Note: This English translation of Reports for the 175th Fiscal Period (Business Report, Consolidated Financial Statements, Financial Statements and Audit Reports) is for English readers' convenience only. If there are any differences between this translation and the Japanese original, the Japanese original supersedes this translation. This English translation has not been audited by the independent auditor or the audit committee.

Reports for the 175th Fiscal Period

Toshiba Corporation

Business Report

1. Business Environment and Results of the Group

(1) Operation and Results of the Group

The overall world economy recorded a growth rate similar to that of the previous year, regardless of a slowdown in some emerging economies owing to weakening currencies and increasing inflation rates. The U.S. economy remained solid despite a tighter Round 3 of Quantitative Easing (QE3), financial problems and other difficulties. The EU economy continued a gradual recovery. After China reframed economic policy, its economy picked up again in the summer. The overall economic growth of Southeast Asia also remained firm. The Japanese economy continued its slow recovery on an increase in consumption spurred by a last-minute rise in demand before an increase in the consumption tax, and the Quantitative and Qualitative Monetary Easing and fiscal stimulus initiated by the government.

In these circumstances, Toshiba Group has endeavored to create new value by combining internal and external technologies and furthering market expansion. In addition to Energy and Storage, Toshiba Group has defined Healthcare as a third pillar of business and value creation. Furthermore, Toshiba Group has launched globally competitive products and services worldwide, especially in emerging economies.

Toshiba Group’s net sales increased by 775.5 billion yen to 6,502.5 billion yen (US$63,131.5 million) with all five business segments recording higher sales, most notably the Electronic Devices & Components segment. Consolidated operating income (loss) increased by 93.1 billion yen to 290.8 billion yen (US$2,823.0 million). The Energy & Infrastructure segment saw a decrease in operating income reflecting at one time negative impact of a conservative reassessment of the asset value of a U.S. developer of nuclear power plants, and the Lifestyle Products & Services segment deteriorated, notably in the PC business. In contrast, the Electronic Devices & Components segment achieved record operating income, and the Community Solutions and Healthcare Systems & Services segments recorded higher operating incomes.

Despite recording a charge of 57.3 billion yen to promote business restructuring for the future, income (loss) from continuing operations, before income taxes and noncontrolling interests increased by 21.3 billion yen to 180.9 billion yen (US$1,756.7 million). However, net income (loss) attributable to shareholders of the Company decreased by 26.6 billion yen to 50.8 billion yen (US$493.5 million) as a result of the negative impact of the reassessment of the asset value of a U.S. developer of nuclear power plants, discontinuation of the Optical Disc Drive (ODD) business, and abolition of the Special Corporation Tax for Reconstruction.

As a result of focusing on the expansion of business mainly in emerging economies, the overseas net sales increased by 670.1 billion yen year on year to 3,770.0 billion yen. The overseas sales ratio also increased by 4 percentage points from a year earlier to 58%.

The annual dividend from earnings is determined to be 8 yen per share, consisting of an interim 4 yen and a year-end 4 yen per share, in comprehensive consideration of strategic investment for medium- and long-term growth and other factors.

Performance by Segment

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

(Billions of yen)

Segment	Consolidated Net Sales	Change	Consolidated Operating Income	Change
Energy & Infrastructure	1,812.2	+179.9	32.3	(52.8)
Community Solutions	1,357.4	+178.3	51.9	+9.2
Healthcare Systems & Services	410.8	+31.2	28.6	+4.8
Electronic Devices & Components	1,693.4	+406.8	238.5	+143.0
Lifestyle Products & Services	1,313.8	+44.0	(51.0)	(8.7)
Others	504.0	+5.2	(8.7)	(2.1)
Eliminations	(589.1)	-	(0.8)	-
Total	**6,502.5**	**+775.5**	**290.8**	**+93.1**

Business performance and topics by segment are as follows:

In October 2013, the segments were changed to "Energy & Infrastructure", "Community Solutions", "Healthcare Systems & Services", "Electronic Devices & Components" and "Lifestyle Products & Services", by reorganizing the previous business groups consisting of "Digital Products", "Electronic Devices", "Social Infrastructure" and "Home Appliances".

Energy & Infrastructure

Main Businesses As of March 31, 2014
Nuclear power generation systems, Thermal power generation systems, Hydroelectric power generation systems, Fuel cell, Power generation, Photovoltaic power generation systems, Power transmission and distribution systems, Instrumentation and control systems, Automatic railroad station equipment, Transportation equipment, Electrical machineries, Government systems

Business Overview

The net sales of the Energy & Infrastructure segment increased by 179.9 billion yen to 1,812.2 billion yen (US$17,593.7 million). Although the Nuclear Power Systems business in Japan saw lower sales, the overall Social Infrastructure business recorded growth, reflecting higher sales in the Electric Power Distribution Systems, Solar Photovoltaic Systems, Railroad Systems, Automotive Systems and other businesses.

Segment operating income decreased by 52.8 billion yen to 32.3 billion yen (US$313.3 million). The Electric Power Distribution Systems, Solar Photovoltaic Systems and other businesses reported higher operating income, reflecting higher sales. The Thermal & Hydro Power Systems business performed well but recorded lower operating income. The Nuclear Power Systems business deteriorated reflecting a temporary expense incurred overseas, and at one time negative impact of a conservative reassessment of the asset value of a U.S. developer of nuclear power plants.

Topics

(1) Efforts to receive more orders for a combined-cycle thermal power generation system

In October 2013, the Group further reinforced strategic alliance with General Electric Company of the U.S. in respect to a combined-cycle power generation systems combining gas turbines and steam turbines. As a result, the Group received an order for a combined-cycle power generation system for the Ishikariwan Shinko Power Plant from Hokkaido Electric Power Co., Inc. In September 2013, Toshiba concluded a contract with a U.S. company on natural gas liquefaction. Through supporting electric power providers to procure low-cost liquefied natural gas produced in the U.S., the Group will strive to further expand the number of orders for thermal power generation systems.

(2) Response to business globalization

In February 2014, Toshiba established Global Engineering and Manufacturing Center at its Keihin Product Operations, in order to deepen cooperation with domestic and overseas bases and improve quality and production speed.

The Group also pushed forward with responses to the globalization by developing systems to enhance the Power Generation Systems business in India and Turkey.

(3) Nuclear Power Generation Systems business

In Japan, the Group has cooperated in boosting margin of safety of a boiling water type light-water reactor and a pressurized-water reactor, and safety reviews. In foreign countries, plants which adopted the AP1000™, a new pressurized water reactor developed by a U.S. subsidiary, have been under construction in the U.S. and China. The Group reached a basic agreement on making a nuclear power generation company its subsidiary, aiming to receive new orders also in the U.K.

(4) Approaches to overseas development of the Infrastructure business

In January 2014, Toshiba took over the Power Transmission and Distribution business including the power transmission and distribution businesses from an Indian company. Toshiba will develop the power electronics system for electric power business and the railway power supply system business. The Company will also push ahead with global supply of equipment for transmission, transformation and distribution of electric power and products related to Smart Grid (next-generation power network), with an eye to contributing to creation of the society in which electric power is supplied in a stable manner and efficiently used.

In November 2013, though a joint venture with Marubeni Corporation, Toshiba received orders for railway systems including 63 cars of rolling stock, signal and operation monitoring facilities, as well as 10 years of maintenance service for the Purple Line in Bangkok, Thailand, which is aiming at the opening in 2016. Toshiba will provide safe and comfortable transportation worldwide in the future.

(5) Domestic order for large-scale project

In May 2013, Toshiba reached a basic agreement with Tokyo Electric Power Company on supply of "communication system for smart meters" to up to 27 million households by 2020. In this project aiming to establish a platform of the world's largest-scale Smart Grid (next-generation power network) system, Toshiba is generally in charge of system architecture.

The Group will play a role to create communities in which electric power generated by thermal, nuclear, and renewable energy power generation systems can be efficiently used through the Smart Grid system.

Community Solutions

Main businesses	As of March 31, 2014
Broadcasting systems, Road equipment systems, Water supply and sewerage systems, Environmental systems, Elevators, Escalators, LED lights, Light fixtures, Industrial light parts, Light Bulbs, Commercial air-conditioner, Compressors, POS systems, Multi-function peripherals	

Business Overview

The net sales of the Community Solutions segment increased by 178.3 billion yen to 1,357.4 billion yen (US$13,178.2 million). The Retail Information Systems and Office Equipment business reported significantly higher sales on positive effects from a business acquisition and other factors. The Disaster Prevention Systems, Elevator & Building Systems, Lighting and Commercial Air-Conditioners businesses also saw sales increases.

Segment operating income increased by 9.2 billion yen to 51.9 billion yen (US$504.2 million). The Retail Information Systems and Office Equipment business saw higher operating income reflecting higher sales, and the Elevator & Building Systems and Commercial Air-Conditioners businesses also recorded higher operating income.

Topics

Approaches to overseas development

In January 2014, Toshiba entered into capital alliance with an Indian company which has a good record with delivery of water treatment facilities worldwide. The Group will aim at expansion in the water treatment business in India and its nearby countries.

In China which is the world's largest market of commercial air-conditioner equipments, a local subsidiary of Toshiba Carrier Corporation started manufacturing a highly efficient and eco-friendly multi air-conditioning system in January 2014, in order to respond to a rapid expansion in sales volume.

Healthcare Systems & Services

Main businesses	As of March 31, 2014
Diagnostic X-ray systems, CT systems, MRI systems, Diagnostic ultrasound systems, Clinical analysis systems, Radiation therapy systems, Medical imaging solutions	

Business Overview

The net sales of the Healthcare Systems & Services segment increased by 31.2 billion yen to 410.8 billion yen (US$3,987.8 million). Healthcare systems, especially computerized tomography (CT) systems, recorded higher sales on higher unit sales in emerging economies and sales growth in the overseas service sector.

Segment operating income increased by 4.8 billion yen to 28.6 billion yen (US$277.8 million). The segment saw higher operating income on higher sales, in markets in emerging economies and in businesses in the overseas service sector.

Topics

(1) Strategies of the Healthcare business

The Group formulated business strategies to expand the Healthcare business as one of business pillars in the Mid-term Business Plan for three years starting from FY2013.

The Group will merge various technologies of Toshiba Group and create unique, innovative products and services in and after FY2014. The Group will focus on four areas: 1) Diagnosis & Treatment, especially diagnostic imaging systems in which Toshiba Group has a competitive edge; 2) Prevention, with the aim of reducing disease risks; 3) Convalescence & Nursing Care offering aids after recovery from diseases and injuries; and 4) Health Promotion offering solutions for improving the living environment, including food, water and air.

Aiming at creation of the society in which people can lead healthy and pleasant lives, the Group will develop the Healthcare business worldwide.

(2) Participation in "COI (Center of Innovation) Program" of the Ministry of Education, Culture, Sports, Science and Technology

In November 2013, Toshiba was adopted as one of bases for R & D in "COI (Center of Innovation) Program" of the Ministry of Education, Culture, Sports, Science and Technology. Pushing ahead with development of "a rice and toppings-type diet sensor, chopsticks and bowls, and a patch sensor" to collect data on individual health on a day-to-day basis, the Group will study about utilization of big data and genome information collected with them, by combining cutting-edge technologies in cooperation with Tohoku University.

(3) Starting domestic sales of a new PET-CT system equipped with cutting-edge technologies

In April 2014, Toshiba Medical Systems Corporation released "Toshiba Scanner Celesteion™", a PET-CT system integrating a positron emission tomography (PET) and a computerized tomography (CT) , in Japan. The Company achieved higher quality images and space-saving design by using cutting-edge technologies, and adopted AIDR 3D, technology which enables to reduce radiation exposure through CT by up to 75% (compared with Toshiba products). As a result, low exposure and comfortable examination environment for patients was realized.

(4) Received order for a heavy particle beam irradiation system for cancer therapy

In August 2013, Toshiba received an order from National Institute of Radiological Sciences for a carbon ion radiotherapy system using rotating gantry irradiation system with superconducting magnets. With the world's first adoption of superconducting magnets for heavy particle beam irradiation system, a significantly smaller, lighter, and energy-saving rotating gantry can be realized. The Japan's first introduction of the rotating gantry in a heavy particle beam radiotherapy room will further make cancer treatment progress, as the device can accurately irradiate cancer cells with heavy particle beam, rotating 360 degrees.

Electronic Devices & Components

Main businesses	As of March 31, 2014
Small-signal devices, Optoelectronic devices, Power devices, Logic LSIs, Image sensors, Analog ICs, NAND flash memories, Storage devices	

Business Overview

The net sales of the Electronic Devices & Components segment increased by 406.8 billion yen to 1,693.4 billion yen (US$16,442.0 million). The Memories business saw significantly higher sales on increased sales volume, and the Discrete business reported higher sales. The Storage Products business also recorded higher sales, especially in 3.5-inch hard disk drives (HDDs).

Segment operating income increased by 143.0 billion yen to 238.5 billion yen (US$2,315.0 million), the highest it has ever recorded. The Memories business saw a notable upswing, maintaining high profitability.

Topics

(1) Mass production of NAND flash memory using cutting-edge process, and start of the second-phase construction of No. 5 semiconductor fabrication facility at Yokkaichi Operations

As for NAND flash memory, Toshiba started mass production of second generation products with 19-nanometer circuit line width in May 2013, and also started production of the world's most advanced 15-nanometer and 128-gigabit products in April 2014, at Yokkaichi Operations.

As the market of NAND flash memories for storage media and information equipment is expected to expand in the medium- and long-term, Toshiba, in August 2013, started the second-phase construction of No. 5 semiconductor fabrication facility at Yokkaichi Operations, aiming at the completion in summer of 2014, in order to respond to mass production of NAND flash memories with 15-nanometer circuit line width and for 3D memories.

The Group will cooperate in creation of convenient and comfortable societies through manufacturing NAND flash memory and other semiconductors.

(2) Commercialization of HDD with the industry's largest storage capacity

In February 2014, Toshiba started sample shipment of nearline HDDs with 5TB storage capacity, the industry's largest for models that are not filled with helium gas, which will be used for data centers and large-sized servers of companies handling enormous amount of information. Transfer rates and energy consumption rate of this product was improved respectively 24% and 20% compared to previous generation drives.

Lifestyle Products & Services

Main businesses	As of March 31, 2014
Television, BD recorders and other video recording/playback devices, Personal computers, Tablet Computers, Refrigerators, Washing machines, Kitchen appliances, Vacuum Cleaners, Home air-conditioners	

Business overview

The net sales of the Lifestyle Products & Services segment increased by 44.0 billion yen to 1,313.8 billion yen (US$12,755.7 million). The Visual Products business, which includes LCD TVs, saw sales decrease due to a shift in focus to redefined sales territories and other factors, while the PC and White Goods businesses recorded higher sales.

Segment operating loss increased by 8.7 billion yen to 51.0 billion yen (US$495.4 million). The Visual Products business saw a considerable improvement, due to positive effects from restructuring, higher sales prices and a focus on redefined sales territories.

The White Goods business deteriorated owing to a weaker yen but secured significantly higher operating income in the second half through efforts to strengthen product lines and measures to respond to the weaker yen. Although the PC business saw a considerable second-half improvement against the first half, operating income deteriorated, reflecting the impacts of the cost of inventory clearance and yen depreciation.

Topics

(1) Inauguration of a new company for the Lifestyle Products & Services business

In respect to the Television business facing harsh business conditions, the Group reviewed overseas production systems in order to improve profitability and its business structure. Furthermore, in April 2014, Toshiba Lifestyle Products & Services Corporation was inaugurated by integrating with Toshiba Home Appliances Corp. engaged in the Visual Products business and the Home Appliances business to operate the both businesses integrally.

The Group will enhance sales in South East Asia and the Middle East, and put emphasis on products and services using Internet with an eye to contributing to convenient and comfortable people's lives.

(2) Launch of "dynabook KIRA" equipped with a WQHD liquid crystal display responding to touch control

In April 2013, Toshiba launched "dynabook KIRA V832" which was equipped with touch-sensitive LCD for the first time as Ultrabook^{TM}. This thin and light PC responds to touch control, and enables to enjoy more beautiful and natural-colored pictures and images using expertise for LCD televisions.

(3) Launch of a drum-type washer-dryer "magic drum", a washing tub free from dirt

In November 2013, the Group launched "Heat Pump Drum ZABOON" TW-Z96 X1, new drum-type washer-dryer, stainless washing tub of which is processed outside to prevent adhesion of dirt to curb incidence of black mold. This product, which is excellent in energy saving, won the Chairman’s Prize, the Energy Conservation Center, Japan.

Others

Main businesses	As of March 31, 2014
IT solutions, Logistics service	

Business Overview

The Others segment recorded an operating loss of 8.7 billion yen (US$84.1 million) over sales of 504.0 billion yen (US$4,893.6 million). The IT Solutions business saw lower operating income despite higher sales.

Topics

The Group has proactively developed the Storage Service business fusing storage devices and solution technologies to resolve problems with IT (information technology). In March 2014, as part of the service, "Toshiba Cloud Storage Array Service" was started, in which cloud providers who keep individual users' data online can use storages without large-scale capital investment.
In line with its corporate policy to enhance core activities and selectively channel resources to growth areas, all shares of Toshiba Finance Corporation which had run the consumer credit business were transferred to AEON Financial Services Co., Ltd.

(Notes)

1. The Company states the matters concerning the business results of the Group based on the consolidated financial statements in accordance with the provisions of Article 120, Paragraph 2 of Ordinance for Enforcement of the Companies Act.
2. Toshiba's Consolidated Financial Statements are based on U.S. generally accepted accounting principles ("GAAP") pursuant to the provision of Article 120, Paragraph 2 of the Ordinance on Accounting of Companies. Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses from net sales, and reported as a measurement of segment profit or loss. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Some items that are classified as operating income (loss) under U.S. GAAP, such as restructuring charges and gains (losses) from the sales or disposal of fixed assets, may be presented as non-operating income (loss).
3. The Group indicated a "net income (loss) attributable to shareholders of the Company" under the U.S. GAAP as the net income (loss).
4. Mobile Broadcasting Corporation and the Mobile Phone business have been classified as discontinued operations in the consolidated accounts in accordance with Accounting Standards Codification (“ASC”) No. 205-20, “Presentation of Financial Statements – Discontinued Operations”. The performances of these businesses are excluded from consolidated net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Toshiba Group’s net income (loss) is calculated by reflecting these business results to income (loss) from continuing operations, before income taxes and noncontrolling interests.
5. Following the acquisition of Landis+Gyr AG in July 2011, the Company completed the allocation of the cost of the acquisition to assets and liabilities, according to ASC 805 “Business Combinations”, in the current fiscal year. Results for FY2011 have been revised to reflect this change.
6. Following the acquisition of the Retail Store Solutions business of International Business Machines Corporation of the United States in July 2012, the Company completed the allocation of the cost of the acquisition to assets and liabilities, according to ASC 805 "Business Combinations", in the current fiscal year. Results for FY2012 have been revised to reflect this change.
7. The ODD business is classified as a discontinued operation in accordance with ASC 205-20 “Presentation of Financial Statements – Discontinued Operations”. The results of the ODD business have been excluded from net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Net income of Toshiba Group is calculated by reflecting the

ODD business results to income (loss) from continuing operations, before income taxes and noncontrolling interests. Results of the past fiscal year have been revised to reflect this change.

8. Prior-period data on consolidated segment information has been reclassified to conform with the current classification, mainly due to changes of the structure of Toshiba Group's organization in FY2013.
9. Descriptions such as "World's first", "Japan's first", and" World's highest", etc. are based on data surveyed by Toshiba Group as of the time of announcement and release, unless otherwise noted.

(2) Management Policy of Toshiba Group (Issues to be addressed)

In response to changes in business environment, Toshiba Group has focused its efforts on selected businesses and proactive investments in promising fields, enhancing the profitability of existing businesses, and disposing of businesses seen as unlikely to show profitable growth. The Group will aim at achieving “Growth through Creativity and Innovation”, in which we will create engines for our own growth in the Group’s unique business fields and ways by pursuing new value creation and productivity improvement, without overly depending on market growth.

(1) Value Creation

Toshiba Group will contribute to provision of safe, secure and comfortable life, further creating new value by combining internal and external technologies and expanding their applications to markets and customers that the Group has not yet sought for. In addition to existing Energy and Data Storage businesses, the Group will enhance Healthcare business to support people’s healthy life as the third pillar of the new business field for the value creation. The Group will also offer globally competitive products and services mainly in emerging economies.

1) Energy

In responding to trends for diversified energy demand and more efficient use of energy, the Group will provide comprehensive solutions for safe, highly efficient power generation, transmission and distribution, and electricity storage.

2) Data Storage

As progress is made in the shift to big data and ubiquitous networks, the Group will establish cloud service platforms by developing information and communications technology in collaboration with partners and also seek to develop infrastructure to support its business deployment and competitiveness.

3) Healthcare

Accounting for a dominant share of Japan’s market of imaging diagnosis systems, Toshiba Group is proactively developing overseas markets. While responding to advancement in the existing medical field, the Group will expand into a new healthcare business field of disease prevention and optimizing diagnoses and treatment of patients.

4) Business expansion in emerging economies

In emerging economies with high growth rates, Toshiba will seek to expand sales with profit by reinforcing its business bases, including sales and marketing channels, and also by increasing the number of overseas sales staff. The Company will also facilitate localization of product development along with manufacturing, so as to allow its products to reflect the needs of growing economies on a timely manner. Furthermore, the Company will sell excellent products and services developed in emerging economies in advanced economies, aiming to expand its portfolio of globally competitive products and services.

(2) Productivity Improvement

Toshiba Group has continued to make efforts for productivity improvement as a manufacturer. Pursuing it further, the Group will redefine its performance targets and indicators through systematically reviewing the current processes in all areas of its business operations including manufacturing activities from a zero-base perspective. It will also achieve business quality appropriate in the 21st century, such as the global development of shared services.

(3) Strategies by segment

1) Energy & Infrastructure

The Group aims to secure optimal business expansion by allocating resources to overseas facilities and accelerating the expansion of local production for local consumption, and thereby enhancing business bases deeply rooted in local markets. In addition to the Thermal & Hydro Power business, where the Group is focusing on expansion in Asia, India and Latin America, the Group aims to secure expansion in the Transmission & Distribution business by providing a solutions package covering equipment, systems, operation and maintenance.

2) Community Solutions

In order to enhance Smart Community business, Toshiba Group will develop multiple community solution businesses ranging from facility business for buildings, plants, and housing, etc. to community-related business and retail business.

3) Healthcare Systems & Services

Toshiba Group will promote four business fields, “diagnosis & treatment” centering on CT systems and other imaging diagnosis systems, the Group’s areas of strength, “prevention of diseases” to reduce risks of developing, “prognosis and caring” after diseases and injuries, and “promotion of health” to improve living environments such as diet, water, and air, etc. In those businesses, the Group will provide its unique products and services through “new concept innovation,” under which Group’s various technologies are combined.

4) Electronic Devices & Components

The Company will achieve a larger share by expanding its line-up of corporate products, the base for the integrated storage business.

In product development, while steadily developing next generation NAND flash memories and white LEDs ahead of its competitors, the Group will focus on development of products that use gallium nitride and other new materials, which will support next generation technologies.

5) Lifestyles Products & Services

Toshiba Lifestyle Products & Services Corporation, which was established on April 1, 2014, aimed at integrating operation of the Visual Products business and the Home Appliances business, will efficiently operate the business by standardizing business resources and pursuing optimal costs.

Furthermore, the Group will enhance overseas sales mainly in emerging economies in South East Asia and the Middle East, and focus on new business fields, for example, business signage monitoring and other B2B businesses, in addition to smart home appliances including TV and other household electric appliances that are connected and work on a network, and cloud service.

(4) CSR Management and Environmental Management

Toshiba Group will continue to push forward with environmental management as one of the world’s foremost eco-companies. The Group will steadily implement environmental action plans by creating highly environmentally-friendly products, expanding business globally with advanced low carbon technology and achieving a world-leading eco-friendly business structure.

In addition, the Company will promote an environmental assessment system, covering both upstream and downstream operations, on adoption of Scope 3 (the new standard for calculation and reporting of greenhouse gas emissions including corporate supply chains).

The Group will work on reducing the total amount of greenhouse gas emitted by its business activities in FY2015 to less than 67% of the amount in FY1990. Further, the Group will continue to support private-sector activities, employment and medical treatment, industrial development and personnel training in the region hit by the Great East Japan Earthquake on a mid- and long-term basis.

While business conditions have remained harsh, the Group will do its best to become a world-leading company, in accordance with the management strategies shown above. Your continued support will be greatly appreciated.

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

(1) The Group (Consolidated)

Item	172nd Period	173rd Period	174th Period	175th Period (current period)
	FY2010	FY2011	FY2012	FY2013
Net Sales (Billions of yen)	6,270.7	5,994.3	5,727.0	6,502.5
Net income (loss) (Billions of yen)	137.8	70.1	77.4	50.8
Net income (loss) per share (Yen)	32.55	16.54	18.27	12.00
Total Assets (Billions of yen)	5,379.3	5,752.7	6,100.0	6,241.6

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

(2) The Company (Non-consolidated)

Item	172nd Period	173rd Period	174th Period	175th Period (current period)
	FY2010	FY2011	FY2012	FY2013
Net Sales (Billions of yen)	3,591.0	3,209.0	2,897.3	3,294.5
Net income (loss) (Billions of yen)	105.4	39.2	29.1	58.7
Net income (loss) per share (Yen)	24.88	9.26	6.87	13.86
Total Assets (Billions of Yen)	3,678.2	3,897.7	3,988.2	4,064.3

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

While giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, the Company seeks to achieve continuous increases in its actual dividend payments, in line with a payout ratio in the region of 30 percent, on a consolidated basis.

Toshiba has decided to pay both an interim dividend and a year-end dividend. Toshiba paid 4.0 yen per share as the interim dividend and the year-end dividend has been set at 4.0 yen per share. As a result, the annual dividend for FY 2013 will be 8.0 yen per share, same as the previous year.

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4. Outline of Main Group Companies

As of March 31, 2014

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

(Notes)1. The Company has 598 consolidated subsidiaries (including the 10 companies above) in accordance with Generally Accepted Accounting Standards in the U.S., and 208 affiliated companies accounted for by the equity method. The main affiliated companies accounted for by the equity method are Shibaura Mechatronics Corporation, Toshiba Machine Co., Ltd., and Topcon Corporation.

2. As the Company transferred the 19% shares of Ikegami Tsushinki Co., Ltd. (hereafter Ikegami Tsushinki) to Ikegami Tsushinki in August 2013, Ikegami Tsushinki was removed from the affiliated companies. .

3. The Company has acquired its consolidate subsidiary, Toshiba Consumer Electronics

Holdings Corporation in January, 2014.

4. Toshiba Nuclear Energy Holdings (US) Inc. substantially owns all of the equity of Westinghouse Electric Company L.L.C.

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5. Shares and Stock Acquisition Rights of the Company

As of March 31, 2014

(1) Total Number of Authorized Shares: 10,000,000,000

(2) Total Number of Issued Shares: 4,237,602,026

(3) Total Number of Shareholders: 436,540

(4) Principal Shareholders

Name of Shareholder	Number of shares (in thousands)	Shareholding ratio (Percentage)
The Master Trust Bank of Japan, Ltd. (Trust accounts)	225,302	5.3
Japan Trustee Services Bank, Ltd. (Trust accounts)	187,029	4.4
The Dai-ichi Life Insurance Company, Limited	115,159	2.7
Toshiba Employees Shareholding Association	113,455	2.7
Nippon Life Insurance Company	110,352	2.6
JP MORGAN CHASE BANK 380072	82,396	1.9
Japan Trustee Services Bank, Ltd. (Trust accounts No. 4)	60,360	1.4
Mizuho Bank, Ltd.	56,343	1.3
Sumitomo Mitsui Banking Corporation	51,003	1.2
Japan Trustee Services Bank, Ltd. (Trust accounts No. 1)	48,469	1.1

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

(5) Shareholding Ratio by Category :

Category	Government and local public entities	Financial institutions	Securities companies	Other entities	Overseas entities and others		Individuals and others
					Other than individuals	Individuals	
Ratio	% 0.0	33.5	2.4	3.8	27.3	0.0	33.0

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

(6) Stock Acquisition Rights:

There is no relevant item.

6. Main Lenders of the Group

As of March 31, 2014

Lender	Loans Outstanding (Billions of yen)
Sumitomo Mitsui Banking Corporation	86.7
Mizuho Bank, Ltd	85.4
The Bank of Tokyo-Mitsubishi UFJ, Limited	65.3
Sumitomo Mitsui Trust Bank, Limited	65.0

7. Financing of the Group

The Company raised funds of 90 billion yen in May 2013, 30 billion yen in July 2013, and 50 billion yen in December 2013, with issuance of unsecured straight bonds for the redemption of borrowings.

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

8. Capital expenditure of the Group

(1) Overview

In FY2013, as a result of proactive investment in new businesses to achieve growth through creativity and innovation, the total amount of investment and loan amounted to 415.9 billion yen. In relation to capital investment, the Group carefully selected projects in fields in which growth is expected, placing importance on efficiency of investment. Consequently, capital expenditure on ordering basis amounted to 340.2 billion yen, which was 10.2 billion yen increase from the initial plan.

The above capital expenditure includes the Group's portion in the investments made by Flash Forward, Ltd. and other affiliates accounted for by the equity method.

(Billions of yen)

Segment	**Capital Expenditures** (Note 1)	**Investment and loan** (Note 2)	**Total amount**
Energy & Infrastracture	61.0	29.8	90.8
Community Solutions	28.6	25.6	54.2
Healthcare Systems & Services	11.1	0.8	11.9
Electronic Devices & Components	201.5	19.1	220.6
Lifestyle Products & Services	8.5	0.0	8.5
Others	29.5	0.4	29.9
Total	340.2	75.7	415.9

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

2. On payment basis

(2) Primary Capital Investment

	Segment	Outline
Completed during the term	Energy and Infrastructure	• Building for Keihin Global Engineering and Manufacturing Center (the Company's Keihin Product Operations) • Manufacturing building, facilities, interior decorating and power equipment, and manufacturing facilities for transmission and distribution systems business (Brazil)
	Electronic Devices & Components	• Manufacturing facilities for NAND flash memory (the Company's Yokkaichi Operations) • Manufacturing facilities for post-process of discrete semiconductor device (Thailand)
	Others	• Interior decorating and power equipment for building of Smart Building for Smart Community business (Note)
Ordered during the term	Energy & Infrastructure	• Manufacturing facilities for equipments of transmission and distribution systems business (India)
	Electronic Devices & Components	• Manufacturing building, facilities, interior decorating and power equipment, and manufacturing facilities for NAND flash memory (the Company's Yokkaichi Operations)

（Note) The building is owned by NREG Toshiba Building Co., Ltd..

(3) Primary Investment and Loan

Segment	Outline
Energy & Infrastructure	• Acquisition of power transformer, distribution transformer, and switchgear businesses from Vijai Electricals Ltd. in India • Acquisition of Sigma Power Janex Co., Ltd., a company operating wind power generation business
Community Solutions	• Investment in UEM, a water treatment engineering company in India
Electronic Devices & Components	• Acquisition of assets related to development of white LEDs chips from Bridgelux in the U.S. • Acquisition of assets related the solid-state storage business from OCZ Technology Group Inc. in the U.S.

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

As of March 31, 2014

		Responsibility	Status of important concurrent holding of positions
Chairman of the Board and Director	Atsutoshi Nishida	Member of the Nomination Committee, Member of the Compensation Committee	➢ Chairman, Japan Tax Association ➢ Chairman, Japan Institute of Logistics Systems ➢ Chairman, Japan International Training Cooperation Organization
Vice Chairman of the Board and Director	Norio Sasaki		➢ Representative Director and Chairman, Japan Electronics and Information Technology Industries Association
Director	Hisao Tanaka	Member of the Compensation Committee	
Director	Hidejiro Shimomitsu		
Director	Hideo Kitamura		
Director	Makoto Kubo		
Director	Akira Sudo		
Director	Masahiko Fukakushi		
Director	Kiyoshi Kobayashi		
Director	Fumiaki Ushio		
Director	Fumio Muraoka	Chairman of the Audit Committee	
Director	Masashi Muromachi	Member of the Audit Committee	➢ Outside Corporate Auditor, H_2O RETAILING CORPORATION
Outside Director	Takeo Kosugi	Chairman of the Nomination Committee Member of the Audit Committee	➢Partner & Attorney-at-law, Law Office of Matsuo & Kosugi ➢Outside Auditor, Nihon Servier Co. Ltd ➢Outside Auditor, FUJIFILM Holdings Corporation ➢Supervisory Director, Mori Hills REIT Investment Corporation
Outside Director	Hiroyuki Itami	Member of the Nomination Committee Member of the Compensation Committee	➢Dean, Graduate School of Innovation Studies, Tokyo University of Science ➢Outside Auditor, JFE Holdings, Inc. ➢Outside Auditor, Mitsui O.S.K. Lines, Ltd.
Outside Director	Ken Shimanouchi	Chairman of the Compensation Committee Member of the Audit Committee	

		Responsibility	Status of important concurrent holding of positions
Outside Director	Kiyomi Saito (Name on the Family Register: Kiyomi Takei)	Member of the Audit Committee Member of the Compensation Committee	➢President, JBond Totan Securities Co., Ltd ➢President, The Totan Information Technology Co., Ltd ➢Outside Auditor, Showa Denko K.K.

(Notes)1. Three (3) Directors, Messrs. Shozo Saito, Toshiharu Watanabe and Hiroshi Horioka left their office due to expiration of their respective terms at the close of the Ordinary General Meeting of Shareholders for the 174th fiscal period held on June 25, 2013.

2. Five (5) Directors, Messrs. Akira Sudo, Masahiko Fukakushi, Kiyoshi Kobayashi, Fumiaki Ushio and Masashi Muromachi were newly elected and assumed office at the Ordinary General Meeting of Shareholders for the 174th fiscal period.

3. Chairman of the Audit Committee, Mr. Fumio Muraoka, has long taken charge of accounting and finance and has considerable knowledge about financial affairs and accounting.

4. Four (4) Outside Directors, Messrs. Takeo Kosugi, Hiroyuki Itami, and Ken Shimanouchi, and Ms. Kiyomi Saito are independent directors in accordance with the rules of the Tokyo Stock Exchange, etc.

5. Status of significant concurrent holding of position of directors who concurrently serve as executive officers are written in a table of “(3) Executive Officers”, if any.

(2) Outside Directors

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

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

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

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

2) Main Activities

During the FY2013, the Board of Directors met 13 times, and the Audit Committee 14 times, where the Outside Directors commented as necessary. The Outside Directors received explanations about the matters to be resolved at the board meetings from the staff in charge, etc. in advance. They also attended the monthly liaison conferences of Executive Officers in an effort to communicate and share information with the Executive Officers.

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

Name	Responsibility	Activities
Takeo Kosugi	Chairman of the Nomination Committee Member of the Audit Committee	Attended the meeting of the Board of Directors 12 times (92%) and that of the Audit Committee 14 times (100%). Commented as necessary based on his wealth of experience and knowledge as a specialist in law.
Hiroyuki Itami	Member of the Nomination Committee Member of the Compensation Committee	Attended the meeting of the Board of Directors 13 times (100%). Commented as necessary based on his wealth of experience and knowledge as a specialist of business administration and an administrator of a university.
Ken Shimanouchi	Chairman of the Compensation Committee Member of the Audit Committee	Attended the meeting of the Board of Directors 13 times (100%) and that of the Audit Committee 14 times (100%). Commented as necessary based on his wealth of experience and knowledge as an ex-diplomat.
Kiyomi Saito	Member of the Audit Committee Member of the Compensation Committee	Attended the meeting of the Board of Directors 13 times (100%) and that of the Audit Committee 14 times (100%). Commented as necessary based on her wealth of experience and knowledge as a business manager.

3) Limited Liability Contracts

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

(3) Executive Officers

		Responsibility	Status of significant concurrent holding of positions.
Representative Executive Officer President and Chief Executive Officer (*)	Hisao Tanaka		
Representative Executive Officer Corporate Senior Executive Vice President (*)	Hidejiro Shimomitsu	➢ Support of the President ➢ General Executive, Marketing Division ➢ General Executive, Corporate Communications Division ➢ General Executive, Design Center ➢ General Executive, Branch Offices	

		Responsibility	Status of significant concurrent holding of positions.
Representative Executive Officer Corporate Senior Executive Vice President (*)	Hideo Kitamura	➢ Support of the President ➢ Responsible for Energy & Infrastructure Group ➢ Responsible for Community Solutions Group ➢ General Executive, Risk Management Division ➢ General Executive, Legal Affairs Division ➢ Project Manager, the Workplace Innovation Project Team	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Makoto Kubo	➢ Support of the President ➢ General Executive, Finance & Accounting Division	
Representative Executive Officer Corporate Senior Executive Vice President (*)	Akira Sudo	➢ Support of the President ➢ Responsible for Healthcare Systems & Services Group ➢ General Executive, Technology & Innovation Division ➢ General Executive, Information Systems Division ➢ General Executive, New Business Development Division ➢ General Executive, Corporate Research & Development Center ➢ General Executive, Corporate Software Engineering Center	President, The Illuminating Engineering Institute of Japan
Executive Officer Corporate Executive Vice President	Yasuharu Igarashi	➢ President and CEO, Power Systems Company (in-house company)	➢ President, Toshiba Nuclear Energy Holdings (US) Ltd. ➢ President, Toshiba Nuclear Energy Holdings (UK) Ltd.
Executive Officer Corporate Executive Vice President (*)	Masahiko Fukakushi	➢ Responsible for Lifestyle Products &Services Group	Outside Director, Toshiba TEC Corporation
Executive Officer Corporate Executive Vice President (*)	Kiyoshi Kobayashi	➢ Responsible for Electronic Devices & Components Group ➢ General Executive, Quality Promotion Division	
Executive Officer Corporate Executive Vice President	Toshio Masaki	➢ President and CEO, the Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Executive Vice President	Hiroshi Saito	➢ General Manager, Risk Management Division	
Executive Officer Corporate Senior Vice President	Masaaki Osumi	➢ Corporate Representative - Americas	Chairman and CEO, Toshiba America, Inc.

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Senior Vice President	Shigenori Shiga	➢ Executive Vice President, the Power Systems Company (in-house company)	
Executive Officer Corporate Senior Vice President	Masayasu Toyohara	➢ Executive Vice President, Community Solutions Company (in-house company)	
Executive Officer Corporate Senior Vice President	Hironobu Nishikori	➢ President and CEO, Cloud & Solutions Company (in-house company)	
Executive Officer Corporate Senior Vice President	Osamu Maekawa	➢ Executive Vice President, Power Systems Company (in-house company)	Outside Auditor, Toshiba Plant Systems Inc.
Executive Officer Corporate Senior Vice President	Shigenori Tokumitsu	➢ President and CEO, Digital Products and Services Company (in-house company)	Chairman, TOSHIBA EL ARABY VISUAL PRODUCTS COMPANY
Executive Officer Corporate Senior Vice President	Yasuo Naruke	➢ President and CEO, Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Senior Vice President	Naoki Takenaka	➢ General Manager, Marketing Division	President and CEO, Toshiba Marketing Consultant
Executive Officer Corporate Senior Vice President (*)	Fumiaki Ushio	➢ General Executive, Human Resources & Administration Division	Chairman, Japan Overseas Medical Fund
Executive Officer Corporate Senior Vice President	Naoto Nishida	➢ General Executive, Productivity Planning Division ➢ General Executive, Procurement Division ➢ General Executive, Corporate Manufacturing Engineering Center	
Executive Officer Corporate Senior Vice President	Shinichiro Akiba	➢ President and CEO, Community Solutions Company (in-house company)	➢ President and CEO, Toshiba Elevator and Building Systems Corporation ➢ Chairman, Japan Elevator Association
Executive Officer Corporate Vice President	Masakazu Kakumu	➢ Executive Vice President, Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Vice President	Masazumi Yoshioka	➢ General Manager, Chubu Branch Office	
Executive Officer Corporate Vice President	Hiroshi Igashira	➢ General Manager, Strategic Planning Division ➢ Project Manager, Global Shared Services Promotion Project Team	

		Responsibility	Status of significant concurrent holding of positions.
Executive Officer Corporate Vice President	Teruo Kiriyama	➢ Corporate Representative – China	Chairman, Toshiba China Co., Ltd.
Executive Officer Corporate Vice President	Kiyoshi Okamura	➢ Assistant To President and CEO, Power Systems Company (in-house company)	Chairman, Westinghouse Electric Company LLC
Executive Officer Corporate Vice President	Takeshi Yokota	➢ Vice President, Transmission & Distribution Systems Division, Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Vice President	Takemi Adachi	➢ Executive Vice President, Social Infrastructure Systems Company (in-house company)	
Executive Officer Corporate Vice President	Yoshihiro Aburatani	➢ Vice President, Thermal & Hydro Power Systems and Services Division, Power Systems Company (in-house company)	
Executive Officer Corporate Vice President	Shigeyoshi Shimotsuji	➢ Executive Vice President, Cloud & Solutions Company (in-house company)	
Executive Officer Corporate Vice President	Shigeru Tasaki	➢ General Manager, Kansai Branch Office	Representative Director and Corporate Senior Vice President, Denshi Kaikan Corporation
Executive Officer Corporate Vice President	Yukihiko Kazao	➢ General Manager, Power and Industrial Systems Research and Development Center	
Executive Officer Corporate Vice President	Hiroshi Kurihara	➢ Assistant To President and CEO, Social Infrastructure Systems Company (in-house company)	Chairman, Landis+Gyr A.G.
Executive Officer Corporate Vice President	Keizo Maeda	➢ General Manager, Corporate Audit Division	
Executive Officer Corporate Vice President	Seiichi Mori	➢ Vice President, Memory Division, Semiconductor & Storage Products Company (in-house company)	
Executive Officer Corporate Vice President	Noriaki Hashimoto	➢ Corporate Representative - Europe	President and CEO, Toshiba of Europe Ltd.
Executive Officer Corporate Vice President	Hidehito Murato	➢ Executive Vice President, Digital Products and Services Company (in-house company)	Chairman, Toshiba Personal Computer & Network (Shanghai) Co., Ltd

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

2. Following six (6) Executive Officers were retired from their respective offices due to expiry of the term of office at the close of the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 174th fiscal period held on June 25, 2013:
Representative Executive Officer, President and Chief Executive Officer Mr. Norio Sasaki
Representative Executive Officer, Corporate Senior Executive Vice President, Mr. Shozo Saito
Executive Officer, Corporate Executive Vice President, Mr. Toshiharu Watanabe

Executive Officer, Corporate Vice President, Messrs. Yasuhiro Shimura, Munehiko Tsuchiya, Makoto Hideshima

3. Following seven (7) Executive Officers were newly elected and assumed office at the first meeting of the Board of Directors held after the Ordinary General Meeting of Shareholders for the 174th fiscal period:
   Executive Officer, Corporate Vice President Messrs. Shigeru Tasaki, Yukihiko Kazao, Hiroshi Kurihara, Keizo Maeda, Seiichi Mori, Noriaki Hashimoto, Hidehito Murato
4. Executive Officer, Corporate Senior Vice President Mr. Shinichiro Akiba was newly elected and assumed office on October 1, 2013.
5. The following Changes occurred as of April 2014.

		Responsibility	Status of significant concurrent holding of positions.
Representative Executive Officer Corporate Senior Executive Vice President (*)	Hideo Kitamura	➢ Support of the President ➢ Responsible for Energy & Infrastructure Group ➢ Responsible for Community Solutions Group ➢ General Executive, Risk Management Division ➢ General Executive, Legal Affairs Division	
Executive Officer Corporate Senior Vice President	Osamu Maekawa	➢ Executive Vice President, Power Systems Company (in-house company) ➢ Project Manager, New Energy Solutions Project Team	Outside Auditor, Toshiba Plant Systems Inc.
Executive Officer Corporate Senior Vice President	Shigenori Tokumitsu	➢ President and CEO, Personal & Client Solutions Company (in-house company)	Chairman, TOSHIBA EL ARABY VISUAL PRODUCTS COMPANY
Executive Officer Corporate Senior Vice President	Shinichiro Akiba	➢ President and CEO, Community Solutions Company (in-house company)	
Executive Officer Corporate Vice President	Masakazu Kakumu	➢ Support of Representative Executive Officer, Corporate Senior Executive Vice President, Mr. Sudo	
Executive Officer Corporate Vice President	Hidehito Murato	➢ Executive Vice President, Personal & Client Solutions Company (in-house company)	Chairman, Toshiba Personal Computer & Network (Shanghai) Co., Ltd

10. Compensation Policy and the Amount of Compensation

(1) Compensation Policy

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

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

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

i. Director’s Compensation

The fixed compensation is paid to Directors who do not concurrently hold office as an Executive Officer based on his/her status as a full-time or part-time Director and his/her duties.

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

ii. Executive Officer’s Compensation

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

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

iii. Compensation Standards

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

(2) Amount of Compensation

Item	Number of Directors/Executive Officers	Amount
	Persons	Millions of yen
Directors	19	375
(Outside Directors)	(4)	(62)
Executive Officers	46	1,362

(Notes) 1. The amount of compensation includes compensation to Directors who retired at the end of the General Ordinary Meeting for 174th fiscal year, held on June 25 2013, and compensation to the Executive Officers who retired at the conclusion of the Board Meeting held on the said date for the term from April 2013 to the day of retirement.

2. The amount of compensation for Executive Officers includes the differences between the amount of compensation actually paid in FY2013 for performance-based bonus to the Executive Officers enrolled in 2012 and the amount of provisions of reserve for bonus pay disclosed in the Business Report 2012.

11. The Company’s accounting auditor

(1) Name of the Company’s accounting auditor

Ernst & Young ShinNihon LLC

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

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

Category	Fees paid for audit & assurance services (million yen)	Fees paid for non-audit services (million yen)	Total (million yen)
The Company	475	6	481
Consolidated subsidiaries	507	86	593
Total	982	92	1,074

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

(3) Non-audit services

The Company has paid compensation to Ernst & Young ShinNihon LLC in consideration of procedures agreed, which is a business other than the businesses provided for in Article 2, Paragraph 1 of the Certified Public Accountants Act.

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

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

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

a. If the accounting auditor received an administrative punishment for violation of any law or regulation;

b. If the accounting auditor was punished, etc. in accordance with the regulations of the Japanese Institute of Certified Public Accountants;

c. If the Company receives from the accounting auditor a notice to the effect that the auditor does not continue the audit engagement with the Company; or

d. If the Company intends to make the audit service more proper or more efficient.

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

(1) Systems to Ensure the Appropriateness of Business Operations

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

i. System to ensure that Executive Officers' compliance with laws and regulations and the Articles of Incorporation.

a. Executive Officers periodically report to the Board of Directors on their execution of their duties and are required to report on necessary items to the Board of Directors, as necessary.

b. The General Manager of the Corporate Audit Division periodically reports to the Board of Directors on management audit results.

c. The Audit Committee periodically interviews Executive Officers and the General Manager of the Corporate Audit Division reports to the Audit Committee on management audit results.

d. Executive Officers report to the Audit Committee on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.

ii. System for retention and management of information concerning Executive Officers' execution of their duties.

a. In accordance with the Rules concerning the Document Retention Period, Executive Officers appropriately retain and manage material documentation, such as information materials for the Management Meetings and decision-making documents, and other documents such as account books and records.

b. Executive Officers run a system that allows Directors to access important information, such as information materials for the Management Meetings, decision-making documents, financial statements and records and business reports.

iii. Rules and other systems concerning risk of loss management

a. In accordance with the Basic Rules concerning Risk-Compliance Management, the Chief Risk-Compliance Management Officer (hereinafter referred to as the "CRO") formulates and promotes measures concerning crisis and risk management in his/her capacity as the chairman of the Risk-Compliance Committee.

b. Executive Officers formulate and promote measures necessary for continuously clarifying business risk factors and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.

iv. System to ensure that Executive Officers efficiently execute their duties

a. The Board of Directors determines the basic management policy and approves the mid-term business plan and annual budgets prepared by the Executive Officers.

b. The Board of Directors delegates authority and responsibilities to each Executive Officer in an appropriate manner and Executive Officers clarify the authority and responsibilities of the Executive Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.

c. Executive Officers set concrete targets and roles of organizations and employees.

d. Executive Officers make decisions on business operations based on appropriate procedures in accordance with the Board of Directors Rules, the Corporate Decision Making Rule, the In-house Company Decision Making Rule and other rules.

e. Executive Officers follow up annual budget implementation and appropriately evaluate performance evaluation by means of monthly meetings and the

Performance Evaluation Committee.

f. Executive Officers promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.

v. System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation

a. The Representative Executive Officer, President and CEO ensures, through continuous execution of employee education, etc., that employees comply with the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees.

b. The CRO formulates and promotes measures concerning compliance with laws and regulations in his/her capacity as the chairman of the Risk-Compliance Committee in accordance with the Basic Rules concerning Risk-Compliance Management.

c. The Executive Officer in charge endeavors to detect problems early and deal with them in an appropriate manner by making use of the whistle-blower system.

vi. System to ensure the appropriateness of business operations of Toshiba Group

a. Toshiba Corp. requests its subsidiaries to adopt and implement the Toshiba Group Standards of Conduct.

b. Toshiba Corp. requests its subsidiaries to report to Toshiba Corp. in accordance with the Operational Communication Arrangement in the event that material issues arise in their business operations.

c. Toshiba Corp. formulates appropriate measures for internal control, including that of its subsidiaries, and requests its subsidiaries to promote the measures according to their situations.

d. Toshiba Corp. requests its subsidiaries to establish audit systems in accordance with the Toshiba Group Auditors' Audit Policy.

e. Toshiba Corp. executes management audits of its subsidiaries, as necessary.

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

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

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

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

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

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

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

a. Executive Officers and employees report to the Audit Committee in accordance with the Rules concerning Reporting to the Audit Committee in the event that any material issue arises that may affect operation and financial performance.

b. The Representative Executive Officer, President and CEO provides members of the

Audit Committee designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.

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

a. The Representative Executive Officer, President and CEO periodically dialog with the Audit Committee.

b. Executive Officers and employees report the execution of their duties to the Audit Committee by means of the periodical interviews conducted by the Audit Committee and circuit interviews.

c. The General Manager of the Corporate Audit Division discusses the policy and the plan for management audits at the beginning of each fiscal year with the Audit Committee in advance and timely reports the management audit results to the Audit Committee.

d. The Audit Committee has accounting auditors provide explanations and reports concerning the accounting audit plan at the beginning of each fiscal year, the situation of accounting audits during each term and the results of the accounting audits at the end of each fiscal year.

e. The Executive Officer in charge provides explanations to the Audit Committee concerning the interim settlement of accounts and settlement of accounts at the end of fiscal year as well as quarterly settlement of accounts prior to the approval by the Board of Directors.

f. The Representative Executive Officer, President and CEO informs the Audit Committee in advance and provides explanations concerning the assignment of the General Manager of the Corporate Audit Division, taking into consideration the independence of the General Manager of the Corporate Audit Division from other Executive Officers and organizations.

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

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

(1) Basic Policy

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

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

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

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

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

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

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

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

Specifically, if an acquirer commences or plans to commence an acquisition or a tender offer that would result in the acquirer holding 20% or more of shares issued by the Company, the Company will require the acquirer to provide the necessary information in advance to its Board of Directors. The Special Committee that solely consists of outside directors who are independent from the Company's management will, at its discretion, obtain advice from outside experts, evaluate and consider the details of the acquisition, disclose to the Company's shareholders the necessary information regarding the acquisition, evaluate, consider and disclose any alternative proposal presented by the Company's Representative Executive Officer, and negotiate with the acquirer. If the acquirer does not comply with the procedures under the Plan, or the acquisition would damage the corporate value of the Company or the common interests of its shareholders, and if the acquisition satisfies the triggering requirements set out in the Plan, the countermeasures (a gratis allotment of stock acquisition rights (*shinkabu yoyakuken no mushou wariate*), with a condition of which will be that they cannot be exercised by acquirers or the like and subject to call to the effect that the Company can acquire stock acquisition rights from those other than such acquirers in exchange for shares of the Company) are to be implemented and the Company will ensure the corporate value of the Company and the common interests of shareholders.

(4) Rationale of the Plan

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

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

a. Reflection of the intent of shareholders

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

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

b. Decisions of Independent Outside Parties and Information Disclosure

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

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

c. Establishment of reasonably objective requirements for triggering the Plan

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

d. The acquisition of expert opinion as a third party

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

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

14. The Group's Employees As of March 31, 2014

Segment	Number of Employees

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

Energy & Infrastructure	55,235
Community Solutions	47,888
Healthcare Systems & Services	9,624
Electronic Devices & Components	34,978
Lifestyle Products & Services	25,670
Others	23,602
Group-wide (shared)	3,263
Total	200,260

(Note) The Company has 35,943 employees.

15. Main Places of Business and Facilities of the Group

As of March 31, 2014

(1) The Company

Segment	Major Distribution	
Company-wide	Offices	Principal Office (Minato-ku, Tokyo and Kawasaki), Hokkaido Branch Office (Sapporo), Tohoku Branch Office (Sendai), Shutoken Branch Office (Saitama), South-Shutoken Branch Office (Yokohama), Hokuriku Branch Office (Toyama), Chubu Branch Office (Nagoya), Kansai Branch Office (Osaka), Chugoku Branch Office (Hiroshima), Shikoku Branch Office (Takamatsu), Kyushu Branch Office (Fukuoka)
	Laboratories	Corporate Research & Development Center (Kawasaki), Software Engineering Center (Kawasaki), Corporate Manufacturing Engineering Center (Yokohama), Yokohama Complex (Yokohama)
Energy & Infrastructure	Laboratories	Power and Social Systems Research and Development Center (Yokohama), Isogo Nuclear Engineering Center (Yokohama)
	Production Facilities	Kashiwazaki Operations (Kashiwazaki), Fuchu Complex (Fuchu, Tokyo), Fuchu Operations-Power Systems(Fuchu, Tokyo), Fuchu Operations-Social Infrastructure Systems (Fuchu, Tokyo),Komukai Complex (Kawasaki), Hamakawasaki Operations (Kawasaki), Keihin Product Operations (Yokohama), Mie Operations (Asahi Cho, Mie)
Community Solutions	Production Facilities	Fuchu Operations-Community Solutions (Fuchu, Tokyo)
Electronic Devices & Components	Laboratories	Center For Semiconductor Research & Development (Kawasaki)
	Production Facilities	Fukaya Complex (Fukaya), Yokkaichi Operations (Yokkaichi), Himeji Operations – Semiconductor (Taishi, Hyogo), Oita Operations (Oita)
Lifestyle Products & Services	Laboratories	Platform & Solution Development Center (Ome)
	Production Facilities	Ome Complex (Ome)

Note: As of April 2014, Shutoken Branch Office and South-Shutoken Branch Office were merged to newly start as Kanto Branch Office. Platform & Solution Development Center was renamed as Lifestyle Solution Development Center.

(2) The Group Companies

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

Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Equity

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

The 175th term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2014

Assets	(Millions of yen)
Current assets	3,209,224
Cash and cash equivalents	171,340
Notes and accounts receivable, trade	1,506,400
Notes	38,850
Accounts	1,483,907
Allowance for doubtful notes and accounts	(16,357)
Inventories	934,018
Deferred tax assets	146,121
Prepaid expenses and other current assets	451,345
Long-term receivables and investments	664,646
Long-term receivables	461
Investments in and advances to affiliates	386,436
Marketable securities and other investments	277,749
Property, plant and equipment	960,035
Land	97,550
Buildings	977,233
Machinery and equipment	2,128,297
Construction in progress	78,131
Less - Accumulated depreciation	(2,321,176)
Other assets	1,407,718
Deferred tax assets	264,349
Others	1,143,369
Total assets	6,241,623

<u>Consolidated Balance Sheet (Continued)</u>

As of March 31, 2014

Liabilities	(Millions of yen)
Current liabilities	2,592,046
Short-term borrowings	146,105
Current portion of long-term debts	57,418
Notes and accounts payable, trade	1,199,539
Accounts payable, other and accrued expenses	501,314
Accrued income and other taxes	74,097
Advance payments received	317,713
Other current liabilities	295,860
Long-term liabilities	1,997,250
Long-term debt	1,184,864
Accrued pension and severance costs	610,592
Other liabilities	201,794
Total liabilities	4,589,296
Equity	
Equity attributable to shareholders of the Company	1,229,066
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	404,564
Retained earnings	652,367
Accumulated other comprehensive loss	(266,079)
Treasury stock, at cost	(1,687)
3,111,467 shares	
Equity attributable to noncontrolling interests	423,261
Total equity	1,652,327
Commitments and contingent liabilities	
Total liabilities and equity	6,241,623

Consolidated Statement of Income

For the year ended March 31, 2014

	(Millions of yen)
Sales and other income	6,586,600
Net sales	6,502,543
Interest and dividends	13,756
Equity in earnings of affiliates	5,947
Other income	64,354
Costs and expenses	6,405,662
Cost of sales	4,854,349
Selling, general and administrative	1,357,430
Interest	33,696
Other expense	160,187
Income from continuing operations, before income taxes and noncontrolling interests	180,938
Income taxes:	96,299
Current	53,790
Deferred	42,509
Income from continuing operations, before noncontrolling interests	84,639
Loss from discontinued operations, before noncontrolling interests	(15,021)
Net income before noncontrolling interests	69,618
Less: Net income attributable to noncontrolling interests	18,792
Net income attributable to shareholders of the Company	50,826

Consolidated Statement of Equity

For the year ended March 31, 2014

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total shareholders' equity	Non-controlling interests	Total equity
Balance at March 31, 2013	439,901	404,430	635,419	(443,940)	(1,542)	1,034,268	381,809	1,416,077
Capital transactions with noncontrolling interest and other		134				134	1,827	1,961
Dividends to shareholders of the Company			(33,878)			(33,878)		(33,878)
Dividends to non-controlling interest							(3,896)	(3,896)
Comprehensive income								
Net income			50,826			50,826	18,792	69,618
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				15,759		15,759	2,658	18,417
Foreign currency translation adjustments				110,409		110,409	19,701	130,110
Pension liability adjustments				53,082		53,082	2,715	55,797
Net unrealized gains and losses on derivative instruments				(1,389)		(1,389)	(345)	(1,734)
Comprehensive income						228,687	43,521	272,208
Purchase of treasury stock, net, at cost					(145)	(145)		(145)
Balance at March 31, 2014	439,901	404,564	652,367	(266,079)	(1,687)	1,229,066	423,261	1,652,327

*Notes to Consolidated Financial Statements are posted on the Company's website（http://www.toshiba.co.jp/about/ir/jp/stock/meeting.htm）.

(For reference) Consolidated Statement of Cash Flows

(For the year ended March 31, 2014)

	(Millions of yen)
Cash flows from operating activities	286,586
Cash flows from investing activities	(246,555)
(Free cash flow)	40,031
Cash flows from financing activities	(89,309)
Effect of exchange rate changes on cash and cash equivalents	11,449
Net decrease in cash and cash equivalents	(37,829)
Cash and cash equivalents at beginning of the year	209,169
Cash and cash equivalents at end of the year	171,340

Notes to Consolidated Financial Statements

1. Notes to Significant Matters Supporting the Basis of Preparation of Consolidated Financial Statements

(Significant Accounting Policies)

1) Standard of Preparation of the Consolidated Financial Statements

The consolidated financial statements of the Company are prepared in conformity with terms, forms and preparation methods of generally accepted accounting principles in the U.S. (hereinafter, the "U.S. GAAP") pursuant to Article 120-2, Paragraph 1 of the Provision to the Corporate Calculation Rules. However, according to the provision in the latter part of this paragraph, the Company omits a part of presentation and notes required by accounting principles generally accepted in the U.S.

2) Inventories

Raw materials, finished products and work in process held for sale are stated at the lower of cost or market, cost being determined principally by the average method. Finished products and work in process for contract items are stated at the lower of cost or estimated realizable value, cost being determined by accumulated production costs.

3) Marketable Securities and Other Investments

In accordance with "Accounting Standards Codification" ("ASC") 320 "Investment – debt securities and equity securities", the Company classified all the marketable securities into available-for-sale securities, reported them on the basis of fair values and included unrealized gains (losses) after tax effect into accumulated other comprehensive income (loss). Other investments without quoted market prices are stated at cost. Realized gains or losses on the sale of securities are based on the average cost of a particular security held at the time of sale.

4) Method of Depreciation for Property, Plant and Equipment

Depreciation for property, plant and equipment is generally computed using the straight-line method.

(Changes in Method of Depreciation for Property, Plant and Equipment)

Depreciation for property, plant and equipment associated with the Company and domestic subsidiaries has been computed generally by the declining-balance method. Depreciation for property, plant and equipment for foreign subsidiaries has been generally computed using the straight-line method.

However, the Company and domestic subsidiaries changed the method of calculating depreciation for property, plant and equipment to the straight line method, starting from April 1, 2013.

Based on the FY2013 Mid-Term Business Plan which started from April 1, 2013, the Group continuously pushes forward with establishing stable and strong profitable business structure by promoting focus businesses and accelerating globalization through optimizing business location and overseas M&A.

Due to the strategy, the Group estimates more stable profit by optimizing global production, aggregating domestic bases and becoming more focus on value-added products. Operation of domestic property, plant and equipment will be leveled by integrating domestic locations. Furthermore, domestic capital expenditure is planned mainly for renewal and rationalization of existing facilities. This leads domestic property, plant and equipment to be operated more consistently hereinafter. Therefore, the Company and domestic subsidiaries believe that the new method makes a better cost allocation than before.

In accordance with ASC No.250 "Accounting Changes and Error Collection", this change in depreciation method is classified as changes in accounting estimates due to changes in accounting policies. Therefore, this change in depreciation method has an influence on and after April 1, 2013. For the year ended March 31, 2014, income from continuing operations before income taxes and noncontrolling interests and net income attributable to shareholders of the Company respectively increased by 37,963 million yen and 24,072 million yen, and basic net earnings per share attributable to shareholders of the Company increased by 5.68 yen, respectively compared with the figures under the previous method.

5) Impairment of Long-Lived Assets

Long-lived assets, other than goodwill and indefinite-lived intangible assets, are evaluated for impairment using an estimate of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the estimate of undiscounted cash flow is less than the carrying amount of the asset, an impairment loss is recorded based on the fair value of the asset. Fair value is determined primarily by using the anticipated cash flows discounted at a rate commensurate with the risk involved. For assets held for sale, an impairment loss is further increased by costs to sell. Long-lived assets to be disposed of other than by sale are consolidated as held and used until disposed of.

6) Goodwill and Other Intangible Assets

In accordance with ASC 350 "Intangible assets – Goodwill and others", goodwill and recognized intangible assets determined to have an indefinite useful life are no longer amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized over their respective estimated useful lives.

7） Allowance for Doubtful Accounts

An allowance for uncollectible trade receivables is recorded based on a combination of the write-off history, aging analysis, and an evaluation of any specific known troubled accounts. When all collection options are exhausted including legal recourse, the accounts or portions thereof are deemed to be uncollectible and charged against the allowance.

8） Accrued Pension and Severance Costs

The Company and some of its subsidiaries sponsor various retirement benefit and pension plans covering substantially all employees. Prior service costs resulting from amendments to the plans are amortized over the average remaining service period of employees expected to receive benefits. Unrecognized actuarial losses that exceed 10 percent of the greater of the projected benefit obligation or the fair value of plan assets are also amortized over the average remaining service period of employees expected to receive benefits.

9） Net earnings (Loss) per Share Attributable to Shareholders of the Company

Basic net earnings (loss) 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.

2. Notes to Consolidated Balance Sheet

1) Liabilities on guarantee and their kinds 69,208 million yen

2) Accumulated other comprehensive loss includes Net unrealized gains and losses on securities, Foreign currency translation adjustments, Pension liability adjustments and Net unrealized gains and losses on derivative instruments.

3) Important disputes

In January 2007, the European Commission (the "Commission") adopted a decision imposing fines on 19 companies, including the Company, for violating EU competition laws in the gas insulated switchgear market. In April 2007, the Company filed an appeal to the General Court of the European Union (the "GC") seeking annulment of the Commission's decision. In July 2011, the GC handed down a judgment and annulled the entire fine imposed on the Company, but upheld the Commission's determination about alleged anti-competitive behavior. The Company appealed the GC's judgment to the European Court of Justice (the "ECJ") in September 2011. In June 2012, the Commission adopted a decision re-imposing fines on the Company, by recalculating the above-mentioned fines. In this decision, the Company was individually fined 56.8 million euro and was also fined 4.65 million euro jointly and severally with Mitsubishi Electric Corporation. The Company filed an appeal with the GC seeking annulment of this decision in September 2012 on the ground that the procedure and substance of the new decision are unreasonable. In December 2013, the ECJ delivered its final ruling to support the Commission's decision in respect of the alleged infringement of EU competition laws in the gas insulated switchgear market. As a result, the Company accrued the reasonably estimated amount expected to be paid for the fines.

In February 2011, the Ministry of Defense of Japan ("MOD") cancelled contract for development and manufacture of "reconnaissance system for F-15" between MOD and the Company. In July 2011, the Company filed a lawsuit against MOD to Tokyo District Court seeking payment of approximately 9,319 million yen including payment for parts which have been already completed. In October 2012, MOD filed a counterclaim seeking payment for the penalty of the cancellation of the contract. In March 2014, the Company expanded seeking payment of approximately 3,017 million yen. The Company properly executed its duties pursuant to conditions of the contract. Therefore, the Company thinks that MOD's cancellation of the contract and the claim for penalty is unreasonable and will assert its position in the Court.

Since December 2006, in the United States, certain purchasers of LCD panels and related products from the Group and other defendants have filed lawsuits against the Group and other defendants, seeking compensation of damages caused by alleged infringement of U. S. antitrust law. Though the Group settled with the class action plaintiffs, litigations between direct action plaintiffs are still pending. As the Group believes that there was no illegal activity in the LCD business, the Group plans to pursue all available legal avenues to defend in the pending litigations.

In December 2012, the Commission adopted a decision imposing a fine of approximately 28 million euro on the Company, plus a fine of 87 million euro jointly and severally with Panasonic Corporation and MT Picture Display Co. , Ltd. for infringement of EU Competition Law in the color picture tube (used for Televisions) market. Following its own investigation, the Company contends that it has not found any infringement of EU competition laws, and it brought an action to the GC in February 2013.

In November 2013, Japan Post Co., Ltd. ("JP") filed a lawsuit against the Company and NEC Corporation for violating the antitrust law concerning a bid for postal code automatic reading and sorting equipment, seeking payment of approximately 3,756 million yen and delayed damages. This claim is based on the cease and desist order issued by the Japan Fair Trade Commission in December 2010. The Company will assert its position in the Court because it considers there is no causal association between its action and damage claimed by JP and that JP's claim is unreasonable in the Tokyo High Court.

3. Discontinued operations

On March 26, 2014, the Company entered into definitive agreements with Samsung Electronics Co., Ltd. (“Samsung Electronics”) and OPTIS Co., Ltd. ("OPTIS") on the transfer of the optical disc drive ("ODD") business to cope with drastic change in market environment as part of restructuring of the ODD business.
Under the terms of the agreements, Toshiba Samsung Storage Technology Corporation ("TSST"), the Company and Samsung Electronics' Japan-based joint holding company for the ODD business, will transfer to OPTIS its wholly-owned operating subsidiary, Toshiba Samsung Storage Technology Korea Corporation ("TSST-K"), in three years' time. As the first step in the transfer process, OPTIS subscribed to a new issue of TSST-K’s shares on April 29, 2014, which diluted TSST’s shareholding in TSST-K to 50.1%.

In accordance with ASC No.205-20 "Presentation of Financial Statements-Discontinued Operations" , operating results relating to the ODD business are separately presented as discontinued operations in the consolidated statements of income. Operating results relating to the ODD business, which are reclassified as discontinued operations, are as follows.

Sales and other income	74,733	million yen
Costs and expenses	89,754	million yen
Loss from discontinued operations, before income taxes and noncontrolling interests	(15,021)	million yen
Income taxes	0	million yen
Loss from discontinued operations, before noncontrolling interests	(15,021)	million yen
Less - Net income (loss) from discontinued operations attributable to noncontrolling interests	(6,319)	million yen
Net loss from discontinued operations attributable to shareholders of the Company	(8,702)	million yen

4. Notes Concerning Financial Instruments

1） Matters concerning financial instruments

The Company is managing funds mainly on short-term deposits. It also raises funds through issuance of corporate bonds and borrowings from financial institutions including banks.

Investment securities are mainly stocks. For marketable securities, the Group evaluates their fair values on the basis of market prices.

The intended use of corporate bonds and long-term borrowings is working funds and the funds for capital investments.

In the normal course of its risk management efforts, the Group employs a variety of derivative financial instruments, which are consisted principally of forward exchange contracts, interest rate swap agreements, currency swap agreements and currency options to reduce its exposures. The Group has policies and procedures for risk management and the approval, reporting and monitoring of derivative financial instruments. The Group's policies prohibit holding or issuing derivative financial instruments for trading purposes.

2) Matters concerning market value of financial instruments

The consolidated balance sheet amounts as of March 31, 2014, fair values and their differences are as follows:

(Millions of yen)

	Consolidated Balance Sheet Amount	Fair value	Difference
Assets concerning financial instruments			
Investment securities and other investments	228,861	228,861	-
Liabilities concerning financial instruments			
Corporate bonds and long-term loans payable	1,208,018	1,215,525	7,507
Financial derivatives	2,693	2,693	-

The above table excludes the financial instruments for which fair values approximate their carrying amounts and those related to leasing activities.

In estimating the fair value of these financial instruments, the Group employs a variety of techniques and assumptions, which are based on estimates of market conditions and risks existing at the measurement dates. For certain instruments, including cash and cash equivalents, notes and accounts receivable-trade, short-term borrowings, notes and accounts payable-trade, and accounts payable-other and accrued expenses, the carrying amount approximates fair value for the majority of the respective instruments because of their short maturities. For some of investment securities and other investments, the Group used market prices released. Fair values of corporate bonds and long-term loans payable are estimated based on the market prices released, and if there are no market prices released, they are estimated by using estimated present value of future cash flows. For deciding fair values of other financial instruments, methods such as estimated discounted present value of future cash flow or replacement value are used. These fair values do not necessarily represent realizable amounts as of the fiscal year-end.

For nonmarketable securities evaluated by the cost method, as it is practically difficult to evaluate their fair values, they were not included in "investment securities and other investments."

5. Notes to net earnings (loss) per share

Earnings per share from continuing operations		
Basic net earnings per share attributable to shareholders of the Company	14.06	yen
Loss per share from discontinued operations		
Basic net loss per share attributable to shareholders of the Company	(2.06)	yen
Net earnings per share		
Basic net earnings per share attributable to shareholders of the Company	12.00	yen

Diluted net earnings per share attributable to shareholders of the Company has been omitted because the Company did not have potential common stock outstanding for the period.

Non-Consolidated Balance Sheet

Non-Consolidated Statement of Income

Non-Consolidated Statement of Changes in Net Assets

Notes to Non-Consolidated Financial Statements

For the year ended March 31, 2014

The 175th term

Toshiba Corporation

Balance Sheet
As of March 31, 2014

Assets	(Millions of yen)
Current assets	1,894,708
Cash and cash equivalents	34,096
Notes receivables	9,330
Accounts receivables	779,640
Finished products	207,241
Raw materials	38,977
Work in process	200,149
Advance payments	30,155
Prepaid expenses	16,347
Deferred tax assets	60,037
Other current assets	647,347
Allowance for doubtful accounts	(128,615)
Fixed assets	2,169,607
Tangible fixed assets	422,741
Buildings	180,171
Structures	15,536
Machinery and equipment	92,635
Delivery equipment	260
Tools, fixtures and furniture	35,580
Land	55,092
Lease assets	6,600
Construction in progress	36,863
Intangible fixed assets	43,731
Software	32,746
Other intangible fixed assets	10,984
Investments and others	1,703,134
Investment securities	115,491
Security investments in affiliates	1,154,063
Other investments	4,772
Other investments in affiliates	114,293
Long-term loans	115,997
Long-term prepaid expenses	5,357
Deferred tax assets	133,891
Other assets	59,360
Allowance for doubtful accounts	(93)
Total assets	4,064,315

Balance Sheet (Continued)
As of March 31, 2014

Liabilities	(Millions of yen)
Current liabilities	1,788,136
Notes payable	625
Accounts payable	855,282
Short-term loans	102,924
Commercial paper	55,000
Lease obligations	1,481
Accrued liabilities	58,279
Accrued expenses	255,568
Corporate and other taxes payable	6,583
Advance payments received	105,908
Deposits received	309,087
Allowance for warranty and others	5,071
Allowance for losses on construction contracts	4,161
Allowance for losses on business of affiliates	14,559
Other current liabilities	13,602
Long-term liabilities	1,311,656
Debentures	520,000
Long-term loans	614,516
Lease obligations	5,124
Allowance for retirement benefits	157,601
Allowance for recycle of personal computers	4,090
Asset retirement obligations	1,391
Other long-term liabilities	8,933
Total liabilities	3,099,792
Net Assets	
Shareholders' equity	945,556
Common stock	439,901
Capital surplus	380,838
Other capital surplus	380,838
Retained earnings	126,504
Legal retained earnings	10,587
Other retained earnings	115,917
Reserves for deferral of gains on sales of property	3,684
Retained earnings brought forward	112,232
Treasury stock	(1,687)
Difference of appreciation and conversion	18,966
Net unrealized gains (losses) on investment securities	18,510
Deferred profit (loss) on hedges	455
Total net assets	964,522
Total liabilities and net assets	4,064,315

Statement of Income
For the year ended March 31, 2014

	(Millions of yen)
Net sales	3,294,516
Cost of sales	2,723,974
Gross margin	570,541
Selling, general and administrative expenses	479,423
Net operating income	91,117
Non-operating income	131,377
Interest income	3,054
Dividend income	93,621
Miscellaneous income	34,701
Non-operating expenses	87,449
Interest expenses	24,208
Miscellaneous expenses	63,240
Recurring income	135,046
Extraordinary gains	8,640
Gains from sales of securities	8,640
Extraordinary losses	64,556
Losses on valuation of shares of subsidiaries and affiliates	21,426
Losses on valuation of investment securities	1,681
Business structure improvement expenses	20,849
Provision of allowance for doubtful accounts	12,919
Provision of allowance for losses on business of subsidiaries and affiliates	7,680
Income before taxes	79,130
Corporate tax, inhabitant tax and business tax	(5,586)
Taxes deferred	26,030
Net income	58,686

Statement of Changes in Net Assets
For the year ended March 31, 2014

(Millions of yen)

	Shareholders' equity							
		Capital surplus	Retained earnings					
				Other retained earnings				
	Common stock	Other capital surplus	Legal retained earnings	Reserves for deferral of gains on sales of property	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the term	439,901	380,839	7,199	3,747	90,748	101,695	(1,542)	920,893
Changes in the term								
Dividends from surplus			3,387		(37,265)	(33,877)		(33,877)
Reversal of reserves for deferral of gains on sales of property				(62)	62	0		0
Net income					58,686	58,686		58,686
Purchase of treasury stock							(151)	(151)
Disposal of treasury stock		(1)					6	5
Net changes of items other than shareholders' equity								
Total changes in the term	0	(1)	3,387	(62)	21,483	24,808	(144)	24,662
Balance at end of the term	439,901	380,838	10,587	3,684	112,232	126,504	(1,687)	945,556

	Difference of appreciation and conversion			
	Net unrealized gains (losses) on investment securities	Deferred profit (loss) on hedges	Total difference of appreciation and conversion	Total net assets
Balance at beginning of the term	14,040	114	14,155	935,049
Changes in the term				
Dividends from surplus				(33,877)
Reversal of reserves for deferral of gains on sales of property				0
Net income				58,686
Purchase of treasury stock				(151)
Disposal of treasury stock				5
Net changes of items other than shareholders' equity	4,469	341	4,810	4,810
Total changes in the term	4,469	341	4,810	29,473
Balance at end of the term	18,510	455	18,966	964,522

*Notes to Non-Consolidated Financial Statements are posted on the Company's website（http://www.toshiba.co.jp/about/ir/en/stock/meeting.htm）.

Notes to Non-Consolidated Financial Statements (1)

1. Notes to Significant Accounting Policies

(1) Method of valuation of securities

Investment securities in affiliates	valued at acquisition cost based on the moving average method
Other securities	
Marketable securities	valued at market value at the end of fiscal year (The difference are recorded directly in net assets and acquisition costs are calculated by the moving average method)
Non-marketable securities	valued at acquisition cost based on the moving average method

(2) Method of valuation of derivative and others

Derivatives	valued at market value

(3) Method of valuation of inventories

Finished products	valued at acquisition cost either based on the specific identification method or on the moving average method
Work-in-process	valued at acquisition cost either based on the specific identification method or on the weighted average method
Raw materials	valued at acquisition cost based on the moving average method

Amounts carried on the balance sheet are stated after their devaluation based on the lowered profitability.

(4) Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)	The straight-line method. Service life of buildings and structures is from 3 years to 50 years. Service life of Machinery and equipment is from 3 years to 18 years. (Changes in accounting policies that are difficult to distinguish from changes in accounting estimates) In the 175th fiscal period, the method of depreciation for tangible fixed assets, which had been previously computed using the declining-balance method (depreciation for buildings which were acquired on or after April 1, 1998, excluding appurtenant equipment, is computed using the straight-line method), was changed to the straight-line method. Based on the FY2013 Mid-Term Business Plan which started from April 1, 2013, the Group continuously pushes forward with establishing stable and strong profitable business structure by promoting focus businesses and accelerating globalization through optimizing business location and overseas M&A. Due to the strategy, the Group estimates more stable profit by optimizing global production, aggregating domestic bases and becoming more focus on value-added products. Operation of domestic property, plant and equipment will be leveled by integrating domestic locations. Furthermore, domestic capital expenditure is planned mainly for renewal

	and rationalization of existing facilities. This leads domestic property, plant and equipment to be operated more consistently hereinafter. Therefore, the Company believes that the new method makes a better cost allocation than before. With this change, while depreciation cost decreased 32,664 million yen, net operating income, recurring income, and income before taxes increased respectively 32,664 million yen, compared with the previous method. (Changes in Accounting Estimates) As a result of surveys on actual status of usage conducted in the wake of the change in the method of depreciation, the Company reviewed residual values and service lives of tangible fixed assets based on the actual status of usage. The method was changed to depreciate tangible fixed assets until their residual values reach memorandum values. With this change, while depreciation cost increased 9,427 million yen, net operating income, recurring income, and income before taxes decreased respectively 9,427 million yen, compared with the previous accounting treatment.
Intangible fixed assets (excluding leased assets)	The straight-line method. However, for software for sales, the straight-line method based on estimated sales volume or remaining effective life (up to 3 years). For software for internal use, the straight-line method based on internal service life (5 years).
Lease Assets	Lease assets under non-ownership transfer finance lease transactions For accounting for such lease assets, the Company applies a straight-line method with the lease period as useful life and the residual value as 0.

Notes to Non-Consolidated Financial Statements (2)

(5) Recognition of allowance

Allowance for doubtful accounts	To prepare the bad debt expense, allowance for doubtful accounts are recorded. Allowance is recorded based on the write-off history in general and recorded for any specific known troubled accounts based on the evaluation of possibility of collection of specific accounts.
Allowance for warranty and others	To cover costs of after-sale service of products, estimated service cost during guarantee period is recognized based on historical record.
Allowance for losses on construction contracts	To cover the estimated loss of uncompleted engineering works as of the end of the fiscal year, the estimated loss is recognized.
Allowance for losses on business of subsidiaries and affiliates	To prepare for possible losses associated with business of subsidiaries and affiliates, the expected amount of loss to be incurred by the Company beyond the amount normally estimated based on its investment in such affiliates is recorded.
Allowance for retirement benefits	To cover retirement benefit, it is recorded based on estimated accrued pension and severance costs at the end of fiscal year. Retirement benefit obligations are calculated on the straight-line basis to attribute estimated accrued severance costs to the period to the current fiscal year. Prior service cost is amortized by straight-line method over 10 years. Actuarial differences are amortized by straight-line method over 10 years from the fiscal year following the fiscal year in which they arise.
Allowance for recycle of personal computers	To cover costs of recycle of personal computers, the estimated recycle costs are recognized based on sales performance.

(6) Revenue recognition

The percentage-of-completion method is applied for construction contracts with a high level of certainty of expected cash flow for the part completed by the end of the period (cost comparison method is used for estimating the progress rate of construction work).

Notes to Non-Consolidated Financial Statements (3)

(7) Hedge accounting

Method

In principal, the Company applies the deferral hedge accounting method. In addition, when the forward exchange contracts meet the conditions for hedged items, the Company does not account for gains and losses on those forward exchange contracts on a fair value basis, but converts hedged items using the rates of those forward exchange contracts at the closing day.

Moreover, when interest swap agreements meet the conditions for hedged items, the Company does not account for gains and losses on those interest swap agreements on a fair value basis, but recognizes swap interest on an accrual basis.

Measures and objects

Measures	Forward exchange contracts, currency swap agreements, currency options and interest rate swap agreements, etc.
Objects	Monetary assets and liabilities denominated in foreign currency, commitments on future transactions denominated in foreign currency and borrowings, etc.

Policy

To reduce foreign currency risk and interest risk and to improve net interest expense, the Company employs derivative instruments within actual demand of the Company.

Evaluation of effectiveness

The Company compares the total amount of market change or change of cash flow of objects and the total amount of market change or change of cash flow of measures. Effectiveness of hedge is evaluated based on change of both. However, when interest rate swap agreements are recognized by the exceptional method described above, evaluation of effectiveness is skipped.

(8) Accounting of consumption tax

It is recorded without tax.

(9) Consolidated taxation system

The Company adopted the consolidated taxation system.

(10) Presentation of amount

Amounts under million are rounded down.

Notes to Non-Consolidated Financial Statements (4)

2. Notes to Balance Sheet

(1) Collateral assets and liabilities secured by collaterals:

Collateral assets:

Long-term loans	27 million yen
Security investments in affiliates	18 million yen

The above assets are collaterals pledged on loans of 772 million yen for affiliates.

(2) Accumulated depreciation for tangible fixed assets: 1,325,763 million yen

(3) Liabilities on guarantees and their kinds

The Company guarantees bonds and borrowings from financial institution, etc. as follows:

(Millions of yen)

Warrantee	Balance of liabilities on guarantees and their kinds
Westinghouse Electric Company LLC	492,851
WesDyne International LLC	41,888
Toshiba JSW Power Systems Private Ltd.	34,207
Others	105,357
Total	674,305

Notes to Non-Consolidated Financial Statements (5)

(4) Important disputes

In January 2007, the European Commission (the "Commission") adopted a decision imposing fines on 19 companies, including the Company, for violating EU competition laws in the gas insulated switchgear market. In April 2007, the Company filed an appeal to the General Court of the European Union (the "GC") seeking annulment of the Commission's decision. In July 2011, the GC handed down a judgment and annulled the entire fine imposed on the Company, but upheld the Commission's determination about alleged anti-competitive behavior. The Company appealed the GC's judgment to the European Court of Justice (the "ECJ") in September 2011. In June 2012, the Commission adopted a decision re-imposing fines on the Company, by recalculating the above-mentioned fines. In this decision, the Company was individually fined 56.8 million euro and was also fined 4.65 million euro jointly and severally with Mitsubishi Electric Corporation. The Company filed an appeal with the GC seeking annulment of this decision in September 2012 on the ground that the procedure and substance of the new decision are unreasonable. In December 2013, the ECJ delivered its final ruling to support the Commission's decision in respect of the alleged infringement of EU competition laws in the gas insulated switchgear market. As a result, the Company accrued the reasonably estimated amount expected to be paid for the fines.

In February 2011, the Ministry of Defense of Japan ("MOD") cancelled contract for development and manufacture of "reconnaissance system for F-15" between MOD and the Company. In July 2011, the Company filed a lawsuit against MOD to Tokyo District Court seeking payment of approximately 9,319 million yen including payment for parts which have been already completed. In October 2012, MOD filed a counterclaim seeking payment for the penalty of the cancellation of the contract. In March 2014, the Company expanded seeking payment of approximately 3,017 million yen. The Company properly executed its duties pursuant to conditions of the contract. Therefore, the Company thinks that MOD's cancellation of the contract and the claim for penalty is unreasonable and will assert its position in the Court.

Since December 2006, in the United States, certain purchasers of LCD panels and related products from the Group and other defendants have filed lawsuits against the Group and other defendants, seeking compensation of damages caused by alleged infringement of U. S. antitrust law. Though the Group settled with the class action plaintiffs, litigations between direct action plaintiffs are still pending. As the Group believes that there was no illegal activity in the LCD business, the Group plans to pursue all available legal avenues to defend in the pending litigations.

In December 2012, the Commission adopted a decision imposing a fine of approximately 28 million euro on the Company, plus a fine of 87 million euro jointly and severally with Panasonic Corporation and MT Picture Display Co. , Ltd. for infringement of EU Competition Law in the color picture tube (used for Televisions) market. Following its own investigation, the Company contends that it has not found any infringement of EU competition laws, and it brought an action to the GC in February 2013.

In November 2013, Japan Post Co., Ltd. ("JP") filed a lawsuit against the Company and NEC Corporation for violating the antitrust law concerning a bid for postal code automatic reading and sorting equipment, seeking payment of approximately 3,756 million yen and delayed damages. This claim is based on the cease and desist order issued by the Japan Fair Trade Commission in December 2010. The Company will assert its position in the Court because it considers there is no causal association between its action and damage claimed by JP and that JP’s claim is unreasonable in the Tokyo High Court.

Notes to Non-Consolidated Financial Statements (6)

(5) Monetary receivable and liabilities to subsidiaries and affiliates

Current monetary receivables	976,109 million yen
Non-current monetary receivables	121,467 million yen
Current monetary liabilities	955,039 million yen

3. Notes to Statement of Income

(1)	Sales to subsidiaries and affiliates	2,289,663 million yen
(2)	Purchases from subsidiaries and affiliates	2,479,521 million yen
(3)	Non-operating transactions amounts with subsidiaries and affiliates	117,533 million yen

4. Notes to Statement of Changes in Net Assets

(1) The class and number of issued shares as of March 31, 2014

Common stock 4,237,602,026 shares

(2) The class and number of treasury stock as of March 31, 2014

Common stock 3,111,467 shares

(3) Resolution of dividends

Resolution	Total amount of dividend	Dividend per share	Record date	Effective date
Board of Directors Meeting held on May 8, 2013	16,939 million yen	4.00 yen	Mar. 31, 2013	Jun. 3, 2013
Board of Directors Meeting held on Oct. 30, 2013	16,938 million yen	4.00 yen	Sep. 30, 2013	Dec. 2, 2013
Board of Directors Meeting to be held on May 8, 2014 (scheduled)	16,937 million yen	4.00 yen	Mar. 31, 2014	Jun. 2, 2014

5. Notes to Deferred Income Tax Accounting

The main cause of accrual of the deferred tax assets is non-recognition of the allowance for retirement benefits, net-loss carried forward, etc. while main cause of deferred tax liabilities is other comprehensive income on securities and reserves pursuant to the Special Taxation Measures Law, etc.

(Additional Information)

With the promulgation of "Act for Partial Revision of Income Tax Act" (Act No. 10 of 2014) on March 31, 2014, it was decided that the special corporate tax for funding the recovery from the disaster would be abolished from the business year starting on and after April 1, 2014. Accordingly, in respect to temporary differences, etc. which are expected to be eliminated in and after the business year starting on April 1, 2014, the effective statutory tax rate used for calculating deferred tax assets and liabilities is changed from conventional 38.0% to 35.6%. With this change in tax rate, while the amount of deferred tax assets (calculated by deducting the amount of deferred tax liabilities) decreased 5,890 million yen, taxes deferred increased 5,890 million yen.

Notes to Non-Consolidated Financial Statements (7)

6. Notes to Transaction with Related Parties

Subsidiaries and affiliated companies

(Millions of yen)

Distinction of subsidiary/ affiliate	Company	Holding ratio of voting rights*1	Relationship	Transaction	Amount	Accounts	Ending Balance
Subsidiary	Toshiba America Electronic Components, Inc.	100%	Sales of the Company's products	Sales of the Company's products*3	338,612	Accounts recievable	25,080
Subsidiary	Mobile Broadcasting Corporation	90.3%	Lending of cash	Lending of cash*4	–	Other current assets	63,550
Subsidiary	Toshiba America, Inc.	100%	Lending of cash	Lending of cash*6	–	Other current assets	51,975
				Receipt of interests*6	85	Other current assets	8
Subsidiary	Landis+Gyr Holding A.G.	60.0%	Lending of cash	Lending of cash*4	–	Long-term loans	43,741
				Receipt of interests*4	1,371	Other current assets	206
Subsidiary	Taiwan Toshiba International Procurement Corporation	100%	Procurement	Procurement*5	1,318,828	Accounts payable	312,242
Subsidiary	Toshiba Plant Systems & Services Corporation	61.5%	Procurement	Procurement*5	77,818	Accounts payable	51,344
			Deposit of cash	Deposit of cash*6	–	Deposits received	69,740
				Payment of interests*6	163	Accrued expenses	32
Subsidiary	Toshiba International Procurement Hong Kong, Ltd.	100%	Procurement	Procurement*5	168,625	Accounts payable	41,217
Subsidiary	Toshiba International Finance (UK) Plc.	100%	Borrowing of cash	Deposit of cash*6	–	Deposits received	72,232
				Payment of interests*6	52	Accrued expenses	–
Subsidiary	Westinghouse Electric Company LLC	100%*2	Guarantees	Guarantees	492,851	–	–
Subsidiary	WesDyne International LLC	100%*2	Guarantees	Guarantees	41,888	–	–

*1. Voting rights include voting rights held through subsidiaries of the Company.

*2. Toshiba Nuclear Energy Holdings (US) Inc., 87% of whose voting rights are held by the Company and subsidiaries of the Company, holds all of the voting rights of Westinghouse Electric Company LLC and WesDyne International LLC.

*3. Conditions of sale of the Company’s products are determined under the same condition of arms-length transaction, considering market price.

*4. Conditions of lending and/or borrowing of cash are determined under the same condition of arms-length transaction, considering market interest rate.

*5. Conditions of procurement are determined under the same condition of arms-length transaction, considering market price.

*6. Funds are lent and borrowed through cash pooling among group companies.
Interest of lending and/or borrowing is determined under the same condition of arms-length transaction, considering market interest rate.

7. Notes to information per share

(1) Net assets per share	227.78	yen
(2) Earnings per share	13.86	yen

8. Notes to Significant Subsequent Events

(Transactions between entities under common control, etc.)

On April 1, 2014, Toshiba Corporation transferred its visual products business to Toshiba Lifestyle Products & Services Corporation, a consolidated subsidiary, through a company split.

1) Overview of Company Split

a. New company name

Toshiba Lifestyle Products & Services Corporation

On April 1, 2014, the company name was changed from Toshiba Home Appliance Corporation.

b. Business Contents

Visual products businesses and related businesses in which the Digital Products & Services Company, Toshiba's in-house Company, is engaging (excluding license businesses related to essential patent of DVD and BD, businesses related to copy protection and R&D operations that is being carried out at Platform & Solution Development Center of the Digital Products & Services Company).

On April 1, 2014, the name of Digital Products & Services Company was changed to Personal & Client Solution Company.

c. Reason for the company split

By merging the bisual product into the home appliances business and integrating their operations, Toshiba aims to promote use of shared resources to improve the efficiency of sales and after-sales service operations in the Japanese market; to strengthen and expand sales in overseas markets, primarily in emerging economies; and to promote investments in developing new business fields, including smart home appliances.

d. Date of the company split

April 1, 2014

e. Summary of transactions including a legal form

Absorption-type company split, in which Toshiba is a splitting company, and a Toshiba Lifestyle Products & Services Corporation is a succeeding company.

2) Summary of accounting treatment

The company split was handled as transactions between entities under common control, pursuant to the Accounting Standard for Business Combinations (ASBJ Statement No. 21 revised on December 26, 2008), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 revised on December 26, 2008） and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 revised on December 26, 2008).

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Independent Auditor's Report (Consolidated Financial Statements)

To: Mr. Hisao Tanaka
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

May 6, 2014

Ernst & Young ShinNihon LLC

Hiroshi Hamao
Certified Public Accountant
Designated and Engagement Partner

Tatsuhiro Ishikawa
Certified Public Accountant
Designated and Engagement Partner

Yasushi Yoshida
Certified Public Accountant
Designated and Engagement Partner

Masato Tanibuchi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of equity and the notes to the consolidated financial statements of Toshiba Corporation (the "Company") applicable to the fiscal year from April 1, 2013 through March 31, 2014.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the provision of the second sentence of Article 120-2, Paragraph 1 of the Corporate Accounting Regulations of Japan, which permits the omission of some disclosure items required under the accounting principles generally accepted in the United States of America (hereinafter "U.S. GAAP"),and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making those risk assessment, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which omit some disclosure items required under U.S. GAAP in accordance with the provision of second sentence of Article 120-2, Paragraph 1 of the Corporate Accounting Regulations of Japan, present fairly, in all material respects, the financial position and results of operations of the Toshiba Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2014.

Emphasis of Matter

We draw attention to Notes to the consolidated Financial Statements, 1. Notes to Significant Matters Supporting the Basis of Preparation of Consolidated Financial Statements, 4) Method of Depreciation for Property, Plant and Equipment, the Company changed the method of depreciation from April 1, 2013.
Our opinion is not qualified in respect of this matter.

Conflict of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

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AUDIT REPORT (Consolidated Financial Statements)

We, the audit committee of the Company, have audited the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of equity and the notes) during the 175th fiscal period, from April 1, 2013 to March 31, 2014.
We report the method and the results as follows:

1. Method and contents of audit

Pursuant to the audit policy, assigned duties and other rules that the audit committee decided, we have received reports on the consolidated financial statements from executive officers and other personnel and requested them explanation. In addition, we have overseen and inspected whether the accounting auditor keeps their independency and conducts appropriate audit. We have received reports on execution of its duties from the accounting auditor and requested it explanation. Also, we have received notice from the accounting auditor that it maintains systems to ensure appropriateness of execution of duties (items described in each item of Article 131 of the Regulations for Corporate Accounting) in accordance with "Quality Control Standards for Audits"(October 28, 2005, Business Accounting Council), and requested it explanation.

Based on the method above, we have examined the consolidated financial statements for the 175th fiscal period.

2. Results of audit

The method and results of the audit by Ernst & Young ShinNihon LLC, audit firm, the accounting auditor, are appropriate.

May 7, 2014

Audit Committee
Toshiba Corporation

Fumio Muraoka

Masashi Muromachi

Takeo Kosugi

Ken Shimanouchi

Kiyomi Saito

Note: Messrs. Takeo Kosugi and Ken Shimanouchi and Ms. Kiyomi Saito are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of Companies Act.

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Independent Auditor's Report

To: Mr. Hisao Tanaka
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

May 6, 2014

Ernst & Young ShinNihon LLC

Hiroshi Hamao
Certified Public Accountant
Designated and Engagement Partner

Tatsuhiro Ishikawa
Certified Public Accountant
Designated and Engagement Partner

Yasushi Yoshida
Certified Public Accountant
Designated and Engagement Partner

Masato Tanibuchi
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Toshiba Corporation (the "Company") applicable to the 175th fiscal year from April 1, 2013 through March 31, 2014.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Toshiba Corporation applicable to the 175th fiscal year ended March 31, 2014 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

1. We draw attention to Notes to the non-consolidated financial statements, 1.Notes to Significant Accounting Policies (4), the method of depreciation for tangible fixed assets has been changed in this fiscal period.
2. We draw attention to Notes to the non-consolidated financial statements, 1.Notes to Significant Accounting Policies (4), the Company reviewed the residual values and service lives of tangible assets in this fiscal period.

Our opinion is not qualified in respect of this matter.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

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AUDIT REPORT

We, the audit committee of Toshiba Corporation, have audited directors' and executive officers' execution of their duties during the 175th fiscal period, from April 1, 2013 to March 31, 2014 We report the method and the results as follows:

1. Method and contents of audit

We, the Audit Committee, have overseen and inspected current status of internal control system (Board resolution with respect to items prescribed in Article 416 Paragraph 1 item 1 b) and e) of Companies Act). Also, Pursuant to the audit policy, assigned duties and other rules that the audit committee decided, and in cooperation with the internal audit division and other divisions responsible for internal control, we have attended the important meetings; received reports on execution of duties of directors, executive officers and others from them and inquired about them, inspected important documents of management's decision making and others; and investigated the status of the business operations and assets at the head office and other main places of business.

We have received reports on "Internal control over financial reporting", such as current status of consulting and evaluation about internal control, from Corporate Executive and Ernst & Young ShinNihon LLC, and requested it explanation.

Also, we have examined "Basic Policy on Control of the Company and Takeover Defense Measure" described in Business Report (basic policy prescribed in Article 118 Item 3 a) of the Companies Act Enforcement Regulations and undertakings prescribed in Article 118 Item 3 b) of the Companies Act Enforcement Regulations) based on discussion in the Board and other meetings. We tried to enhance close communication with directors, auditors and other personnel of subsidiaries, and received reports of business from subsidiaries.

In addition, we have received notice from the accounting auditor that it maintains systems to ensure appropriateness of execution of duties (items described in each item of Article 131 of the Regulations for Corporate Accounting) in accordance with "Quality Control Standards for Audits"(October 28, 2005, Business Accounting Council), and requested it explanation.

Based on the method above, we have examined Business Report, the financial statements (the balance sheet, the statement of income, the statement of changes in net assets and notes) the related supplementary schedules for the 175th fiscal period.

2. Results of audit

(1) Audit results of Business Report and others

a. The Business Report presents fairly the status of the Company in accordance with the related regulations and the Articles of Incorporation.

b. With respect to the directors' and executive officers' execution of their duties, we are not aware of any unfair conduct or any material breach of the related regulations or the Articles of Incorporation.

c. The contents of the resolution of the board of directors with respect to internal control system, including internal control over financial reporting, are appropriate. We are not aware of any issues to be pointed out with respect to the directors' and executive officers' execution of their duties regarding this internal control system.

d. The contents of basic policy described in "Basic Policy on Control of the Company and Takeover Defense Measure" in Business Report are appropriate. "Undertakings to Contribute to Achieving the Company's Basic Policies" and "Measures to Prevent Persons Considered Inappropriate, in Light of the Company's Basic Policies, from Controlling the Company's Decisions on Financial and Business Policies (Takeover Defense Measure)"(undertakings prescribed in Article 118 item 3 b) of the Companies Act Enforcement Regulations) described in Business Report are based on the Company's basic policies and does not prejudice the corporate value or the common interests of shareholders of the Company, and it also believes that the introduction of the Plan is not for the purpose of maintaining the status held by the management of the Company.

(2) Audit results of the financial statements and the related supplementary schedules

The method and results of the audit by Ernst & Young ShinNihon LLC, audit firm, the accounting auditor, are appropriate.

May 7, 2014

Audit Committee
Toshiba Corporation

Fumio Muraoka

Masashi Muromachi

Takeo Kosugi

Ken Shimanouchi

Kiyomi Saito

Note: Messrs. Takeo Kosugi and Ken Shimanouchi and Ms. Kiyomi Saito are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of Companies Act.