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	3,158,673
Cash and cash equivalents	171,340
Notes and accounts receivable, trade	1,488,737
Notes	38,850
Accounts	1,467,590
Allowance for doubtful notes and accounts	(17,703)
Inventories	884,809
Deferred tax assets	171,022
Prepaid expenses and other current assets	442,765
Long-term receivables and investments	662,554
Long-term receivables	461
Investments in and advances to affiliates	384,344
Marketable securities and other investments	277,749
Property, plant and equipment	910,119
Land	94,769
Buildings	944,284
Machinery and equipment	2,068,028
Construction in progress	76,094
Less - Accumulated depreciation	(2,273,056)
Other assets	1,441,173
Deferred tax assets	311,725
Others	1,129,448
Total assets	6,172,519

Consolidated Balance Sheet (Continued)

As of March 31, 2014

Liabilities	(Millions of yen)
Current liabilities	2,733,510
Short-term borrowings	146,105
Current portion of long-term debts	57,418
Notes and accounts payable, trade	1,204,883
Accounts payable, other and accrued expenses	503,056
Accrued income and other taxes	74,092
Advance payments received	325,697
Other current liabilities	422,259
Long-term liabilities	1,993,015
Long-term debt	1,184,864
Accrued pension and severance costs	610,592
Other liabilities	197,559
Total liabilities	4,726,525
Equity	
Equity attributable to shareholders of the Company	1,027,189
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	401,830
Retained earnings	454,931
Accumulated other comprehensive loss	(267,786)
Treasury stock, at cost	(1,687)
3,111,467 shares	
Equity attributable to noncontrolling interests	418,805
Total equity	1,445,994
Commitments and contingent liabilities	
Total liabilities and equity	6,172,519

Consolidated Statement of Income

For the year ended March 31, 2014

	(Millions of yen)
Sales and other income	6,572,444
Net sales	6,489,702
Interest and dividends	13,756
Equity in earnings of affiliates	3,254
Other income	65,732
Costs and expenses	6,390,108
Cost of sales	4,865,787
Selling, general and administrative	1,366,789
Interest	33,696
Other expense	123,836
Income from continuing operations, before income taxes and noncontrolling interests	182,336
Income taxes:	92,045
Current	52,583
Deferred	39,462
Income from continuing operations, before noncontrolling interests	90,291
Loss from discontinued operations, before noncontrolling interests	(15,021)
Net income before noncontrolling interests	75,270
Less: Net income attributable to noncontrolling interests	15,030
Net income attributable to shareholders of the Company	60,240

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	401,594	428,569	(443,938)	(1,542)	824,584	381,239	1,205,823
Capital transactions with noncontrolling interest and other		236				236	1,826	2,062
Dividends to shareholders of the Company			(33,878)			(33,878)		(33,878)
Dividends to non-controlling interest							(3,896)	(3,896)
Comprehensive income (loss)								
Net income			60,240			60,240	15,030	75,270
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				108,700		108,700	19,578	128,278
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 (loss)						236,392	39,636	276,028
Purchase of treasury stock, net, at cost					(145)	(145)		(145)
Balance at March 31, 2014	439,901	401,830	454,931	(267,786)	(1,687)	1,027,189	418,805	1,445,994

*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	284,132
Cash flows from investing activities	(244,101)
(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

Adjustments to the Consolidated Financial Statements

On February 12, 2015, Toshiba Corporation (hereinafter “the Company”) received a report order from the Securities and Exchange Surveillance Commission pursuant to Article 26 of the Financial Instruments and Exchange Act and underwent a disclosure inspection with respect to some projects in which the percentage-of-completion method was used, among others. Following that, in the course of a self-investigation by the Company to deal with the issues identified relating to those projects in the disclosure inspection, it was noted that some matters require investigation in respect of accounting treatments for some infrastructure projects in which the percentage-of-completion method was used during FY2013. Based on this situation, it was decided that the Special Investigation Committee consisting of the Company’s internal committee members as well as external attorneys-at law and certified public accountants would be established as of April 3, 2015, and the Company would commence an investigation of the relevant facts. Then the Special Investigation Committee found that the total amount of the contract cost was underestimated and Contract Losses (including provisions for contract losses) were not recorded in a timely manner, and also, issues requiring further investigation were identified.

Consequently, the Company decided to shift to the framework of investigation by an Independent Investigation Committee comprising independent and impartial external experts who do not have any interests in the Company as of May 8, 2015. The scope of the investigation delegated to the Independent Investigation Committee covers four matters: (1) accounting in relation to projects in which the percentage-of-completion method was used; (2) accounting in relation to recording of operating expenses in the Visual Products business; (3) accounting in relation to the valuation of inventory in the Semiconductor business, mainly discrete and system LSIs; and (4) accounting in relation to parts transactions, etc. in the PC business. The Company received an investigation report from the Independent Investigation Committee as of July 20, 2015.

In parallel with the investigation, as for the Company and all its consolidated subsidiaries as of March 31, 2015, the Company carried out self-checks with respect to whether or not there was any issue that was not compliant with the accounting standards, internal regulations and other rules or any other inappropriate accounting treatment at the end of each quarter in the period between FY2009 and FY2014 and during the period between April 1, 2015 and May 31, 2015, whether or not the Company and its consolidated subsidiaries were aware of any such issue or accounting treatment, etc. including minor matters.

The Company prepared the Group’s consolidated financial statements for the five fiscal years from FY2009 again, reflecting the points concerning the investigation report of the Independent Investigation Committee stated above, the events identified in the self-checks and the correction of items that had not been corrected due to a materiality viewpoint.

In line with the adjustments, amounts in the consolidated financial statements were reclassified to disclose discontinued operations.

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 32,150 million yen and 20,225 million yen, and basic net earnings per share attributable to shareholders of the Company increased by 4.78 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 allowance for doubtful accounts is used.

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.

The information shows the situation as of the date of receipt of the independent auditor's report on the consolidated financial statements before adjustment.

3. Discontinued operations

On March 26, 2014, the Company entered into definitive agreements with Samsung Electronics Co., Ltd. ("Samsung Electronics"), a South Korean company, and OPTIS Co., Ltd. ("OPTIS"), a South Korean company, 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, the Company and Samsung Electronics will transfer to OPTIS, a manufacture contractor, Toshiba Samsung Storage Technology Korea Corporation ("TSST-K"), a wholly-owned operating subsidiary of Toshiba Samsung Storage Technology Corporation ("TSST"), which is held by both companies, 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	16.28 yen
Loss per share from discontinued operations	
Basic net loss per share attributable to shareholders of the Company	(2.05) yen
Net earnings per share	
Basic net earnings per share attributable to shareholders of the Company	14.23 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	1,894,214
Cash and cash equivalents	34,096
Notes receivables	9,330
Accounts receivables	766,202
Finished products	187,877
Raw materials	31,163
Work in process	175,694
Advance payments	30,155
Prepaid expenses	16,347
Deferred tax assets	126,837
Other current assets	646,581
Allowance for doubtful accounts	(130,071)
Fixed assets	2,128,874
Tangible fixed assets	383,344
Buildings	161,484
Structures	14,037
Machinery and equipment	85,552
Delivery equipment	238
Tools, fixtures and furniture	26,776
Land	54,222
Lease assets	4,934
Construction in progress	36,097
Intangible fixed assets	36,237
Software	27,630
Other intangible fixed assets	8,607
Investments and others	1,709,292
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	5,022
Deferred tax assets	142,276
Other assets	57,468
Allowance for doubtful accounts	(93)
Total assets	4,023,089

Balance Sheet (Continued)
As of March 31, 2014

Liabilities	(Millions of yen)
Current liabilities	1,912,375
Notes payable	625
Accounts payable	860,535
Short-term loans	102,924
Commercial paper	55,000
Lease obligations	1,481
Accrued liabilities	61,069
Accrued expenses	256,668
Corporate and other taxes payable	6,677
Advance payments received	102,672
Deposits received	309,087
Allowance for warranty and others	5,071
Allowance for losses on construction contracts	44,602
Allowance for losses on business of affiliates	17,156
Other current liabilities	88,803
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	3,224,032
Net Assets	
Shareholders' equity	780,091
Common stock	439,901
Capital surplus	380,838
Other capital surplus	380,838
Retained earnings	(38,960)
Legal retained earnings	10,587
Other retained earnings	(49,548)
Reserves for deferral of gains on sales of property	3,684
Retained earnings brought forward	(53,232)
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	799,057
Total liabilities and net assets	4,023,089

Statement of Income
For the year ended March 31, 2014

	(Millions of yen)
Net sales	3,288,955
Cost of sales	2,724,445
Gross margin	564,509
Selling, general and administrative expenses	480,534
Net operating income	83,975
Non-operating income	132,430
Interest income	3,054
Dividend income	93,621
Miscellaneous income	35,754
Non-operating expenses	65,497
Interest expenses	24,208
Miscellaneous expenses	41,289
Recurring income	150,907
Extraordinary gains	8,640
Gains from sales of securities	8,640
Extraordinary losses	85,073
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
Impairment loss	20,516
Provision of allowance for doubtful accounts	12,919
Provision of allowance for losses on business of subsidiaries and affiliates	7,680
Income before taxes	74,475
Corporate tax, inhabitant tax and business tax	(6,752)
Taxes deferred	27,161
Net income	54,066

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	(70,096)	(59,149)	(1,542)	760,048
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					54,066	54,066		54,066
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)	16,863	20,188	(144)	20,042
Balance at end of the term	439,901	380,838	10,587	3,684	(53,232)	(38,960)	(1,687)	780,091

	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	774,204
Changes in the term				
Dividends from surplus				(33,877)
Reversal of reserves for deferral of gains on sales of property				0
Net income				54,066
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	24,853
Balance at end of the term	18,510	455	18,966	799,057

*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)

Adjustments to the Financial Statements

On February 12, 2015, Toshiba Corporation (hereinafter, “the Company”) received a report order from the Securities and Exchange Surveillance Commission pursuant to Article 26 of the Financial Instruments and Exchange Act and underwent a disclosure inspection with respect to some projects in which the percentage-of-completion method was used, among others. Following that, in the course of a self-investigation by the Company to deal with the issues identified relating to those projects in the disclosure inspection, it was noted that some matters require investigation in respect of accounting treatments for some infrastructure projects in which the percentage-of-completion method was used during FY2013. Based on this situation, it was decided that the Special Investigation Committee consisting of the Company’s internal committee members as well as external attorneys-at law and certified public accountants would be established as of April 3, 2015, and the Company would commence an investigation of the relevant facts. Then the Special Investigation Committee found that the total amount of the contract cost was underestimated and Contract Losses (including provisions for contract losses) were not recorded in a timely manner, and also, issues requiring further investigation were identified.

Consequently, the Company decided to shift to the framework of investigation by an Independent Investigation Committee comprising independent and impartial external experts who do not have any interests in the Company as of May 8, 2015. The scope of the investigation delegated to the Independent Investigation Committee covers four matters: (1) accounting in relation to projects in which the percentage-of-completion method was used; (2) accounting in relation to recording of operating expenses in the Visual Products business; (3) accounting in relation to the valuation of inventory in the Semiconductor business, mainly discrete and system LSIs; and (4) accounting in relation to parts transactions, etc. in the PC business. The Company received an investigation report from the Independent Investigation Committee as of July 20, 2015.

In parallel with the investigation, as for the Company and all its consolidated subsidiaries as of March 31, 2015, the Company carried out self-checks with respect to whether or not there was any issue that was not compliant with the accounting standards, internal regulations and other rules or any other inappropriate accounting treatment at the end of each quarter in the period between FY2009 and FY2014 and during the period between April 1, 2015 and May 31, 2015, whether or not the Company and its consolidated subsidiaries were aware of any such issue or accounting treatment, etc. including minor matters.

The Company prepared the financial statements and supplementary schedules thereof for the five fiscal years from FY2009 again, reflecting the points concerning the investigation report of the Independent Investigation Committee stated above, the events identified in the self-checks and the correction of items that had not been corrected due to a materiality viewpoint.

Notes to Non-Consolidated Financial Statements (2)

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.

Notes to Non-Consolidated Financial Statements (3)

(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 27,524 million yen, net operating income, recurring income, and income before taxes increased respectively 27,524 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 7,486 million yen, net operating income, recurring income, and income before taxes decreased respectively 7,486 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.

(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(5)

(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 taxes

Transactions subject to consumption taxes are recorded at amounts without tax.

(9) Consolidated taxation system

The Company adopted the consolidated taxation system.

(10) Presentation of amount

Amounts under million are rounded down.

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: 1,297,381 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

(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.

(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	956,565 million yen

3. Notes to Statement of Income

(1)	Sales to subsidiaries and affiliates	2,291,091 million yen
(2)	Purchases from subsidiaries and affiliates	2,480,269 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 dividends	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 10,820 million yen, taxes deferred increased 10,820 million yen.

6. Notes to Transaction with Related Parties

Subsidiaries and affiliates

(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
				Transactions of components*6	360,088	Other current assets	128,455
Subsidiary	Toshiba Trading, Inc.	100%	Procurement	Transactions of components*6	393,496	Other current assets	93,145
Subsidiary	Toshiba Plant Systems & Services Corporation	61.5%	Procurement	Procurement*5	78,567	Accounts payable	52,869
			Deposit of cash	Deposit of cash*7	–	Deposits received	69,740
				Payment of interests*7	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*7	–	Deposits received	72,232
				Payment of interests*7	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. The Company outsources most of the manufacture of personal computers and other products to overseas subcontractors (ODM). Some parts necessary for the manufacture of personal computers, etc. are centrally purchased by the Company (including the Group) and supplied to ODM. In this case, the supply price is set higher than the purchase price for the Company (including the Group), as commonly practiced by makers of personal computers, etc.

*7. 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	188.70	yen
(2) Earnings per share	12.77	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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(Translation)

Independent Auditor's Report (Consolidated Financial Statements)

To: Mr. Masashi Muromachi
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

September 3, 2015

Ernst & Young ShinNihon LLC

Masaichi Nakamura
Certified Public Accountant
Designated and Engagement Partner

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 restated consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity and the notes) of Toshiba Corporation (the "Company") applicable to the fiscal period from April 1, 2013 to March 31, 2014.

Management's Responsibility for the statutory report

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"); this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing 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 audit procedures selected and applied depend on our 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 is not to express an opinion on the effectiveness of the entity's internal control. However, in making those risk assessment, we consider internal control 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, the method of their application, 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.

Audit 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 period ended March 31, 2014.

Emphasis of Matters

1. As stated in “Adjustments to the Consolidated Financial Statements”, the Company amended the consolidated financial statements. We have submitted the report of independent auditors for the consolidated financial statements before restated on May 6, 2014.
2. As stated in “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 these matters.

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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(Translation)

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 shareholders' 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:

As a result of the investigation made by the Independent Investigation Committee chaired by Attorney-at-law Koichi Ueda, which was delegated to the committee on May 15, 2015, and the self-checks, the Company amended the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity and the notes) applicable to the fiscal period from April 1, 2013 to March 31, 2014.

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" (Business Accounting Council, October 28, 2005) and requested it explanation.

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

2. Results of audit for the restated consolidated financial statements

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

September 3, 2015

Audit Committee
Toshiba Corporation

Hiroyuki Itami

Seiya Shimaoka

Ken Shimanouchi

Kiyomi Saito

Sakutaro Tanino

Note: Mr. Hiroyuki Itami, Mr. Ken Shimanouchi, Ms. Kiyomi Saito and Mr. Sakutaro Tanino are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

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(Translation)

Independent Auditor's Report

To: Mr. Masashi Muromachi
Representative Executive Officer
President and Chief Executive Officer
Toshiba Corporation

September 3, 2015

Ernst & Young ShinNihon LLC

Masaichi Nakamura
Certified Public Accountant
Designated and Engagement Partner

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 restated 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 these related supplementary schedules of Toshiba Corporation (the "Company") applicable to the 175th fiscal period from April 1, 2013 to March 31, 2014.

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

Management is responsible for the preparation and fair presentation of the financial statements and these related supplementary schedules in accordance with accounting principles generally accepted in Japan; this includes the development, implementation, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of the financial statements and these related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express an opinion on the financial statements and these related supplementary schedules based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing 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 these related supplementary schedules. The audit procedures selected and applied depend on our 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 is not to express an opinion on the effectiveness of the entity's internal control. However, in making those risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and these 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, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the

financial statements and these related supplementary schedules.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, the financial statements and these related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Toshiba Corporation as of the date and for the period for which the financial statements and these related supplementary schedules were prepared in accordance with business accounting standards generally accepted in Japan.

Emphasis of Matters

1. As stated in “Adjustments to the Financial Statements”, the Company amended the financial statements and these related supplementary schedules. We have submitted the report of independent auditors for the financial statements and these related supplementary schedules before restated on May 6, 2014.
2. As stated in “1.Notes to Significant Accounting Policies (4)”, the method of depreciation for tangible fixed assets has been changed in this fiscal period.
3. As stated in “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 these matters.

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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(Translation)

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:

As a result of the investigation made by the Independent Investigation Committee chaired by Attorney-at-law Koichi Ueda, which was delegated to the committee on May 15, 2015, and the self-checks, the Company amended the Business Report, the Financial Statements (the balance sheet, the statement of income, the statement of changes in net assets and the notes to the financial statements) and these related supplementary schedules applicable to the fiscal year from April 1, 2013 through March 31, 2014.

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 the restated 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” (Business Accounting Council, October 28, 2005) and requested it explanation.
Based on the method above, we have examined the restated Business Report, the Financial Statements (the balance sheet, the statement of income, the statement of changes in net assets and the notes to the financial statements) and these related supplementary schedules for the 175th fiscal period.

2. Results of audit

(1) Audit results of the restated Business Report and others

a. The restated Business Report and its related supplementary schedules present fairly the status of the Company in accordance with the related regulations and the Articles of Incorporation.

b. In some businesses, inappropriate accounting and financial reporting including intentional overstatement of the current-profit were conducted, and that certain former directors and former executive officers were involved. In this regard, we confirm that, with respect to the execution of duties of directors and executive officers, there is suspicion of such involvement.

c. The contents of the resolution of the board of directors with respect to internal control system were appropriate. However, in our opinion, internal control over financial reporting for the 175th fiscal period was not appropriate.

   The Company resolved, on July 21, 2015, to establish a Management Revitalization Committee composed of the Company’s outside directors and professionals on legal and accounting affairs. The members discussed a new management team and reform of corporate governance, and announced the results of discussion. We, the Audit Committee, will continue to monitor and examine the improvement thereof based on the measures announced.

d. The contents of basic policy described in “Basic Policy on Control of the Company and Takeover Defense Measure” in the restated 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 restated financial statements and these related supplementary schedules

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

September 3, 2015

Audit Committee
Toshiba Corporation

Hiroyuki Itami

Seiya Shimaoka

Ken Shimanouchi

Kiyomi Saito

Sakutaro Tanino

Note: Mr. Hiroyuki Itami, Mr. Ken Shimanouchi, Ms. Kiyomi Saito and Mr. Sakutaro Tanino are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.