Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Shareholders' Equity

Notes to Consolidated Financial Statements

For the year ended March 31, 2012

The 173rd term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2012

Assets	(Millions of yen)
Current assets	2,995,064
Cash and cash equivalents	214,305
Notes and accounts receivable, trade	1,296,862
Notes	43,800
Accounts	1,272,727
Allowance for doubtful notes and accounts	(19,665)
Inventories	854,297
Deferred tax assets	176,044
Prepaid expenses and other current assets	453,556
Long-term receivables and investments	700,189
Long-term receivables	49,164
Investments in and advances to affiliates	413,506
Marketable securities and other investments	237,519
Property, plant and equipment	781,670
Land	94,747
Buildings	906,619
Machinery and equipment	2,093,983
Construction in progress	67,236
Less - Accumulated depreciation	(2,380,915)
Other assets	1,192,465
Deferred tax assets	402,033
Others	794,108
Total assets	5,673,064

Consolidated Balance Sheet (Continued)

As of March 31, 2012

Liabilities	(Millions of yen)
Current liabilities	2,738,435
Short-term borrowings	119,515
Current portion of long-term debts	206,626
Notes and accounts payable, trade	1,290,902
Accounts payable, other and accrued expenses	397,449
Accrued income and other taxes	46,536
Advance payments received	271,869
Other current liabilities	405,538
Long-term liabilities	1,850,771
Long-term debt	909,620
Accrued pension and severance costs	779,414
Other liabilities	161,737
Total liabilities	4,589,206
Equity	
Equity attributable to shareholders of the Company	718,664
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	396,789
Retained earnings	449,023
Accumulated other comprehensive loss	(565,551)
Treasury stock, at cost 2,636,058 shares	(1,498)
Equity attributable to noncontrolling interests	365,194
Total equity	1,083,858
Commitments and contingent liabilities	
Total liabilities and equity	5,673,064

Consolidated Statement of Income

For the year ended March 31, 2012

	(Millions of yen)
Sales and other income	6,102,641
Net sales	5,996,414
Interest and dividends	10,195
Equity in earnings of affiliates	17,035
Other income	78,997
Costs and expenses	6,041,214
Cost of sales	4,628,451
Selling, general and administrative	1,253,061
Interest	31,815
Other expense	127,887
Income from continuing operations, before income taxes and noncontrolling interests	61,427
Income taxes:	48,440
Current	47,723
Deferred	717
Income from continuing operations, before noncontrolling interests	12,987
Loss from discontinued operations, before noncontrolling interests	(1,161)
Net income before noncontrolling interests	11,826
Less - Net income attributable to noncontrolling interests	8,632
Net income attributable to shareholders of the Company	3,194

Consolidated Statement of Shareholders' Equity

For the year ended March 31, 2012

(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, 2011	439,901	399,551	475,474	(519,605)	(1,461)	793,860	309,364	1,103,224
Capital transactions with noncontrolling interest and other		(2,759)				(2,759)	59,490	56,731
Dividends to shareholders of the Company			(29,645)			(29,645)		(29,645)
Dividends to non-controlling interest							(7,629)	(7,629)
Comprehensive income (loss)								
Net income			3,194			3,194	8,632	11,826
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				(5,362)		(5,362)	38	(5,324)
Foreign currency translation adjustments				(10,517)		(10,517)	(490)	(11,007)
Pension liability adjustment				(29,667)		(29,667)	(3,952)	(33,619)
Net unrealized gains and losses on derivative instruments				(400)		(400)	(259)	(659)
Comprehensive income (loss)						(42,752)	3,969	(38,783)
Purchase of treasury stock, net, at cost		(3)			(37)	(40)		(40)
Balance at March 31, 2012	439,901	396,789	449,023	(565,551)	(1,498)	718,664	365,194	1,083,858

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

(For reference) Consolidated Statement of Cash Flows

(For the years ended March 31, 2012)

	(Millions of yen)
Cash flows from operating activities	337,497
Cash flows from investing activities	(377,227)
(Free cash flow)	(39,730)
Cash flows from financing activities	(2,740)
Effect of exchange rate changes on cash and cash equivalents	(2,065)
Net decrease in cash and cash equivalents	(44,535)
Cash and cash equivalents at beginning of year	258,840
Cash and cash equivalents at end of year	214,305

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 associated with domestic operations is computed generally by the 250% declining-balance method with estimated residual value reduced to a nominal value. Depreciation for property, plant and equipment for foreign subsidiaries is generally computed using the straight-line 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. Current service costs of the plans are accrued in the period. 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 Income (Loss) per Share Attributable to Shareholders of the Company
Basic net income (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. Diluted EPS assumes the dilution that could occur if stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

10) New Accounting Standards
The Company adopted the "Accounting Standards Updates" ("ASU") No. 2009-13 effective April 1, 2011.
ASU No. 2009-13, an amendment of ASC 605 "Revenue Recognition", provides amendments to the criteria for separating consideration in multiple-deliverable arrangements. It is also approved that the selling price used for each deliverable will be based on the best estimated selling price if neither vendor-specific objective evidence nor third-party evidence is available. At the same time, ASU No. 2009-13 eliminates the residual method which had been conventionally approved to allocate arrangement consideration. Furthermore, a vendor is required to disclose information such as how much such amendment influences amounts in financial statements, in addition to information which has been required to be disclosed. The adoption of ASU No. 2009-13 has no material impact on the Company's consolidated financial statements.
The Company adopted the "Accounting Standard Updates" ("ASU") No. 2009-14 effective April 1, 2011. ASU No. 2009-14, an amendment of ASC 985 "Software" ("ASC 985"), clarifies the range of application of ASC 985 in relation to revenue recognition of certain products that contain software. The adoption of ASU No. 2009-14 has no material impact on the Company's consolidated financial statements.

2. Notes to Consolidated Balance Sheet

1) Assets pledged as a collateral and secured Liabilities

Pledged assets:	Accounts receivable	24,951	million yen
	Long-term receivables	27,738	million yen
	Total	52,689	million yen
Liabilities secured by collateral:	Short-term borrowings	22,646	million yen
	Long-term debt	19,206	million yen
	Total	41,852	million yen

2) Liabilities on guarantee and their kinds 314,504 million yen

3) Accumulated other comprehensive loss includes Net unrealized gains and losses on securities, Foreign currency translation adjustments, Pension liability adjustment and Net unrealized gains and losses on

derivative instruments.

4) Important disputes

In January 2007, the European Commission adopted a decision imposing fines on 19 companies, including the Company, for violating EU competition laws in the gas insulated switchgear market. The Company was individually fined 86.25 million euro and was also fined 4.65 million euro jointly and severally with Mitsubishi Electric Corporation. 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 General Court of the European Union seeking annulment of the European Commission's decision in April 2007. In July 2011, the General Court of the European Union handed down a judgment and annulled the entire fine imposed on the Company, but upheld the European Commission's determination about alleged anti-competitive behavior. The Company appealed to the European Court of Justice in September 2011, since there was certain inconsistency between the contents of the judgment and the facts as recognized by the Company. The Company will assert its position in the appeal.

In August 2007, General Electric Capital Leasing Corporation (currently General Electric Japan Inc.(“GE Japan Inc.”)) filed a lawsuit against six companies including the Company and its two subsidiaries for compensation of damages caused by false transactions. Although such transactions were conducted by a former employee of the Group without any relation to the business operation of the Group, GE Japan Inc. alleged the damages in accordance with the employer liability clause of Civil Code. In October 2010, GE Japan Inc. settled the case with Transcosmos Inc. and Parametric Technology Corporation Japan, both of which were defendants, and assigned the claims to them. In July 2011, Tokyo District Court ordered the Company to pay approximately 4,550 million yen but the Company immediately appealed against this court ruling because the Company believes it is not responsible for the illegal transactions conducted by the former employee.

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. The Company properly executed its duties pursuant to conditions of the contract. Therefore, the Company thinks that MOD's cancellation of the contract is unreasonable and will assert its position in the Court.

<u>The information shows the situation as of the date of receipt of the independent auditor’s report on the consolidated financial statements before adjustment.</u>

3. Discontinued Operation

On June 17, 2010, the Company and Fujitsu Limited (“Fujitsu”) signed a Memorandum of Understanding (MOU) to merge their mobile phone businesses, followed by a definitive contract on July 29, 2010. The purpose of this business merger was to enhance their handset development capabilities and at the same time to improve business efficiency by combining their mobile phone development know-how and technological strengths, in the domestic and overseas mobile phone market in which competition is intensifying. On October 1, 2010, the Company transferred its mobile phone business to a newly established company (Fujitsu Toshiba Mobile Communications Limited) , and sold 80.1% of the shares of the new company to Fujitsu. In accordance with this contract, the Company ceased manufacturing and selling of the existing models of mobile phones during the second quater of FY2011. However, the Company continues the maintenace service of products manufactured and supplied.

In accordance with ASC No.205-20 “Presentation of Financial Statements-Discontinued Operations” (“ASC No.205-20”) , operating results relating to the mobile phone business in consolidated statements of income are separately presented as discontinued operations.

Operating results relating to the mobile phone business, which are reclassified as discontinued operations, are as follows:

Sales and other income	21,636	million yen
Costs and expenses	23,955	million yen
Loss from discontinued operations before income taxes and noncontrolling interests	(2,319)	million yen
Income taxes	(944)	million yen
Loss from discontinued operations, before noncontrolling interests	(1,375)	million yen
Less: Net income (loss) from discontinued operations, attributable to noncontrolling interests	-	million yen
Net loss from discontinued operations, attributable to shareholders of the Company	(1,375)	million yen

On March 26, 2014, the Company shall enter 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	106,415	million yen
Costs and expenses	106,281	million yen
Income from discontinued operations, before income taxes and noncontrolling interests	134	million yen
Income taxes	0	million yen
Income from discontinued operations, before noncontrolling interests	134	million yen
Less - Net income (loss) from discontinued operations attributable to noncontrolling interests	457	million yen
Net loss from discontinued operations attributable to shareholders of the Company	(323)	million yen

Mobile Broadcasting Corporation（"MBCO"）, a consolidated subsidiary of the Company, ended all its broadcasting services by the end of March 2009, and is in the course of going through the procedures for dissolution. In accordance with ASC No.205-20, operating results relating to MBCO in consolidated statements of income are separately presented as discontinued operations. These amounts were not significant.

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, 2012, 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	174,816	174,816	-
Liabilities concerning financial instruments			
Corporate bonds and long-term loans payable	1,082,046	1,088,464	6,418
Financial derivatives	3,427	3,427	-

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 earnings per share attributable to shareholders of the Company	1.13 yen
Diluted earnings per share attributable to shareholders of the Company	1.11 yen
Loss per share from discontinued operations	
Basic loss per share attributable to shareholders of the Company	(0.37) yen
Diluted loss per share attributable to shareholders of the Company	(0.37) yen
Net earnings per share	
Basic net earnings per share attributable to shareholders of the Company	0.75 yen
Diluted net earnings per share attributable to shareholders of the Company	0.74 yen

6. Acquisition of Landis+Gyr

On May 19, 2011 (Japan Standard Time), the Company entered into a definitive agreement to acquire the entire equity of Landis+Gyr AG (hereinafter referred to as "Landis+Gyr"), and consequently the Company acquired Landis+Gyr for approximately US$2.3 billion on July 29, 2011 (UK Time). The Company entered into a shareholders' agreement and a share purchase agreement with Innovation Network Corporation of Japan ("INCJ") which prescribe INCJ's participation to invest in Landis+Gyr. The Company transferred all shares in Landis+Gyr and part of receivable (US$1.7 billion in total) to a Special Purpose Entity ("SPE") established in Switzerland for the purpose of managing Landis+Gyr and 40% of share in the SPE (US$680 million in total) was sold to INCJ on August 22, 2011 (Japan Standard Time).

The allocation of the fair value of the acquisition under ASC No. 805 will be finalized when the valuation is completed. The results are reflected in the consolidated financial statements.

7. Subsequent events

Concerning the agreement on acquisition of IBM's retail store solutions business, Toshiba TEC Corporation (hereinafter referred to as "TEC"), a consolidated subsidiary of the Company, entered into an agreement with International Business Machines Corporation ("IBM") on acquisition of IBM's retail store solutions on April 17, 2012, in accordance with the resolution at the meeting of the Board of Directors held on the same date.
A new holding company will be established in Japan, which will hold the equity of a number of companies organized in countries around the world. In order to promote a smooth transfer, Tec will acquire an 80.1% stake in the holding company and IBM will hold a 19.9% stake in the holding company for a certain period after the transfer. Following such period, the holding company will eventually become a wholly owned subsidiary of Tec.
The information shows the situation as of the date of receipt of the independent auditor's report on the consolidated financial statements before adjustment.

(1) Name of Assignor Company
Profile of IBM
Name of company: International Business Machines Corporation
Address: New Orchard Road, Armonk, New York 10504, USA

Representative:	Virginia M. Rometty President and Chief Executive Officer
Capital fund:	48,129 million U.S. dollars (approx. 3,850.3 billion yen) (Note1.)
Details of business:	Hardware (system & technology), software, service, consulting, etc. through IT and integration solutions

(Note 1.) 80 yen per 1 U.S. dollar; the same shall apply hereinafter.

(2) Details of business to acquire
Development, sales, and maintenance serve, etc. related to retail store solutions business

(3) Reasons for acquisition of the business
With acquisition of IBM's retail store solution business, Tec aims to be the foremost retail point of sale systems company in the retail solution market, offering high level of products and solutions worldwide.

(4) Date of acquisition
the end of June, 2012 to July, 2012 (scheduled)

(5) Legal form of business combination
Business acquisition

(6) Name of assignee company
It has not been decided as new companies will be established in various countries.

(7) Purchase price
Approximately 850 million U.S. dollars (approx. 68 billion yen) (Note 2.)
(Note 2.) Tec will pay compensations for acquisition of the business to IBM three times; i.e., on the date when the acquisition is completed, one year after the date when acquisition is completed, and at time of purchasing shares held by IBM three years later.
(Payment schedule: initial payment (the closing date) equivalent to 51.0% ; deferred payment (the first anniversary of the closing date) equivalent to 29.1%; payment for share equity purchase (the third anniversary of the closing) equivalent to 19.9%)

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, 2012

The 173rd term

Toshiba Corporation

Balance Sheet
As of March 31, 2012

Assets	(Millions of yen)
Current assets	1,849,590
Cash and cash equivalents	60,561
Notes receivables	6,687
Accounts receivables	751,514
Finished products	198,464
Raw materials	39,230
Work in process	160,906
Advance payments	17,837
Prepaid expenses	10,223
Deferred tax assets	114,992
Other current assets	595,452
Allowance for doubtful accounts	(106,279)
Fixed assets	2,025,289
Tangible fixed assets	376,372
Buildings	165,090
Structures	15,313
Machinery and equipment	82,354
Delivery equipment	247
Tools, fixtures and furniture	28,222
Land	54,973
Lease assets	3,369
Construction in progress	26,801
Intangible fixed assets	31,906
Software	21,359
Other intangible fixed assets	10,546
Investments and others	1,617,010
Investment securities	134,906
Security investments in affiliates	1,006,550
Other investments	3,848
Other investments in affiliates	115,417
Long-term loans	156,217
Long-term prepaid expenses	3,719
Deferred tax assets	159,691
Other assets	36,805
Allowance for doubtful accounts	(148)
Total assets	3,874,880

Balance Sheet (Continued)
As of March 31, 2012

Liabilities	(Millions of yen)
Current liabilities	1,975,845
Notes payable	1,764
Accounts payable	901,600
Short-term loans	364,237
Current portion of debentures	50,000
Lease obligations	719
Accrued liabilities	94,379
Accrued expenses	149,840
Corporate and other taxes payable	176
Advance payments received	104,471
Deposits received	219,648
Allowance for warranty and others	9,134
Allowance for losses on construction contracts	9,612
Allowance for losses on business of affiliates	741
Other current liabilities	69,519
Long-term liabilities	1,058,662
Debentures	440,000
Long-term loans	412,104
Lease obligations	2,806
Allowance for retirement benefits	194,369
Allowance for recycle of personal computers	3,304
Asset retirement obligations	675
Other long-term liabilities	5,403
Total liabilities	3,034,508
Net Assets	
Shareholders' equity	827,421
Common stock	439,901
Capital surplus	380,845
Other capital surplus	380,845
Retained earnings	8,173
Legal retained earnings	3,811
Other retained earnings	4,361
Reserves for deferral of gains on sales of property	5,985
Retained earnings brought forward	(1,623)
Treasury stock	(1,498)
Difference of appreciation and conversion	12,950
Net unrealized gains (losses) on investment securities	13,560
Deferred profit (loss) on hedges	(609)
Total net assets	840,372
Total liabilities and net assets	3,874,880

Statement of Income
For the year ended March 31, 2012

	(Millions of yen)
Net sales	3,204,794
Cost of sales	2,788,089
Gross margin	416,704
Selling, general and administrative expenses	466,497
Net operating loss	49,792
Non-operating income	74,909
Interest income	3,906
Dividend income	49,858
Miscellaneous income	21,144
Non-operating expenses	92,495
Interest expenses	24,160
Miscellaneous expenses	68,334
Recurring loss	67,378
Extraordinary gains	58,364
Gains from sales of securities	21,608
Gains from sales of fixed assets	18,248
Gains from contribution of securities to retirement benefit	11,583
Reversal of allowance for doubtful accounts	6,924
Extraordinary losses	48,201
Impairment loss	48,201
Loss before taxes	57,215
Corporate tax, inhabitant tax and business tax	(13,216)
Taxes deferred	(30,424)
Net loss	13,574

Statement of Changes in Net Assets
For the year ended March 31, 2012

	(Millions of yen)
Shareholders' equity	
Common stock	
Balance at beginning of the term	439,901
Changes in the term	
Total changes in the term	0
Balance at end of the term	439,901
Capital surplus	
Other capital surplus	
Balance at beginning of the term	380,850
Changes in the term	
Disposal of treasury stock	(5)
Total changes in the term	(5)
Balance at end of the term	380,845
Retained earnings	
Legal retained earnings	
Balance at beginning of the term	847
Changes in the term	
Dividends from surplus	2,964
Total changes in the term	2,964
Balances at end of the term	3,811
Other retained earnings	
Reserves for deferral of gains on sales of property	
Balances at beginning of the term	2,222
Changes in the term	
Provision of reserves for reduction entry	3,868
Reversal of reserves for deferral of gains on sales of property	(105)
Total changes in the term	3,762
Balances at end of the term	5,985
Retained earnings brought forward	
Balance at beginning of the term	48,323
Changes in the term	
Provision of reserve for reduction entry	(3,868)
Reversal of reserves for deferral of gains on sales of property	105
Dividends from surplus	(32,609)
Net loss	13,574
Total changes in the term	(49,947)
Balance at end of the term	(1,623)

Statement of Changes in Net Assets (Continued)

For the year ended March 31, 2012

	(Millions of yen)
Treasury stock	
Balance at beginning of the term	(1,461)
Changes in the term	
Purchase of treasury stock	(52)
Disposal of treasury stock	15
Total changes in the term	(37)
Balance at end of the term	(1,498)
Total shareholders' equity	
Balance at beginning of the term	870,684
Changes in the term	
Dividends from surplus	(29,645)
Net loss	13,574
Purchase of treasury stock	(52)
Disposal of treasury stock	9
Total changes in the term	(43,262)
Balance at end of the term	827,421
Difference of appreciation and conversion	
Net unrealized gains (losses) on investment securities	
Balances at beginning of the term	19,401
Changes in the term	
Net changes of items other than shareholders' equity	(5,841)
Total changes in the term	(5,841)
Balance at end of the term	13,560
Deferred profit (loss) on hedges	
Balance at beginning of the term	(318)
Changes in the term	
Net changes of items other than shareholders' equity	(291)
Total changes in the term	(291)
Balance at end of the term	(609)
Total net assets	
Balance at beginning of the term	889,767
Changes in the term	
Dividends from surplus	(29,645)
Net loss	13,574
Purchase of treasury stock	(52)
Disposal of treasury stock	9
Net changes of items other than shareholders' equity	(6,132)
Total changes in the term	(49,395)
Balance at end of the term	840,372

*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.

(4) Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)	The declining balance method. However, for buildings acquired on or after April 1, 1998 (excluding appurtenant equipment), the straight-line method is applied. 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.
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 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 (3)

(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. Prior service cost is amortized by straight line method over 10 years. Actuarial differences are amortized on a straight-line basis 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).

(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.

(11) Additional Information

For accounting changes and error corrections to be made from the beginning of the fiscal year ended March 31, 2012 onward, the Company adopted the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24 issued on December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24 issued on December 4, 2009).

2. Notes to changes of estimation for Accounting

The estimated recycle costs are recognized based on sales performance to cover costs of recycle of personal computers. In the fiscal year under review, the amount of allowance for recycle of personal computers was changed, in response to renewal of a collection rate in the domestic market reported by a third-party organization which is used to calculate the estimated recycle costs.

With this change, operating loss and ordinary loss decreased respectively by 806 million yen and 2,101 million yen, and net loss before tax decreased by 2,101 million yen, in comparison to the calculation with the previous method.

3. 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 881 million yen for affiliates.

(2) Accumulated depreciation for tangible fixed assets: 1,415,765 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	383,667
WesDyne International LLC	36,500
Flash Alliance Ltd.	22,321
Others	94,400
Total	536,891

(4) Important disputes

In January 2007, the European Commission adopted a decision imposing fines on 19 companies, including the Company, for violating EU competition laws in the gas insulated switchgear market. The Company was individually fined 86.25 million euro and was also fined 4.65 million euro jointly and severally with Mitsubishi Electric Corporation. 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 General Court of the European Union seeking annulment of the European Commission's decision in April 2007. In July 2011, the General Court of the European Union handed down a judgment and annulled the entire fine imposed on the Company, but upheld the European Commission's determination about alleged anti-competitive behavior. The Company appealed to the European Court of Justice in September 2011, since there was certain inconsistency between the contents of the judgment and the facts as recognized by the Company. The Company will assert its position in the appeal.

In August 2007, General Electric Capital Leasing Corporation (currently General Electric Japan Inc.(“GE Japan Inc.”)) filed a lawsuit against six companies including the Company and its two subsidiaries for compensation of damages caused by false transactions. Although such transactions were conducted by a former employee of the Group without any relation to the business operation of the Group, GE Japan Inc. alleged the damages in accordance with the employer liability clause of Civil Code. In October 2010, GE Japan Inc. settled the case with Transcosmos Inc. and Parametric Technology Corporation Japan, both of which were defendants, and assigned the claims to them. In July 2011, Tokyo District Court ordered the Company to pay approximately 4,550 million yen but the Company immediately appealed against this court ruling because the Company believes it is not responsible for the illegal transactions conducted by the former employee.

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. The Company properly executed its duties pursuant to conditions of the contract. Therefore, the Company thinks that MOD's cancellation of the contract is unreasonable and will assert its position in the Court.

(5) Monetary receivable and liabilities to subsidiaries and affiliates

Current monetary receivables	899,836 million yen
Non-current monetary receivables	158,926 million yen
Current monetary liabilities	1,012,848 million yen

4. Notes to Statement of Income

(1)	Sales to subsidiaries and affiliates	2,214,858 million yen
(2)	Purchases from subsidiaries and affiliates	2,459,266 million yen
(3)	Non-operating transactions amounts with subsidiaries and affiliates	108,185 million yen

5. Notes to Statement of Changes in Net Assets

(1) The class and number of issued shares as of March 31, 2012

Common stock 4,237,602,026 shares

(2) The class and number of treasury stock as of March 31, 2012

Common stock 2,636,058 shares

(3) Resolution of dividends

Resolution	Total amount of dividends	Dividend per share	Record date	Effective date
Board of Directors Meeting held on May 9, 2011	12,705 million yen	3.00 yen	Mar. 31, 2011	Jun. 1, 2011
Board of Directors Meeting held on Oct. 31, 2011	16,940 million yen	4.00 yen	Sep. 30, 2011	Dec. 1, 2011
Board of Directors Meeting held on May 8, 2012 (scheduled)	16,939 million yen	4.00 yen	Mar. 31, 2012	Jun. 1, 2012

6. 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)
Following the promulgation on December 2, 2011 of the "Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No.114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No.117 of 2011), corporate income tax rates will be reduced and special corporate tax for funding the recovery from the disaster will be imposed for the fiscal year beginning on or after April 1, 2012. Accordingly, a statutory effective tax rate used to calculate deferred tax assets and liabilities was changed from existing 40.7% to 38.0% for temporary difference expected to be eliminated during the period from the fiscal year beginning on April 1, 2012 to the fiscal year beginning on April 1, 2014, and 35.6% for temporary difference expected to be eliminated in and after the fiscal year beginning on April 1, 2015.
With this change of tax rates, the amount of deferred tax assets (the amount minus deferred tax liabilities) decreased by 26,360 million yen and the amount of income taxes-deferred increased by 27,160 million yen.

7. 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 Information Systems, Inc.	100%	Sales of products	Sales of products*3	311,964	Accounts receivables	39,823
Subsidiary*8	Toshiba Mobile Display Co., Ltd.	100%	Lending of cash	Lending of cash*4	–	Other current assets	104,166
				Receipt of interests*4	747	Other current assets	0
Subsidiary	Mobile Broadcasting Corporation	90.3%	Lending of cash	Lending of cash*4	–	Other current assets	63,200
				Receipt of interests*4	285	Other current assets	0
Subsidiary	Taiwan Toshiba International Procurement Corporation	100%	Procurement	Procurement*5	1,334,932	Accounts payable	306,962
				Transactions of components*6	327,104	Other current assets	106,764
Subsidiary	Toshiba Trading, Inc.	100%	Procurement	Transactions of components*6	289,356	Other current assets	46,184

Subsidiary	Toshiba Plant Systems & Services Corporation	61.6%	Procurement	Procurement*5	87,262	Accounts payable	51,441
Subsidiary	Toshiba Information Equipment (Philippines) Inc.	100%	Procurement	Procurement*5	39,925	Accounts payable	41,009
Subsidiary	Toshiba International Finance (UK) Plc.	100%	Borrowing of cash	Borrowing of cash*4	–	Short-term loans	146,998
				Payment of interests*4	277	Accrued expenses	0
Subsidiary	Toshiba TEC Co., Ltd.	53.0%	Deposit of cash	Deposit of cash*7	–	Deposits received	58,593
				Payment of interests*7	133	Accrued expenses	0
Subsidiary	Westinghouse Electric Company LLC	100%*2	Guarantees	Guarantees	383,667	–	–
Subsidiary	RED & BLUE HOLDING AG	60.0%	Lending of cash	Lending of cash*4	–	Long-term loans	49,323
				Receipt of interests*4	966	Other current assets	273
Affiliate	Flash Alliance Ltd.	50.1%	Lending of cash	Lending of cash*4	–	Long-term loans	75,100
				Receipt of interests*4	541	Other current assets	0

*1. Voting rights includes voting rights held through subsidiaries of the Company.
*2. Toshiba Nuclear Energy Holdings (US) Inc., 67% of whose voting rights are held by subsidiaries of the Company, holds all of the voting rights of Westinghouse Electric Company LLC and WesDyne International LLC.
*3. Conditions of sales of 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 domestic group companies. Interest of lending and/or borrowing is determined under the same condition of arms-length transaction, considering market interest rate.
*8. As Toshiba Mobile Display Co.,Ltd. ("TMD") became inapplicable to a related party due to sale of all shares on March 30, 2012, transaction amounts during the period when TMD was a related party and the balance at the time when it became inapplicable to a related party are stated.

8. Notes to information per share

(1) Net assets per share	198.44	yen
(2) Net loss per share	3.21	yen

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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

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, 2011 to March 31, 2012.

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, 2012.

Emphasis of Matters

As stated in the “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, 2012.

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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(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 173rd fiscal period, from April 1, 2011 to March 31, 2012.

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, 2011 to March 31, 2012.

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 173rd 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

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 173rd fiscal period from April 1, 2011 to March 31, 2012.

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 these 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 these 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

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, 2012.
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.

Copy

(Translation)

AUDIT REPORT

We, the audit committee of Toshiba Corporation, have audited directors' and executive officers' execution of their duties during the 173rd fiscal period, from April 1, 2011 to March 31, 2012. 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, 2011 through March 31, 2012.

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 173rd 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 173rd 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.