various things connected to the internet (IoT) and for in-vehicle devices.



One of the world's largest NAND flash memory manufacturing sites, Toshiba Memory Corp. Yokkaichi Operations

Joint agreement to develop AI technology for next generation image recognition system



How Visconti™ detects and analyzes images

The Company has concluded a basic agreement with Denso Corporation to jointly develop AI technology (DNN-IP) for image recognition systems developed until now to realize advanced driver assistance and automated driving. DNN-IP is a breakthrough when compared with preceding technologies. By extracting and learning the characteristics of object for itself, DNN-IP dramatically improves various types of object recognition and detection precision. Furthermore, by combining existing image recognition technology with DNN-IP in the Visconti™ Series, an in-vehicle image recognition processor, the Company is improving image processing performance and reducing the electric power requirements of image processing.

Establishment of Japan Semiconductor Corporation

The CMOS image sensor manufacturing facilities at Oita Operations (currently Oita Operations, Japan Semiconductor Corporation) were wholly transferred to Sony Corporation on March 31, 2016. However the business remaining since April 1, 2016, which is the System LSI manufacturing business, was succeeded by Iwate Toshiba Electronics Co., Ltd. through an absorption-type company split, and that company established Japan Semiconductor (The Company owns 100% equity interest). While building on its manufacturing knowhow and excellent quality accumulated over forty years, Japan Semiconductor aims to grow further by strengthening its capability to respond to customers' needs. It also will work to strengthen its contract manufacturing work (foundry business) from outside Toshiba Group.



Japan Semiconductor Corporation aims to expand contract manufacturing

Expansion of share in HDD business

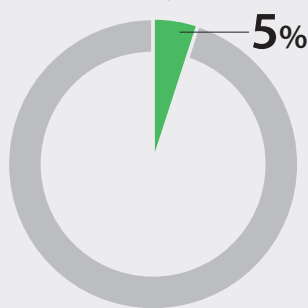


8TB HDD launched in April 2017

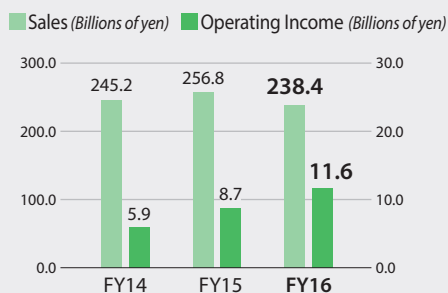
Considering the HDD business to be an important business, the Company has been working to strengthen relationships with major customers inside Japan and overseas. As a result, the Company was rated as the HDD manufacturer with the most substantial growth in net sales and sales volume from 2015 to 2016. Specifically, the Company's market share (sales volume basis) of 15% for the second quarter of fiscal 2015 grew to 24% in the fourth quarter of fiscal 2016. Going forward, the Company's HDD business will continue working to enhance its high-quality large-storage product lineup to respond to the demands for storage (recording media for electronic data) which is rapidly exploding with the spread of the IoT.

Industrial ICT Solutions

▶ Net Sales by Segment



▶ Net Sales / Operating Income



Main products & services As of March 31, 2017

- ICT solutions



Hironobu Nishikori

President and CEO
Toshiba Digital Solutions Corporation

Business Overview

The Industrial ICT Solutions segment saw lower net sales of ¥238.4 billion, an ¥18.4 billion decrease from the previous year, as system sales to manufacturers declined.

Operating income for the segment as a whole was ¥2.9 billion higher than the previous year, achieving ¥11.6 billion, due to the implementation of emergency measures and actions to improve profitability.

Expansion of orders received for IoT business

Rated highly for the improved efficiency in NAND flash memory production at Yokkaichi Operations (currently Yokkaichi Operations, Toshiba Memory Corporation), the Company's IoT technology has been adopted for Denso Corporation's "Factory IoT" project, which aims to improve productivity at 130 manufacturing sites in 60 countries worldwide. The company's IoT technology faithfully replicates a manufacturing site's environment in real time on a computer to enable monitoring of the operational status of on-site equipment and machinery for the quick detection of errors, and is useful in improving operations. In the future, the Company plans to use its experience and knowhow developed in-house to expand business in the IoT field to manufacturers.



Image of productivity improvement with "Factory IoT"

Development of AI service RECAIUS™

RECAIUS™ is an AI service that supports the activities of people by understanding their intentions from audio and visual data. The Bank of Yokohama, Ltd. has been using RECAIUS™ as the basis for its "Inheritance Procedure Customer Service" that is under development. The bank's service is an internet-based service that enables customers to access a virtual bank assistant and use a voice-enabled computer, etc. to ask questions such as what documents are required for inheritance procedures. The virtual bank assistant understands the intention of these questions and provides a response. This service not only improves convenience for the user, it also serves to streamline operations for the bank.

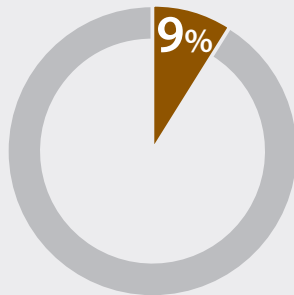


Service of The Bank of Yokohama using RECAIUS™

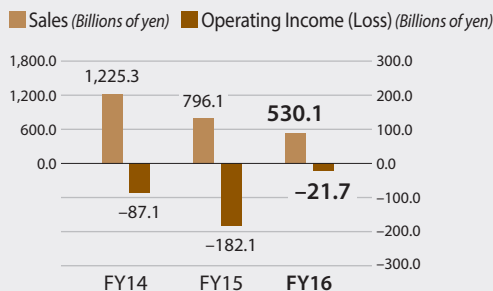
Going forward, the Company will continue to support initiatives that promote peace of mind and comfort in business and daily life.

Others

► Net Sales by Segment



► Net Sales / Operating Income (Loss)



Main products & services As of March 31, 2017

- Personal computers
- Televisions
- Video recording/playback devices (BD recorders, etc.)
- Logistics service

Business Overview

The Others segment saw net sales of ¥530.1 billion and operating loss of ¥21.7 billion. Net sales of each segment described above include intersegment sales of ¥342.9 billion.

The PC and Home Appliances businesses

The Company carried out major structural reforms for the BtoC business (the business for general consumers), which had been problematic. Specifically, Toshiba Client Solutions Co., Ltd. succeeded the PC business in April 2016 by means of an absorption-type company split. Also, in regard to the Home Appliances business, in June 2016, Toshiba Visual Solutions Corporation succeeded Toshiba Lifestyle Products & Services Corporation's visual products business by means of an absorption-type company split, and the Company transferred 80.1% of the shares of Toshiba Lifestyle Products & Services Corporation, which will continue to engage in the home appliances business, to Midea Group Co., Ltd., a major Chinese home appliances manufacturer.

Rollout of the dynabook V series of notebook PCs that can also be used as tablets

In Japan, Toshiba Client Solutions Co., Ltd. rolled out the dynabook V series of notebook PCs equipped with displays that can be rotated 360 degrees and that can also be used as tablets. Making full use of diverse design techniques gained over the years, Toshiba Client Solutions Co., Ltd. succeeded in creating a notebook PC with adequate power while keeping it thin and light. Also, it is equipped with a function that makes the battery last even longer, and curtails deterioration while making quick charging possible. With this one device, the Company provides freedom of use not limited by application or location.



dynabook V series

Rollout of 4K OLED "Regza X910" series



4K OLED "Regza X910" series

In recent years, the spread of 4K televisions that allow consumers to enjoy high-quality videos on a large-sized screen has been accelerating. Amidst this, Toshiba Visual Solutions Corporation rolled out the 4K "Regza X910" series in Japan that is equipped with an OLED display that produces higher quality images than an LCD display. This is the first rollout of a 4K OLED television made by a Japanese manufacturer. The Company has realized a vivid visual beauty overflowing with realism by using image processing technologies developed in-house. With this display, consumers can enjoy videos such as live performances as if they were there themselves.

Research & Development and Intellectual Property

Research & Development

R&D Strategy

Toshiba Group focuses on energy systems, social infrastructure, retail and printing, storage and electronic devices, and industrial ICT solutions, and develops technologies that allow it to grow and develop with society. We contribute to solutions to societal issues with substantial products offering outstanding performance, functions, and quality, and with substantial solutions that make the most of our relationships with customers.

In energy, we promote stable supply and efficient use of conventional energy sources. We also contribute to the realization of a low-carbon society by providing technologies and services that generate, transmit and store clean energy, including hydrogen.

In social infrastructure, we provide highly reliable technologies and services to customers in a wide range of industries, including public infrastructure, buildings and

facilities, and railroad and industrial systems, in order to realize a safe and secure society.

In retail and printing, we create value for our customers and continually provide reliable and convenient products and solutions based on original technologies and our work with leading global partners.

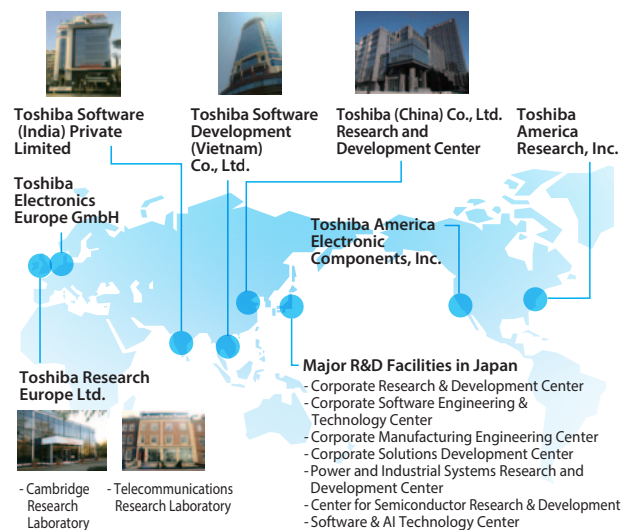
In electronic devices, with a view to building infrastructure for Big Data, we develop cutting-edge technologies for new semiconductor and storage products such as memory, industrial and automotive applications, and wireless communications.

In industrial ICT solutions, we work with customers to create digital services that make the most of our industrial know-how and IoT and AI technologies.

Global Research & Development

Corporate research centers—the Corporate Research & Development Center, the Corporate Software Engineering & Technology Center, the Corporate Manufacturing Engineering Center, and the Corporate Solutions Development Center—bring together Group-wide capabilities to pursue R&D in basic technologies. Outside Japan, we have R&D facilities in the United States, Europe and China, and software development centers in India, China and Vietnam. These organizations are accelerating cutting-edge R&D, working with the technology development divisions in our worldwide business units.

● Major R&D bases in Japan and overseas



Intellectual Property

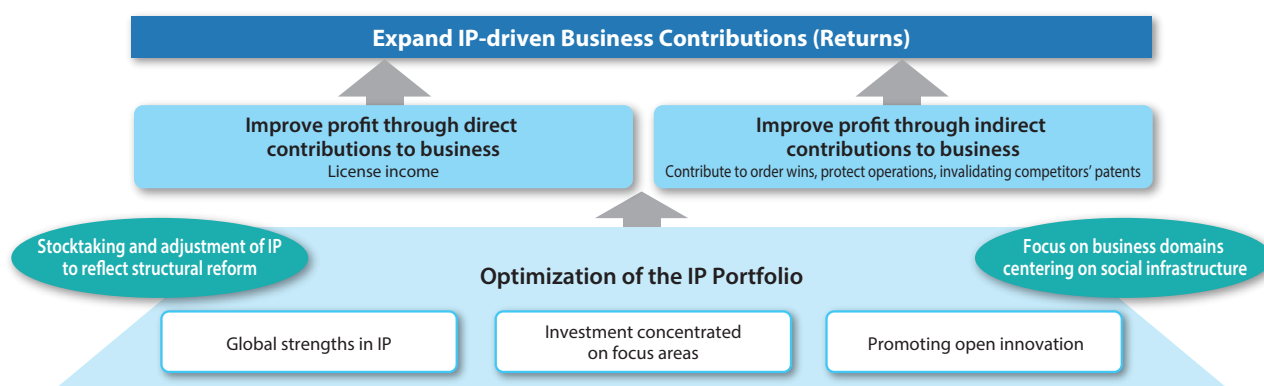
Intellectual Property Strategy

Toshiba advances Toshiba Group's intellectual property strategy guided by the concept of: "All for IP-driven contributions to business." We are making efforts to bolster and utilize actively our intellectual property that contributes to business development, in each business area of energy,

storage and ICT solution, especially centering on infrastructure.

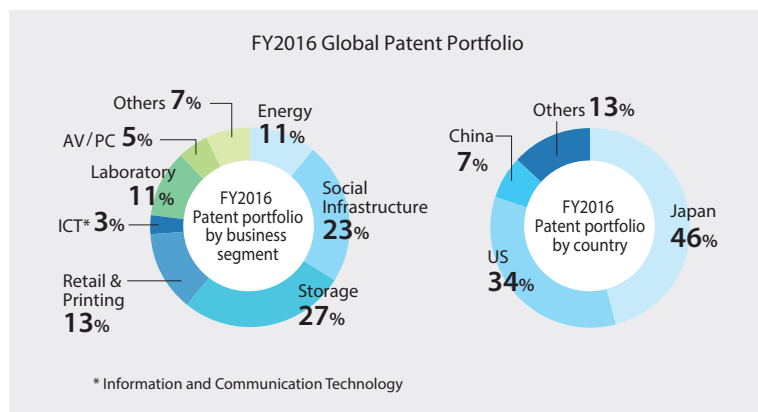
We will endeavor to ensure that these measures contribute effectively to Toshiba Group's business recovery, and to ensuring improved profits.

Toshiba's Intellectual Property Strategy



Global Patent Portfolio

Toshiba Group is building optimal portfolios in its business domains.



The rankings of the number of patents by business segment with the place of registered

Storage	6th in U.S. 1st in Japan
Energy	4th in Japan
Social Infrastructure	3rd in Japan

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:

- **National Commendation for Invention**
The Prize of the President of the Japan Patent Attorneys Association

Invention of programming method for multi-bit NAND flash memory

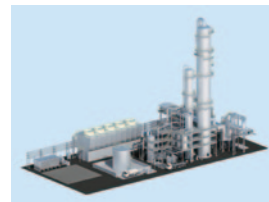
- **Top 100 Global Innovators 2016**
(Clarivate Analytics)



Creating Value that Shapes Tomorrow

Energy Systems & Solutions

- Toshiba, Mizuho Information & Research Institute Inc. and 11 other entities were selected to carry out a major five-year project to promote clean energy generation, the “Sustainable CCS^{*1} Project” sponsored by Japan’s Ministry of the Environment (MOE). Toshiba will construct a carbon capture facility designed to capture more than 500 tons of CO₂ a day, about 50% of the daily emissions, at the Mikawa Power Plant (capacity: 50,000 kW) operated by Toshiba subsidiary Sigma Power Ariake Co. Ltd., in Omuta, Fukuoka Prefecture. CCS is a CO₂ reduction technology that can be applied to both new and existing thermal power plants. Along with other low-carbon technologies such as renewable energy, it is expected to help combat climate change.



CO₂ capture demonstration plant
(representative image)

- Toshiba developed an autonomous hydrogen energy supply system “H₂One™ Truck Model,” a CO₂-free energy supply system that uses a renewable energy source and hydrogen to provide stable power supply. We scaled down the stationary model to boost mobility, while keeping the same hydrogen storage capacity as the BCP^{*2} model, realizing a system that can be quickly deployed to provide energy in the aftermath of a disaster. We will continue to develop systems for various applications—the BCP model, a remote island model, etc.—and contribute to achieving a society free of CO₂ emissions.

^{*1}: Carbon dioxide Capture and Storage ^{*2}: Business Continuity Plan

Infrastructure Systems & Solutions

- In collaboration with Waseda University, Toshiba developed an electric bus system featuring high-power wireless charging equipment for SCiB™ lithium-ion rechargeable batteries that can be recharged without cables. With cooperation from Kawasaki City and All Nippon Airways Co., Ltd., we operated the buses on public roads in Kawasaki and areas near Haneda Airport from February 2016 to January 2017, to test the convenience of wireless recharging and measure reductions in CO₂ emissions. This verification experiment was conducted as the Low Carbon Technology Research, Development and Demonstration Program, a project commissioned by the Ministry of the Environment.



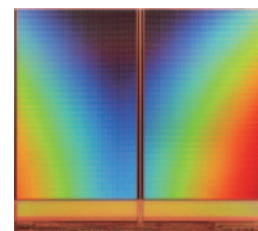
Electric bus with wireless charger

- Toshiba Elevator and Building Systems Corporation developed 43 elevator units for the Sumitomo Fudosan Roppongi Grand Tower. Four of the units are Japan’s largest-capacity^{*3} passenger elevators and can each accommodate 90 people and can carry up to 1,000 passengers within ten minutes. Some elevators provide an automatic recovery function for responding to earthquakes, which supports temporary elevator operation before field engineers arrive.

^{*3}: as of October 2017

Storage & Electronic Devices Solutions

- Toshiba launched samples with chips of 512 Gbit/chip BiCS FLASH™; three-dimensional 64-layered 3-bit/cell flash memory. By optimizing circuit technology and processes, we reduced the chip size, thereby increasing memory capacity per unit area by 1.65 times compared to 256-Gbit devices that use the 48-layer stacking process. We will continue to respond to various market needs, including demand for larger capacities and smaller package sizes.



Photograph of memory chip

- The Corporate R&D Center developed technologies that support autonomous driving. The technologies carry out computationally intensive processing to measure 3D points^{*4} from camera images using “Visconti™4,” our image recognition vehicle-mounted processor IC, create obstacle maps of the vehicle’s surroundings from the camera and LIDAR^{*5} outputs, and determine a course that avoids any obstacles. These were implemented on a PC-based autonomous driving software platform developed by Nagoya University, and the system was successfully demonstrated in tests on public roads.

^{*4}: Points on 2D images that have distance information from the camera. ^{*5}: Laser Imaging Detection and Ranging, a sensor that uses a laser to measure distances.

Creating Value that Shapes Tomorrow

Industrial ICT Solutions

Toshiba launched "Toshiba IoT Architecture SPINEX™" that brings together and merges the expertise the Company has built up in its wide-ranging business domains, from social infrastructure to electronics devices. It offers Edge Computing that enables real-time processing at "edges," Digital Twin that digitally replicates phenomena occurring in the worksite, and Analytics AI "SATLYS™" / Communication AI "RECAIUS™" that enables high-precision identification and analysis of audio, images, video, and other data. By utilizing these three features, it enables to increased productivity and process optimization, lowers operating costs, and creates new services.



*6: RECAIUS, SPINEX and SATLYS are trademarks of Toshiba Digital Solutions Corporation., registered in Japan.

Working with Keio University, we successfully completed an experimental project that analyzes video of rugby games to automatically classify plays, using a combination of audio and image recognition and deep learning technologies. We will apply the knowledge gained from the experiment to other industries by refining the capabilities of our Communication AI "RECAIUS™," which analyzes voices and images to understand human intent and support activities. For example, the technology for simultaneously recognizing the movement of multiple people will be applied to line traffic management in factories, and the technology for detecting a specific play will be applied to work analysis, which will contribute to improved productivity in manufacturing.

Others

Toshiba developed an imaging technique that can simultaneously acquire a color image and a depth map from a single image taken by a monocular camera using a combination of color filters and imaging processing. It is possible to construct an inexpensive imaging device using an ordinary image sensor since this technology consists solely of a lens device with color filters and image processing. The technology will be image sensing using a camera such as advanced driver assistance systems and remote inspections of infrastructure by robots.

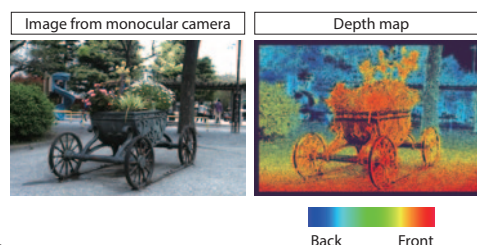


Image taken by a monocular camera (left) and the depth map (right)

Toshiba developed a new high-iron concentration samarium-cobalt magnet that is free of heavy rare-earth elements, highly resistant to demagnetization, and that achieves significantly superior magnetic properties at high temperatures to the heat-resistant neodymium magnets currently used in motors. It is expected that the magnet will be applied to traction motors for hybrid and electric vehicles, railroad rolling stock and motors for industrial equipment.

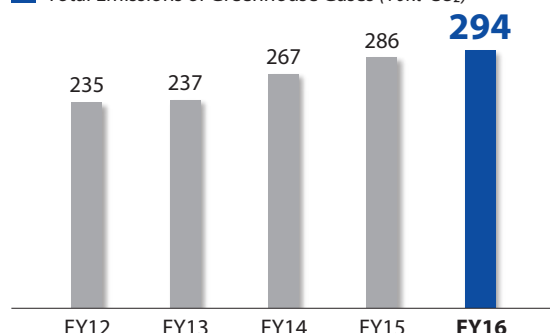
External Evaluations Related to R&D

Awarding entity	Name of the award / awarded achievement
Ministry of Education, Culture, Sports, Science and Technology (MEXT) 2017 MEXT Minister Prize	Science and Technology Prize Development of Superconducting Rotating Gantry Irradiation System for Heavy-Ion Radiotherapy
Okochi Prize	63rd Okochi Memorial Grand Technology Prize Technology for reducing adjacent memory cell coupling effect to realize high-density design rule Multi bit/cell NAND Flash memory
New Technology Development Foundation	49th Ichimura Prize in Industry for Distinguished Achievement Development and commercialization of a high-power, heavy rare-earth-free, demagnetization-resistant magnet for motors
The Promotion Foundation for Electrical Science and Engineering	64th Electrical Science and Engineering Promotion Awards Development of PWM converter for air-cooled heat pump chilling unit
New Energy Foundation	New Energy Foundation Chairman's Award Hydrogen-based autonomous energy supply system "H:One™"

Non-Financial Highlights (Consolidated)

Environment

Total Emissions of Greenhouse Gases (10kt-CO₂)



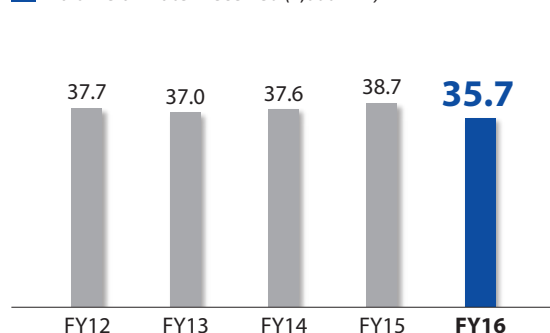
*) The CO₂ emissions coefficient for electricity is used to calculate energy-derived CO₂ emissions. In Japan, 4.81 t-CO₂/10,000 kWh in FY2012, 5.67 t-CO₂/10,000 kWh in FY2013, 5.52 t-CO₂/10,000 kWh in FY2014, 5.31 t-CO₂/10,000 kWh in FY2015 and FY2016. Overseas electricity is based on the GHG Protocol data.

In FY2016, with regard to energy-derived CO₂ emissions, the deterioration of the CO₂ emission coefficient for electricity caused a 70,000-ton gain year-on-year despite our proactive energy-saving measures. Furthermore, despite the actions we had taken such as installing PFC (perfluorocarbon) removal equipment, GHG emissions excluding those arising from energy has increased, and as a result there was an 80,000-ton increase year-on-year in total emissions of GHG.

The CO₂ emission coefficient for electricity is expected to further deteriorate in the future. However, we will go forward with our steady efforts to reduce emissions by investing proactively in high-efficiency equipment.

Environment

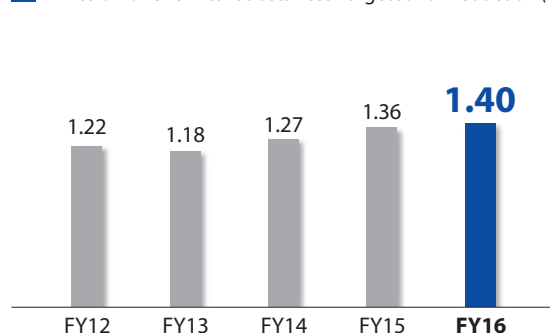
Volume of Water Received (1,000 km³)



In FY2016, the total amount of water received decreased by 3,000,000 m³ year-on-year, due to improvements in the efficiency of the water purification process. In the future, we plan to consider water risk measures based on the information we acquired from our water risk assessment. Furthermore, reductions will be actively pursued in other ways, such as reuse of waste water in factories and introduction of a system for rainwater use.

Environment

Emission of Chemical Substances Targeted for Reduction (kt)

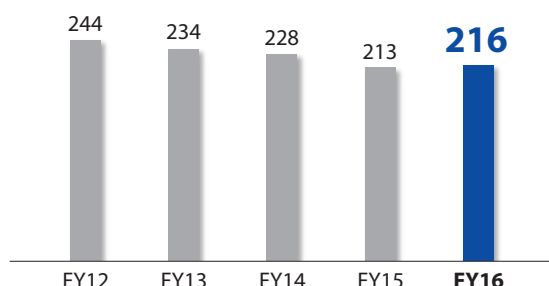


551 substances, including chemical substances designated as Type 1 under the PRTR (Pollutant Release and Transfer Register) law as well as volatile organic compounds (VOC) and other substances.

In FY2016, emission of substances targeted for reduction increased by 40 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)

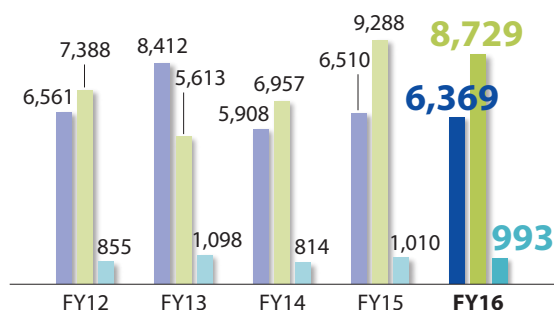


In FY2016, Toshiba Group saw an increase of 3,000 tons in total waste generation when compared to the previous year. From now on, we will promote dialogues with stakeholders inside and outside the Group and create diverse networks for resource recycling.

Number of Suppliers Covered by CSR Survey

(Total number of Companies*)

■ Participation in briefings
■ Surveys
■ On-site audits



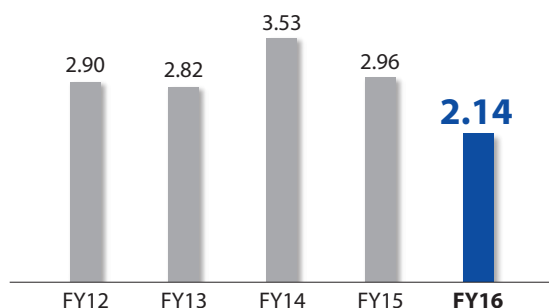
* Total number of Companies: Toshiba Group companies conduct surveys based on each contract. For this survey multiple contracts with a supplier are counted as one contract.

* Westinghouse group is included until FY2015.

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 FY2016, we gave briefings on the policy to 6,369 companies, conducted CSR surveys in 8,729 companies and requested to perform self-checks to 993 companies.

Expenditures on Corporate Citizenship Activities

(billions of yen)



* Expenditures include cash contributions to support disaster recovery.

* Westinghouse group is included until FY2015.

In FY2016, Toshiba Group conducted a wide range of social contribution activities around the world to support science and technology education, disaster recovery, sports and culture promotion, social welfare, healthcare, protection of the natural environment, and international exchanges programs and friendship. We will continue to conduct corporate citizenship activities by considering contributions and effectiveness.

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 the resolution of global social issues through business and by setting human life, safety and compliance as our top priorities. Through communication 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 the Toshiba Group Standards of Conduct.

● Toshiba Group's CSR Management



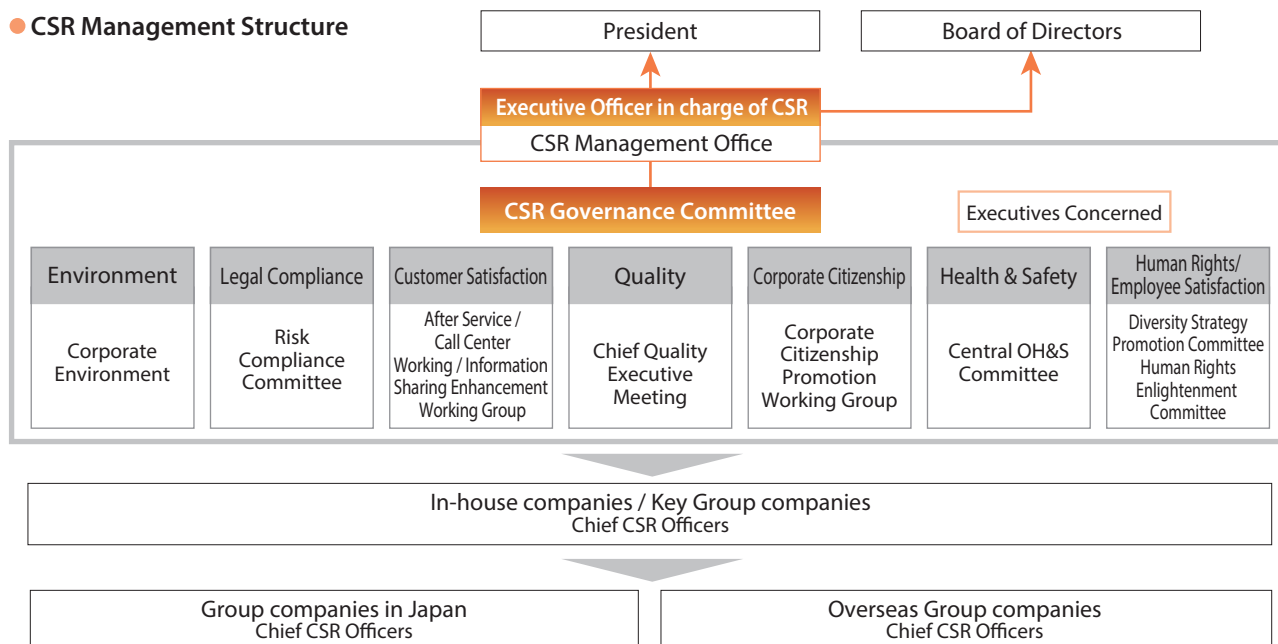
■ Organization of CSR Management

In 2003 Toshiba established an organization to promote CSR and lead 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 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 each accounting period, 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 round including rank-specific CSR education such as for 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 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 FY2016, we delivered the President's message to employees to explain that we need to think about our CSR and take action in order to regain public trust in our Group for its regeneration. We also participated in the Toshiba Group Simultaneous Social Contribution Activities on International Volunteer Day (December 5).

On December 13, we held our annual CSR Conference, which was attended by some 680 employees, including executive officers and labor union representatives. The executive officer in charge of CSR reported on global CSR issues facing companies as well as on progress in management reform. In addition, Shoei Utsuda, Counselor of Mitsui & Co., Ltd., delivered a special lecture entitled "Looking Back on Two Incidents at Mitsui & Co., Ltd." In this lecture, Mr. Utsuda discussed measures taken to regain public trust after the compliance issue arose at Mitsui and efforts to do good work to be recognized by the public. He also provided advice about what is needed for Toshiba Group and what the Group needs to consider.

The conference made us realize the importance for Toshiba Group members to work together to the best of our abilities in order to restore stakeholder trust.

Material Issues

■ The Situation up to FY2016

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 determine our material issues.

In FY2013, we identified “Respect for Human Rights,” “CSR Management in the Supply Chain,” and “Environmental Management” as material issues. In FY2016, we continued our efforts to tackle these issues. We record our progress regarding these efforts in the ESG activity report.

Meanwhile, the accounting issue that arose in FY2015 is likely to have resulted partly from our corporate culture. In FY2016, therefore, we placed high priority on preventing similar problems from recurring and on reforming our corporate culture.

Initiatives for reforming our corporate culture








- Reforming management mentality
- Delivering messages from top executives
- Seminars for senior management
- Delivering messages from senior management
- 360-degree survey
- Reforming employees’ mentality
- Education on accounting compliance
- Workplace CSR meetings
- Employee morale survey

In addition, in response to the losses in the overseas nuclear business that transpired in December 2016, we placed the highest priority on identifying the cause of the problem and developing remedial measures. We held a briefing session on February 14, 2017 and published documents to explain the background to the matter and the remedial measures that have been developed.

■ Regular Dialogues with Stakeholders

We maintain 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 sessions 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 associations
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:

Carry out human rights impact assessments for high-priority areas and perform human rights due diligence at a 100% level at business sites with high human rights risks.

FY2016 Achievements

- Compiled a Report on Compliance with the U.K. Modern Slavery Act regarding relevant company divisions in Japan
- Held human rights awareness seminars for relevant company divisions in Japan

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**

100% of our new suppliers

- **Keeping track of supplier activities, and advising on improvement**

FY2016 Achievements

- **Holding training sessions for suppliers:**
 - Explaining the Toshiba Group Procurement Policy
 - Explaining the Use of Conflict-Free Minerals which are stipulated in the Procurement Policy
- **Surveys of suppliers and providing instructions for improvement:**
 - Conducting CSR Self-Assessment (EICC Self-Assessment Questionnaire Survey) and providing individual guidance based on the results
 - Conducting a conflict minerals survey and providing individual guidance based on the results
 - Conducting a supplier environmental conservation survey

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,” a long-term vision under which we aim to realize a world in which people can enjoy affluent lifestyles in harmony with the Earth by the year 2050. Toshiba Group strives to provide safer and more comfortable lifestyles and create enriched value for customers, and also strives for harmony with the Earth by working to mitigate climate change, use resources efficiently, and manage chemicals properly throughout the life cycle of products.

Medium- to Long-term Vision

In order to realize our Environmental Vision 2050, we have formulated a detailed medium-term plan, the Environmental Action Plan, to reduce the environmental impacts of product/service lifecycles and contribute towards the achievement of a sustainable society.

Main Achievements in FY2016

Reducing environmental impacts in manufacturing

- Reduction of total greenhouse gas emissions*¹ **2.94 million t-CO₂** (43% of the FY1990 level)

Activities such as energy-saving investments, air conditioning/lighting power-saving, and energy management have reduced total greenhouse gas emissions to 2.94 million tons.

*1 5.31 t-CO₂/10,000 kWh is used for the power factor in Japan. Overseas electricity is based on the GHG Protocol data.

Improvement of environmental performance of products and services

- Reduction of CO₂ emissions through eco-products (Power supply*²)

100 million t-CO₂

Activities toward the development and dissemination of diverse energy technologies such as hydroelectric, geothermal, photovoltaic, and high-efficiency thermal power have resulted in the reduction of CO₂ emissions by 100 million tons.

*2 Products and services related to power supply, such as power plants.



Olkaria IV Geothermal Power Plant in Kenya

- Reduction of CO₂ emissions through eco-products (Power consumption*³) *⁴

15.65 million t-CO₂

CO₂ emissions were reduced by 15.65 million tons through our development and offerings of products/services with high-level energy-saving functionality.



Air-cooled heat pump chiller “Universal Smart X”

*3 Products and services related to power consumption, such as social infrastructure products and office equipment.

*4 [CO₂ emissions of assumed substitute products – CO₂ emissions of shipped products] (Compares emissions per year during the usage stage and cumulates emissions for half the expected number of years of use).

Future Challenges and Approaches

As issues such as global warming and resource depletion continue to be a serious concern, Toshiba Group believes that, as a member of the international community, we have the responsibility of helping resolve these issues. In the Sixth Environmental Action Plan, which is active from FY2017 to FY2020, we will move forward with environmental considerations at our sites and make developments in environmentally conscious products and services that are unique to Toshiba Group. We will also focus on activities that will act as a foundation for such developments such as ensuring environmental risk compliance, promoting environmental communication and conserving biodiversity to contribute towards the resolution of various environmental issues and to achieve a sustainable society.

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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, 2017, please refer to the "Financial Review 2017."

Consolidated Financial Summary

	2013
Net Sales, Operating Income (Loss) and Net Income (Loss) Attributable to Shareholders of the Company	
Net sales	¥4,786,059
Cost of sales	3,739,481
Selling, general and administrative expenses	986,556
Impairment loss on goodwill	—
Operating income (loss)	60,022
Income (loss) from continuing operations, before income taxes and noncontrolling interests	43,528
Income taxes	33,946
Net income (loss) attributable to shareholders of the Company	13,425
EBITDA*1	242,961
Profitability Ratios	
Operating income ratio (%)	1.3
Return on sales (%)	0.3
Cost of sales ratio (%)	78.1
Selling, general and administrative expenses ratio (%)	20.6
Total Assets, Equity Attributable to Shareholders of the Company and Interest-bearing Debt	
Total assets	6,021,603
Equity attributable to shareholders of the Company	824,584
Net Interest-bearing debt	1,154,061
Long-term debt	980,342
Short-term debt	348,373
Shareholders' equity ratio (%)*2	13.7
Net debt/equity ratio (Times)*3	1.4
R&D, Capital Expenditures and Depreciation	
R&D expenditures	257,755
Capital expenditures (Property, plant and equipment)	224,401
Depreciation (Property, plant and equipment)	169,588
Return Indicators	
Return on investment (ROI) (%)*4	2.6
Return on equity (ROE) (%)*5	1.7
Return on total assets (ROA) (%)*6	0.2
Efficiency Indicators	
Inventory turnover (Times)*7	6.37
Total assets turnover (Times)*8	0.82
Inventory turnover (Days)*9	57.28
Cash Flows	
Net cash provided by (used in) operating activities	132,316
Net cash provided by (used in) investing activities	(196,347)
Net cash provided by (used in) financing activities	41,772
Effect of exchange rate changes on cash and cash equivalents	17,123
Net increase (decrease) in cash and cash equivalents	(5,136)
Cash and cash equivalents at end of year	174,654
Liquidity Indicators	
Debt/cash flow ratio (%)*10	17.73
Interest coverage ratio (Times)*11	2.4
Corporate Value	
Free cash flow*12	(64,031)
Market capitalization*13	2,000,148
Other Data	
Number of employees (Consolidated) (Thousands)	206
Number of employees (Non-Consolidated) (Thousands)	36
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.
- WEC group's Nuclear Power Business is classified as discontinued operations in the fiscal year ended March 31, 2017. Results of the prior years 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)

2014	2015	2016	2017
¥5,527,449	¥5,699,055	¥5,154,838	¥4,870,773
4,149,413	4,373,651	4,403,323	3,576,520
1,116,674	1,159,197	1,187,153	1,006,551
—	—	47,372	16,914
261,362	166,207	(483,010)	270,788
191,712	140,354	(399,361)	225,531
90,714	133,106	246,411	105,632
60,240	(37,825)	(460,013)	(965,663)
363,612	311,611	(202,777)	375,960
4.7	2.9	(9.4)	5.6
1.1	(0.7)	(8.9)	(19.8)
75.1	76.7	85.4	73.4
20.2	20.3	23.0	20.7
6,172,519	6,334,778	5,433,341	4,269,513
1,027,189	1,083,996	328,874	(552,947)
1,104,398	1,040,342	496,425	496,103
1,123,814	973,711	822,120	518,171
124,669	243,168	619,414	685,625
16.6	17.1	6.1	(13.0)
1.1	1.0	1.5	—
283,600	303,830	351,433	295,464
249,456	225,039	262,460	163,304
140,787	149,860	178,710	134,051
10.0	6.1	(19.7)	17.8
6.5	(3.6)	(65.1)	—
1.0	(0.6)	(7.8)	(19.9)
7.21	7.22	6.89	7.57
0.91	0.91	0.88	1.00
50.64	50.52	52.96	48.23
284,132	330,442	(1,230)	134,163
(244,101)	(190,130)	653,442	(178,929)
(89,309)	(125,795)	135,747	(219,758)
11,449	13,509	(11,796)	(3,312)
(37,829)	28,026	776,163	(267,836)
144,085	176,537	945,109	707,693
18.01	12.34	(18.52)	(60.70)
8.6	8.3	(26.5)	17.0
40,031	140,312	652,212	(44,766)
1,851,832	2,136,599	928,035	1,022,957
200	199	188	153
36	35	37	32
1.7	1.8	1.8	1.9

*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	2013	2014	2015	2016	2017
ASSETS					
Current Assets:					
Cash and cash equivalents	¥ 174,654	¥ 144,085	¥ 176,537	¥ 945,109	¥ 707,693
Notes and accounts receivable, trade					
Notes	29,845	34,183	35,062	33,226	41,431
Accounts	1,169,562	1,261,745	1,231,056	1,079,356	1,106,449
Allowance for doubtful notes and accounts	(13,677)	(13,313)	(34,063)	(32,117)	(25,644)
Inventories	788,934	744,814	832,938	662,913	624,321
Deferred tax assets	143,705	140,710	162,715	42,366	21,156
Prepaid expenses and other current assets	278,454	318,633	384,026	283,197	260,887
Current assets of discontinued operations	537,253	527,816	550,135	814,508	0
	3,108,730	3,158,673	3,338,406	3,828,558	2,736,293
Long-term Receivables and Investments:					
Long-term receivables	30,173	367	9,851	10,039	15,272
Investments in and advances to affiliates	408,255	380,916	359,445	266,554	293,705
Marketable securities and other investments	204,674	262,707	254,277	147,016	92,696
	643,102	643,990	623,573	423,609	401,673
Property, Plant and Equipment:					
Land	83,221	84,314	86,677	87,624	73,947
Buildings	832,632	855,934	858,436	847,923	889,495
Machinery and equipment	1,785,270	1,802,048	1,817,525	1,739,679	1,726,471
Construction in progress	66,332	58,877	64,077	44,963	21,796
	2,767,455	2,801,173	2,826,715	2,720,189	2,711,709
Less—Accumulated depreciation	(2,112,473)	(2,058,729)	(2,076,389)	(2,039,693)	(2,053,833)
	654,982	742,444	750,326	680,496	657,876
Other Assets:					
Deferred tax assets	355,729	286,857	160,508	28,132	32,591
Other	560,926	564,797	645,661	472,546	441,080
Non-current assets of discontinued operations	698,134	775,758	816,304	0	0
	1,614,789	1,627,412	1,622,473	500,678	473,671
	¥6,021,603	¥6,172,519	¥6,334,778	¥5,433,341	¥4,269,513

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	2013	2014	2015	2016	2017
LIABILITIES AND EQUITY					
Current Liabilities:					
Short-term borrowings	¥ 110,753	¥ 70,791	¥ 37,382	¥ 410,983	¥ 357,551
Current portion of long-term debt	237,620	53,878	205,786	208,431	328,074
Notes and accounts payable, trade	1,051,503	1,063,839	1,091,107	808,940	730,900
Accounts payable, other and accrued expenses	390,617	450,900	486,415	520,507	416,916
Accrued income and other taxes	50,399	69,940	64,398	108,303	84,072
Advance payments received	178,025	186,849	215,063	243,027	320,762
Other current liabilities	373,462	326,083	336,750	335,117	480,128
Current liabilities of discontinued operations	476,355	511,230	473,967	589,704	0
	2,868,734	2,733,510	2,910,868	3,225,012	2,718,403
Long-Term Liabilities:					
Long-term debt	980,342	1,123,814	973,711	822,120	518,171
Accrued pension and severance costs	582,205	480,020	434,507	559,256	531,164
Other liabilities	124,555	120,254	134,042	154,695	777,479
Non-current liabilities of discontinued operations	259,944	268,927	316,293	0	0
	1,947,046	1,993,015	1,858,553	1,536,071	1,826,814
Equity Attributable to Shareholders of the Company:					
Common stock	439,901	439,901	439,901	439,901	200,000
Additional paid-in capital	401,594	401,830	402,008	399,470	140,144
Retained earnings (losses)	428,569	454,931	383,231	(76,782)	(580,396)
Accumulated other comprehensive loss	(443,938)	(267,786)	(139,323)	(431,828)	(310,750)
Treasury stock, at cost	(1,542)	(1,687)	(1,821)	(1,887)	(1,945)
	824,584	1,027,189	1,083,996	328,874	(552,947)
Equity Attributable to Noncontrolling Interests:	381,239	418,805	481,361	343,384	277,243
Commitments and contingent liabilities					
	¥6,021,603	¥6,172,519	¥6,334,778	¥5,433,341	¥4,269,513

(Millions of yen)

March 31	2013	2014	2015	2016	2017
Accumulated Other Comprehensive Loss:					
Unrealized gains on securities	¥ 78,165	¥ 93,924	¥ 113,567	¥ 23,655	¥ 24,537
Foreign currency translation adjustments	(219,546)	(110,846)	(14,757)	(91,906)	(55,468)
Pension liability adjustments	(301,584)	(248,502)	(240,172)	(357,962)	(277,002)
Unrealized gains and losses on derivative instruments	(973)	(2,362)	2,039	(5,615)	(2,817)

Consolidated Statements of Operations

(Millions of yen)

Year ended March 31	2013	2014	2015	2016	2017
Sales and Other Income:					
Net sales	¥4,786,059	¥5,527,449	¥5,699,055	¥5,154,838	¥4,870,773
Interest and dividends	10,729	7,591	10,428	8,692	7,143
Equity in earnings of affiliates	21,503	3,021	20,656	—	7,854
Other income	88,587	55,462	111,816	227,448	73,307
	4,906,878	5,593,523	5,841,955	5,390,978	4,959,077
Costs and Expenses:					
Cost of sales	3,739,481	4,149,413	4,373,651	4,403,323	3,576,520
Selling, general and administrative	986,556	1,116,674	1,159,197	1,187,153	1,006,551
Impairment loss on goodwill	—	—	—	47,372	16,914
Interest	29,845	31,113	21,397	17,874	16,378
Equity in losses of affiliates	—	—	—	23,223	—
Other expense	107,468	104,611	147,356	111,394	117,183
	4,863,350	5,401,811	5,701,601	5,790,339	4,733,546
Income (loss) from Continuing Operations, before Income Taxes and Noncontrolling Interests	43,528	191,712	140,354	(399,361)	225,531
Income Taxes:					
Current	40,023	43,077	55,414	70,632	72,224
Deferred	(6,077)	47,637	77,692	175,779	33,408
	33,946	90,714	133,106	246,411	105,632
Income (Loss) from Continuing Operations, before Noncontrolling Interests	9,582	100,998	7,248	(645,772)	119,899
Income (Loss) from Discontinued Operations, before Noncontrolling Interests	22,005	(25,728)	(26,263)	129,737	(1,280,100)
Net Income (Loss) before Noncontrolling Interests	31,587	75,270	(19,015)	(516,035)	(1,160,201)
Less: Net Income (Loss) Attributable to Noncontrolling Interests	18,162	15,030	18,810	(56,022)	(194,538)
Net Income (Loss) Attributable to Shareholders of the Company	¥ 13,425	¥ 60,240	¥ (37,825)	¥ (460,013)	¥ (965,663)

Consolidated Statements of Comprehensive Income

(Millions of yen)

Year ended March 31	2013	2014	2015	2016	2017
Net Income (Loss) before Noncontrolling Interests	¥ 31,587	¥ 75,270	¥ (19,015)	¥(516,035)	¥(1,160,201)
Other Comprehensive Income (Loss), Net of Tax:					
Net unrealized gains and losses on securities	25,571	18,417	22,664	(106,947)	974
Foreign currency translation adjustments	145,066	128,278	129,089	(101,585)	43,010
Pension liability adjustments	38,506	55,797	5,041	(118,908)	84,116
Net unrealized gains and losses on derivative instruments	(841)	(1,734)	4,785	(7,973)	2,727
Total other comprehensive income (loss)	208,302	200,758	161,579	(335,413)	130,827
Comprehensive Income (Loss) before Noncontrolling Interests	239,889	276,028	142,564	(851,448)	(1,029,374)
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interests	60,037	39,636	51,926	(98,930)	(184,789)
Comprehensive Income (Loss) Attributable to Shareholders of the Company	¥179,852	¥236,392	¥ 90,638	¥(752,518)	¥ (844,585)

Consolidated Statements of Cash Flows

(Millions of yen)

Year ended March 31	2013	2014	2015	2016	2017
Cash Flows from Operating Activities:					
Net income (loss) before noncontrolling interests	¥ 31,587	¥ 75,270	¥ (19,015)	¥ (516,035)	¥ (1,160,201)
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by operating activities					
Depreciation and amortization	197,747	171,796	189,938	213,869	162,975
Provisions for pension and severance costs, less payments	(2,021)	(12,960)	(14,355)	(44,413)	19,237
Deferred income taxes	(12,498)	40,510	86,121	345,770	13,537
Equity in (earnings) losses of affiliates, net of dividends	(13,889)	12,992	(10,708)	33,778	2,963
Gain (loss) from sales, disposal and impairment of property, plant and equipment, intangible assets and securities, net	17,533	12,787	82,361	(305,556)	791,409
(Increase) decrease in notes and accounts receivable, trade	6,369	(91,309)	94,186	157,576	17,419
(Increase) decrease in inventories	(24,804)	46,363	(80,372)	167,432	31,563
Decrease in notes and accounts payable, trade	(167,415)	(59,784)	(43,124)	(271,785)	(26,594)
Increase (decrease) in accrued income and other taxes	8,355	4,703	(5,082)	48,573	(23,197)
Increase (decrease) in advance payments received	(3,844)	12,831	38,489	130,335	(61,292)
Other	95,196	70,933	12,003	39,226	366,344
Net cash provided by (used in) operating activities	132,316	284,132	330,442	(1,230)	134,163
Cash Flows from Investing Activities:					
Proceeds from sale of property, plant and equipment	87,672	40,491	54,059	49,409	40,502
Proceeds from sale of securities	3,876	12,134	66,486	157,197	11,587
Acquisition of property, plant and equipment	(296,211)	(251,899)	(287,884)	(291,465)	(180,735)
Purchase of securities	(9,203)	(5,292)	(4,052)	(1,410)	(1,265)
(Increase) decrease in investments in affiliates	24,616	(1,437)	8,769	104,493	(27,753)
Other	(7,097)	(38,098)	(27,508)	635,218 ^{*2}	(21,265)
Net cash provided by (used in) investing activities	(196,347)	(244,101)	(190,130)	653,442	(178,929)
Cash Flows from Financing Activities:					
Proceeds from long-term debt	350,101	198,826	241,845	3,106	45,870
Repayment of long-term debt	(208,865)	(234,773)	(249,795)	(215,076)	(218,366)
Increase (decrease) in short-term borrowings, net	66,885	(13,678)	(74,353)	391,363	(37,421)
Dividends paid	(42,547)	(38,954)	(42,068)	(31,848)	(12,754)
Purchase of treasury stock, net	(50)	(145)	(134)	(66)	(58)
Other	(123,752) ^{*1}	(585)	(1,290)	(11,732)	2,971
Net cash provided by (used in) financing activities	41,772	(89,309)	(125,795)	135,747	(219,758)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	17,123	11,449	13,509	(11,796)	(3,312)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,136)	(37,829)	28,026	776,163	(267,836)
Cash and Cash Equivalents at Beginning of Year	214,305	209,169	171,340	199,366	975,529
Cash and Cash Equivalents at End of Year	209,169	171,340	199,366	975,529	707,693
Less: Cash and cash equivalents of discontinued operations at end of year	34,515	27,255	22,829	30,420	—
Cash and cash equivalents of continuing operations at end of year	¥ 174,654	¥ 144,085	¥ 176,537	¥ 945,109	¥ 707,693
Supplemental Disclosure of Cash Flow Information:					
Cash paid during the year for—					
Interest	¥ 33,090	¥ 33,777	¥ 28,194	¥ 22,779	¥ 21,248
Income taxes	¥ 48,662	¥ 50,997	¥ 86,846	¥ 77,466	¥ 103,914

*1 Includes the additional purchase of shares of Westinghouse Group from noncontrolling interests in the amount of ¥(124,724) million.

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

Industry Segment Performance

(Millions of yen)

Year ended March 31 2016 2017 Change (%)

Energy Systems & Solutions

Net sales	¥1,061,345	¥974,913	(8.1)
Share of net sales (%)	19.0	18.7	—
Operating income (loss)	(120,753)	(41,689)	—
Operating income ratio (%)	(11.4)	(4.3)	—
Number of employees (Thousands)	—	27	—
R&D expenditures	38,028	38,298	0.7
Depreciation	30,574	23,178	(24.2)
Capital expenditures	45,478	33,956	(25.3)
Total assets	1,151,393	1,145,031	(0.6)

Infrastructure Systems & Solutions

Net sales	1,352,855	1,262,412	(6.7)
Share of net sales (%)	24.2	24.2	—
Operating income (loss)	(7,406)	58,372	—
Operating income ratio (%)	(0.5)	4.6	—
Number of employees (Thousands)	—	43	—
R&D expenditures	35,147	38,201	8.7
Depreciation	32,597	24,562	(24.6)
Capital expenditures	42,407	31,688	(25.3)
Total assets	1,066,167	818,855	(23.2)

Retail & Printing Solutions

Net sales	544,891	507,694	(6.8)
Share of net sales (%)	9.8	9.7	—
Operating income (loss)	(84,694)	16,321	—
Operating income ratio (%)	(15.5)	3.2	—
Number of employees (Thousands)	—	21	—
R&D expenditures	27,745	28,161	1.5
Depreciation	15,986	11,801	(26.2)
Capital expenditures	14,421	9,585	(33.5)
Total assets	330,150	300,547	(9.0)

Storage & Electronic Devices Solutions

Net sales	1,575,876	1,700,220	7.9
Share of net sales (%)	28.2	32.6	—
Operating income (loss)	(100,021)	246,967	—
Operating income ratio (%)	(6.3)	14.5	—
Number of employees (Thousands)	—	29	—
R&D expenditures	179,667	151,460	(15.7)
Depreciation	87,788	63,644	(27.5)
Capital expenditures	143,475	81,294	(43.3)
Total assets	1,003,120	1,139,909	13.6

Year ended March 31 2016 2017 Change (%)

Industrial ICT Solutions

Net sales	¥256,778	¥238,413	(7.2)
Share of net sales (%)	4.6	4.6	—
Operating income (loss)	8,682	11,637	34.0
Operating income ratio (%)	3.4	4.9	—
Number of employees (Thousands)	—	13	—
R&D expenditures	6,979	7,380	5.7
Depreciation	6,691	7,293	9.0
Capital expenditures	12,685	3,625	(71.4)
Total assets	168,283	98,371	(41.5)

Others

Net sales	796,097	530,063	(33.4)
Share of net sales (%)	14.2	10.2	—
Operating income (loss)	(182,055)	(21,706)	—
Operating income ratio (%)	(22.9)	(4.1)	—
Number of employees (Thousands)	—	20	—
R&D expenditures	63,867	31,964	(50.0)
Depreciation	5,074	3,573	(29.6)
Capital expenditures	3,994	3,156	(21.0)
Total assets	903,202	794,692	(12.0)

Long-term Debt

		(Millions of yen)	
March 31		2016	2017
Loans, principally from banks,	Secured	¥ —	Secured ¥ —
due 2016 to 2030 with weighted-average interest rate of 0.70% at March 31, 2016, and	Unsecured	709,534	Unsecured 620,462
due 2017 to 2030 with weighted-average interest rate of 0.77% at March 31, 2017			
Unsecured yen bonds,		300,000	209,816
due 2016 to 2020 with interest rates ranging from 0.40% to 2.20% at March 31, 2016 and			
due 2017 to 2020 with interest rates ranging from 0.40% to 1.68% at March 31, 2017			
Capital lease obligations		21,017	15,967
		1,030,551	846,245
Less—Portion due within one year		(208,431)	(328,074)
		¥ 822,120	¥ 518,171

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

Long-term debt from syndicated loan agreements is included in Less-Portion due within one year for the infringement of financial covenants.

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

		(Millions of yen)	
Year ending March 31		2016	2017
2016	¥	201,202	¥ —
2017		239,798	241,871
2018		162,465	173,468
2019		339,557	344,869
2020		33,503	33,502
2021 and thereafter		33,009	—
2021		—	—
2022 and thereafter		—	36,752
Total		¥ 1,009,534	¥ 830,462

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>

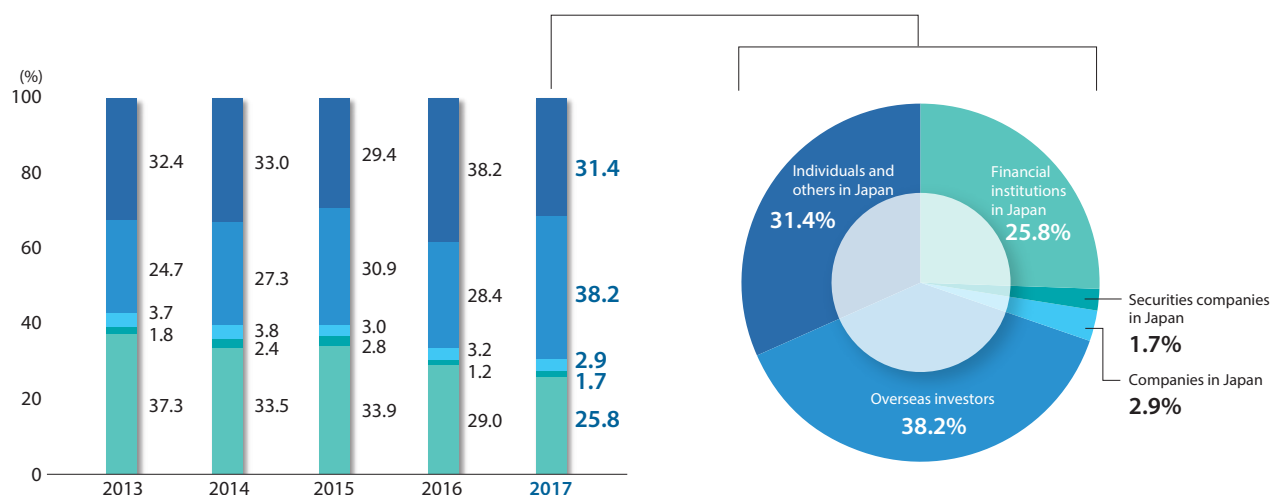
Shareholder Information

Distribution of Shareholders

(Shareholding ratio by category)

March 31	2013	2014	2015	2016	2017
■ Individuals and others in Japan	32.4 %	33.0 %	29.4 %	38.2 %	31.4 %
■ Overseas investors	24.7	27.3	30.9	28.4	38.2
■ Companies in Japan	3.7	3.8	3.0	3.2	2.9
■ Securities companies in Japan	1.8	2.4	2.8	1.2	1.7
■ Financial institutions in Japan	37.3	33.5	33.9	29.0	25.8

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



Major Shareholders (As of March 31, 2017)

	Percentage of shareholding ratio (Rounded to one decimal place)
GOLDMAN SACHS INTERNATIONAL	8.9%
JP MORGAN CHASE BANK 380055	6.9
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	3.8
The Dai-ichi Life Insurance Company, Limited	2.7
Toshiba Employees Shareholding Association	2.7
Nippon Life Insurance Company	2.6
Japan Trustee Services Bank, Ltd. (Trust accounts)	2.2
Japan Trustee Services Bank, Ltd. (Trust accounts No. 5)	1.9
The Master Trust Bank of Japan, Ltd. (Trust accounts)	1.6
Japan Trustee Services Bank, Ltd. (Trust accounts No. 1)	1.4

Stock Information

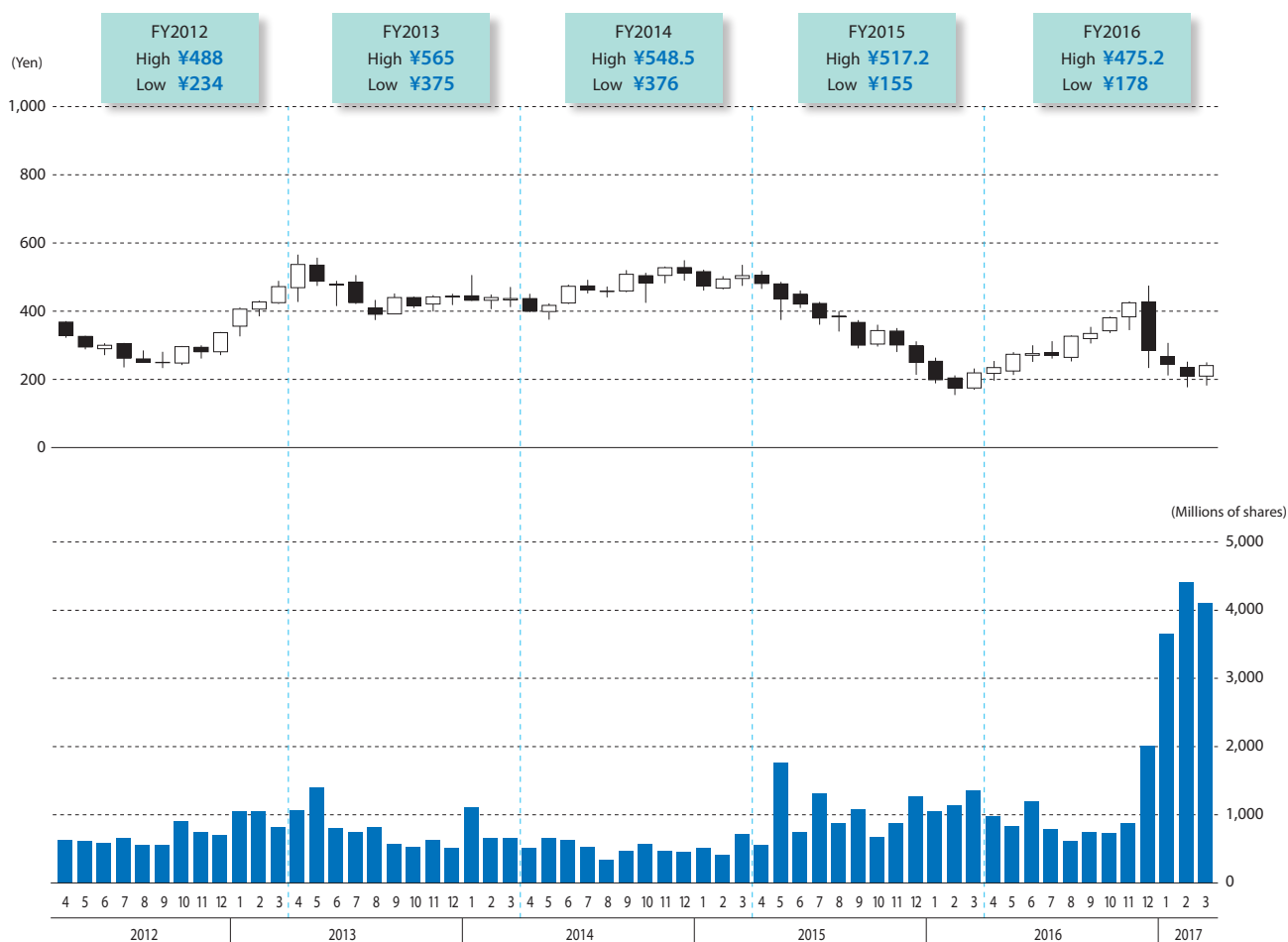
Common Stock Price Trends

Year ended March 31	2013	2014	2015	2016	2017
Common stock price (Yen, fiscal year)* ¹					
High	488	565	548.5	517.2	475.2
Low	234	375	376	155	178
Nikkei average (Yen)	12,397.91	14,827.83	19,206.99	16,758.67	18,909.26
Number of shares issued (Millions of shares)	4,238	4,238	4,238	4,238	4,238
Market capitalization (Billions of yen)* ²	2,000.1	1,851.8	2,136.6	928.0	1,023.0
Earnings (Loss) per share attributable to shareholders of the Company (Yen)					
—Basic (EPS)	3.17	14.23	(8.93)	(108.64)	(228.08)
—Diluted (EPS)	—	—	—	—	—
Annual dividends per share (Yen)	8	8	4	—	—
Payout ratio (%) (Consolidated)	252.4	56.2	—	—	—
Number of shareholders	446,001	436,540	391,614	437,466	366,030
Price-to-earnings ratio (PER) (Times)	148.89	30.72	—	—	—
Price-to-cash flows ratio (PCFR) (Times)	9.5	8.0	14.0	(3.8)	(1.3)
Price-to-book value ratio (PBR) (Times)	2.4	1.8	2.0	2.8	(1.8)

*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"> • Japan Semiconductor Corporation • Kaga Toshiba Electronics Corporation • Kokusai Chart Corporation * • Nishishiba Electric Co., Ltd. * • NuFlare Technology, Inc. * • Toshiba Carrier Corporation • Toshiba Client Solutions Co., Ltd. • Toshiba Device Corporation • Toshiba Elevator and Building Systems Corporation | <ul style="list-style-type: none"> • Toshiba Fuel Cell Power Systems Corporation • Toshiba Global Commerce Solutions Holdings Corporation • Toshiba Industrial Products and Systems Corporation • Toshiba Lighting & Technology Corporation • Toshiba Logistics Corporation • Toshiba Memory Corporation • Toshiba Plant Systems & Services Corporation * | <ul style="list-style-type: none"> • Toshiba Shomei Precision Corporation • Toshiba Solutions Corporation • Toshiba TEC Corporation * • Toshiba TEC Solution Service Corporation • Toshiba Trading Inc. • Toshiba Visual Solutions Corporation |
|---|--|--|

148 companies in total including the 22 above

* Listed Company in stock market

Overseas

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Advance Energy UK Ltd. • Advance Uranium Asset Management Ltd. • Changzhou Toshiba Shudian Transformer Co., Ltd. • Concert LLC. • GNFT Corporation • Landis +Gyr A.G. • Landis +Gyr Holding A.G. • LC Collateral Spv LLC. • Mangiarotti S. p. A • NuGeneration Ltd. • TCFG Compressor (Thailand) Co., Ltd. • 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. • Toshiba (Australia) Pty., Ltd. | <ul style="list-style-type: none"> • Toshiba Carrier Air Conditioning (China) Co., Ltd. • Toshiba Carrier (Thailand) Co., Ltd. • Toshiba (China) Co., Ltd. • Toshiba Dalian Co., Ltd. • Toshiba Electronics Asia, Ltd. • Toshiba Electronics Europe GmbH • Toshiba Electronic Components Taiwan Corp. • Toshiba Elevator (China) Co., Ltd. • Toshiba Elevator (Shenyang) Co., Ltd. • Toshiba Europe GmbH • Toshiba Gulf FZE • Toshiba Hydro Power (Hangzhou) Co., Ltd. • Toshiba Industrial Products Asia Co., Ltd. • 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. | <ul style="list-style-type: none"> • Toshiba JSW Power Systems Private Ltd. • Toshiba Lighting & Technology (Kunshan) Co., Ltd. • Toshiba of Europe Ltd. • Toshiba Semiconductor (Thailand) Co., Ltd. • Toshiba South America Ltda. • Toshiba TEC Europe Imaging Systems S.A. • Toshiba TEC France Imaging Systems S.A. • Toshiba TEC Information Systems (Shenzhen) Co., Ltd. • Toshiba TEC Singapore Pte., Ltd. • Toshiba TEC U.K. Imaging Systems Ltd. • Toshiba Transmission & Distribution India Private Ltd. • Toshiba Nuclear Energy Holdings (US) Inc. • TPSC (Thailand) Co., Ltd. • TSB Nuclear Energy USA Group Inc. • Ukrainian Power Services Company • WEC Insurance Ltd. |
|--|--|--|

298 companies in total including the 53 above

Affiliated Companies Accounted for by the Equity Method

Domestic

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Erex New Energy Saiki Co., Ltd. • Flash Alliance, Ltd. • Flash Forward | <ul style="list-style-type: none"> • Flash Partners, Ltd. • Shibaura Mechatronics Corporation * • Toshiba IHI Power Systems Corporation | <ul style="list-style-type: none"> • Toshiba Mitsubishi-Electric Industrial Systems Corporation |
|--|--|--|

40 companies in total including the 7 above

* Listed Company in stock market

Overseas

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Changzhou Toshiba Transformer Co., Ltd. • Energy Asia Holdings, Ltd. • GE Toshiba Turbine Components De Mexico S.R.L. De C.V. • Guangdong Meizhi Compressor Ltd. • Guangdong Midea Air-Conditioning Equipment Co., Ltd. • Guangdong Midea Commercial Air-Conditioning Equipment Co., Ltd. • Guangdong Midea Group Wuhan Air-Conditioning Equipment Co., Ltd. | <ul style="list-style-type: none"> • Guangdong Midea Group Wuhu Air-Conditioning Equipment Co., Ltd. • Henan Pinggao Toshiba High-Voltage Switchgear Co., Ltd. • Nuclear Innovation North America LLC • PM&T Holding B.V. • Schneider Toshiba Inverter S.A.S. • TMEIC Corporation • TMEIC Industrial Systems India Private Ltd. | <ul style="list-style-type: none"> • TMEIC Power Electronics Products Corporation • Toshiba Carrier UK Ltd. • Toshiba Mitsubishi-Electric Industrial Systems (China) Corporation • UNISON Co., Ltd. * |
|--|--|---|

79 companies in total including the 18 above

* Listed Company in stock market

(As of March 31, 2017)

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.
Sept.	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."
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.).
June	2009	Raised funds by public offering.
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).
Sept.	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		The board decided to no longer appoint advisers to the board ("Sodanyaku").
Mar.	2017	Westinghouse Group deconsolidated from Toshiba Group by Westinghouse Electric Company filing a voluntary petition for relief under Chapter 11.
Apr.		Split off and transferred the memory business to Toshiba Memory Corp. by means of a company split.
July		Split off and transferred the social infrastructure business to Toshiba Electric Service Corp. (Toshiba Infrastructure Systems & Solutions Corp.) by means of a company split. Split off and transferred the electronic devices business to Toshiba Electric Devices & Storage Corp. by means of a company split. Split off and transferred the ICT solutions business to Toshiba Solutions Corp. (Toshiba Digital Solutions Corp.) by means of a company split.
July		Sold off 100% shares of Landis+Gyr Group.
Oct.		Split off and transferred the energy business to Toshiba Energy Systems & Solutions Corp. by means of a company split.

Corporate Data (As of March 31, 2017)

TOSHIBA CORPORATION

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

Founded:	July 1875
Number of Employees:	Approx. 153,000 (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:	319,763
Stock Exchange Listings:	Tokyo, Nagoya
ISIN:	JP359 2200004
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**

- The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration, or qualification under the securities laws of any such jurisdiction. This presentation contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group.
- These forward-looking statements are not historical facts, rather they are based on management's assumptions and beliefs in light of the economic, financial and other data currently available. Since Toshiba Group promotes business in various market environments in many countries and regions, its activities 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 might differ materially from its 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.**

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.