Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Shareholders' Equity

Notes to Consolidated Financial Statements

For the year ended March 31, 2011

The 172nd term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2011

Assets	(Millions of yen)
Current assets	2,801,137
Cash and cash equivalents	258,840
Notes and accounts receivable, trade	1,112,336
Notes	47,311
Accounts	1,082,104
Allowance for doubtful notes and accounts	(17,079)
Inventories	851,265
Deferred tax assets	190,222
Prepaid expenses and other current assets	388,474
Long-term receivables and investments	660,380
Long-term receivables	2,540
Investments in and advances to affiliates	416,431
Marketable securities and other investments	241,409
Property, plant and equipment	874,974
Land	97,528
Buildings	979,795
Machinery and equipment	2,314,219
Construction in progress	112,080
Less - Accumulated depreciation	(2,628,648)
Other assets	1,014,852
Deferred tax assets	365,015
Others	649,837
Total assets	5,351,343

Consolidated Balance Sheet (Continued)

As of March 31, 2011

Liabilities	(Millions of yen)
Current liabilities	2,547,097
Short-term borrowings	154,848
Current portion of long-term debts	159,414
Notes and accounts payable, trade	1,188,202
Accounts payable, other and accrued expenses	386,189
Accrued income and other taxes	36,238
Advance payments received	271,068
Other current liabilities	351,138
Long-term liabilities	1,701,022
Long-term debt	769,544
Accrued pension and severance costs	734,309
Other liabilities	197,169
Total liabilities	4,248,119
Equity	
Equity attributable to shareholders of the Company	793,860
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	399,551
Retained earnings	475,474
Accumulated other comprehensive loss	(519,605)
Treasury stock, at cost	(1,461)
2,519,870 shares	
Equity attributable to noncontrolling interests	309,364
Total equity	1,103,224
Commitments and contingent liabilities	
Total liabilities and equity	5,351,343

Consolidated Statement of Income

For the year ended March 31, 2011

	(Millions of yen)
Sales and other income	6,358,562
Net sales	6,263,990
Interest and dividends	8,168
Equity in earnings of affiliates	18,478
Other income	67,926
Costs and expenses	6,156,777
Cost of sales	4,771,797
Selling, general and administrative	1,247,661
Interest	32,328
Other expense	104,991
Income from continuing operations, before income taxes and noncontrolling interests	201,785
Income taxes:	27,944
Current	55,558
Deferred	(27,614)
Income from continuing operations, before noncontrolling interests	173,841
Loss from discontinued operations, before noncontrolling interests	(7,356)
Net income before noncontrolling interests	166,485
Less - Net income attributable to noncontrolling interests	8,159
Net income attributable to shareholders of the Company	158,326

Consolidated Statement of Shareholders' Equity

For the year ended March 31, 2011

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Non-controlling interests	Total equity
Balance at March 31, 2010	439,901	447,732	278,846	(459,244)	(1,305)	705,930	328,935	1,034,865
Transfer to retained earnings		(46,772)	46,772					
Capital transactions with noncontrolling interest and other		(1,406)				(1,406)	(8,841)	(10,247)
Dividends to shareholders of the Company			(8,470)			(8,470)		(8,470)
Dividends to non-controlling interest							(8,278)	(8,278)
Comprehensive income (loss)								
Net income			158,326			158,326	8,159	166,485
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				(10,771)		(10,771)	1,714	(9,057)
Foreign currency translation adjustments				(42,187)		(42,187)	(13,667)	(55,854)
Pension liability adjustment				(10,002)		(10,002)	654	(9,348)
Net unrealized gains and losses on derivative instruments				2,599		2,599	688	3,287
Comprehensive income (loss)						97,965	(2,452)	95,513
Purchase of treasury stock, net, at cost		(3)			(156)	(159)		(159)
Balance at March 31, 2011	439,901	399,551	475,474	(519,605)	(1,461)	793,860	309,364	1,103,224

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 3, Paragraph 1 of the Supplementary Provision to the Corporate Calculation Rules (Ordinance of the Ministry of Justice No. 46 of 2009). 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 Standard

The Company adopted the "Accounting Standards Updates" ("ASU") No.2009-16 effective April 1, 2010. ASU No.2009-16 eliminates the concept of a qualifying special-purpose entity and changes the derecognition requirements of financial assets. It also provides financial statement users with more information and enhances disclosures with greater transparency about a transferor's continuing involvement in transferred financial assets and the risks thereof. The adoption of ASU No.2009-16 has no material impact on the Company's consolidated financial statements.

The Company adopted ASU No.2009-17 effective April 1, 2010. ASU No.2009-17 removes exceptions regarding the deconsolidation of a qualifying special-purpose entity as a result of the elimination of the qualifying special-purpose entity concept by ASU No.2009-16. It requires that an entity determine the need for consolidating a variable interest entity based on qualitative analysis. It revises its evaluation on a continuous basis. And it requires increased transparency of an enterprise's involvement with a variable interest entity. The adoption of ASU 2009-17 has no material impact on the Company's consolidated financial statements.

2. Notes to Consolidated Balance Sheet

1) Liabilities on guarantee and their kinds 76,230 million yen

2) 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.

3) Important disputes

In January 2007, the European Commission adopted a decision that imposed fines on 19 companies, including the Company, for infringing EU Competition Law in the gas insulated switchgear market. The decision imposed a fine of €86.25 million on the Company, plus a fine of €4.65 million jointly and severally with Mitsubishi Electric Corporation. Following its own investigation, the Company contends that it has not found any infringement of EU Competition Law, and it has brought an action to the

European Court of First Instance seeking annulment of the European Commission's decision.
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 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. Under this contract, 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 will continue manufacturing and selling of the existing models of mobile phones until the first half of FY2011.
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	84,167	million yen
Costs and expenses	98,004	million yen
Loss from discontinued operations before income taxes and minority interest	(13,837)	million yen
Income taxes	(5,631)	million yen
Loss (after tax effect) from discontinued operations, before noncontrolling interests	(8,206)	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	(8,206)	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	128,386	million yen
Costs and expenses	127,559	million yen
Income from discontinued operations, before income taxes and noncontrolling interests	827	million yen
Income taxes	0	million yen
Income from discontinued operations, before noncontrolling interests	827	million yen
Less - Net income (loss) from discontinued operations attributable to noncontrolling interests	558	million yen
Net income from discontinued operations attributable to shareholders of the Company	269	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. As a part of usual risk management, the Group utilizes various financial derivatives, mainly such as exchange contracts, interest-rate swap contracts, currency swap contracts and currency options, to mitigate risks. The Group has a policy and rules regarding risk management, approval, report and monitoring of financial derivatives. The Group's policy prohibits holding or issue of financial derivatives for trading.

2) Matters concerning market value of financial instruments

The consolidated balance sheet amounts as of March 31, 2011, 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	201,811	201,811	-
Financial derivatives	1,402	1,402	-
Liabilities concerning financial instruments			
Corporate bonds and long-term loans payable	879,397	882,341	2,944

The above table excludes financial instruments and lease-related financial instruments whose fair values are almost equal to the balance sheet amounts.

When estimating fair values of these financial instruments, the Group uses various methods and makes assumptions based on the market conditions and risk estimation as of the fiscal year-end. The Group estimated that for a certain financial instruments including cash and cash equivalents, notes and accounts receivable, short-term loans payable, notes and accounts payable, other payables and accrued expenses, the balance sheet amounts are almost equal to the fair values because a term to maturity in most of them is short. 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 values 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 income (loss) per share

Net income per share from continuing operations

Basic net income per share attributable to shareholders of the Company	39.24 yen
Diluted net income per share attributable to shareholders of the Company	37.68 yen

Net loss per share from discontinued operations

Basic net loss per share attributable to shareholders of the Company	(1.86) yen
Diluted net loss per share attributable to shareholders of the Company	(1.86) yen

Net income per share

Basic net income per share attributable to shareholders of the Company	37.38 yen
Diluted net income per share attributable to shareholders of the Company	35.90 yen

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, 2011

The 172nd term

Toshiba Corporation

Balance Sheet
As of March 31, 2011

Assets	(Millions of yen)
Current assets	1,752,937
Cash and cash equivalents	85,507
Notes receivables	9,903
Accounts receivables	653,626
Finished products	208,981
Raw materials	58,087
Work in process	152,271
Advance payments	17,840
Prepaid expenses	12,809
Deferred tax assets	112,007
Other current assets	650,779
Allowance for doubtful accounts	(208,877)
Fixed assets	1,930,350
Tangible fixed assets	442,550
Buildings	175,170
Structures	15,311
Machinery and equipment	101,534
Delivery equipment	366
Tools, fixtures and furniture	32,243
Land	52,023
Lease assets	3,758
Construction in progress	62,141
Intangible fixed assets	32,308
Software	25,876
Lease assets	-
Other intangible fixed assets	6,431
Investments and others	1,455,492
Investment securities	138,151
Security investments in affiliates	919,244
Other investments	4,236
Other investments in affiliates	108,444
Long-term loans	110,628
Long-term prepaid expenses	3,744
Deferred tax assets	128,043
Other assets	43,107
Allowance for doubtful accounts	(109)
Total assets	3,683,288

Balance Sheet (Continued)
As of March 31, 2011

Liabilities	(Millions of yen)
Current liabilities	1,848,553
Notes payable	1,905
Accounts payable	801,143
Short-term loans	193,208
Commercial paper	127,000
Current portion of debentures	95,010
Lease obligations	816
Accrued liabilities	89,712
Accrued expenses	147,219
Corporate and other taxes payable	1,787
Advance payments received	89,092
Deposits received	233,884
Allowance for warranty and others	7,879
Allowance for losses on construction contracts	3,197
Allowance for losses on business of affiliates	2,023
Other current liabilities	54,672
Long-term liabilities	944,967
Debentures	490,000
Long-term loans	238,500
Lease obligations	3,271
Allowance for retirement benefits	204,031
Allowance for recycle of personal computers	4,599
Asset retirement obligations	661
Other long-term liabilities	3,904
Total liabilities	2,793,521
Net Assets	
Shareholders' equity	870,684
Common stock	439,901
Capital surplus	380,850
Other capital surplus	380,850
Retained earnings	51,393
Legal retained earnings	847
Other retained earnings	50,546
Reserves for deferral of gains on sales of prope	2,222
Retained earnings brought forward	48,323
Treasury stock	(1,461)
Difference of appreciation and conversion	19,083
Net unrealized gains (losses) on investment securities	19,401
Deferred profit (loss) on hedges	(318)
Total net assets	889,767
Total liabilities and net assets	3,683,288

Statement of Income
For the year ended March 31, 2011

		(Millions of yen)
Net sales		3,592,399
Cost of sales		3,035,879
	Gross margin	556,519
Selling, general and administrative expenses		482,310
	Net operating income	74,208
Non-operating income		138,678
Interest income		3,325
Dividend income		101,043
Miscellaneous income		34,308
Non-operating expenses		77,314
Interest expenses		25,971
Miscellaneous expenses		51,343
	Recurring profits	135,572
Extraordinary gains		32,472
Gains from sales of fixed assets		32,472
Extraordinary losses		54,824
Provision of allowance for doubtful accounts		26,320
Impairment loss		22,226
Business structure improvement expenses		6,277
	Income before taxes	113,220
	Corporate tax, inhabitant tax and business tax	(2,746)
	Taxes deferred	(13,875)
	Net income	129,842

Statement of Changes in Net Assets
For the year ended March 31, 2011

	(Millions of yen)
Shareholders' equity	
Common stock	
Balance at end of the previous term	439,901
Changes in the term	
Total changes in the term	0
Balance at end of the term	439,901
Capital surplus	
Capital reserves (Additional paid-in capital)	
Balance at end of the previous term	427,625
Changes in the term	
Reversal of legal capital surplus	(427,625)
Total changes in the term	(427,625)
Balance at end of the term	0
Other capital surplus	
Balance at end of the previous term	0
Changes in the term	
Reversal of legal capital surplus	427,625
Deficit disposition	(46,772)
Disposal of treasury stock	(3)
Total changes in the term	380,850
Balance at end of the term	380,850
Retained earnings	
Legal retained earnings	
Balance at end of the previous term	0
Changes in the term	
Dividends of surplus	847
Total changes in the term	847
Balance at end of the term	847
Other retained earnings	
Reserves for deferral of gains on sales of property	
Balance at end of the previous term	15,010
Changes in the term	
Provision of reserve for reduction entry	2,222
Reversal of reserves for deferral of gains on sales of property	(15,010)
Total changes in the term	(12,787)
Balance at end of the term	2,222
Reserves for special depreciation	
Balance at end of the previous term	849
Changes in the term	
Reversal of reserves for special depreciation	(849)
Total changes in the term	(849)
Balance at end of the term	0

Statement of Changes in Net Assets (Continued)

For the year ended March 31, 2011

	(Millions of yen)
Reserves for program and others	
Balance at end of the previous term	-
Changes in the term	
Reversal of reserves for program and others	-
Total changes in the term	-
Balance at end of the term	0
Retained earnings brought forward	
Balance at end of the previous term	(132,610)
Changes in the term	
Deficit disposition	46,772
Provision of reserve for reduction entry	(2,222)
Reversal of reserves for deferral of gains on sales of property	15,010
Reversal of reserves for special depreciation	849
Reversal of reserves for program and others	-
Dividends of surplus	(9,317)
Net income	129,842
Total changes in the term	180,934
Balance at end of the term	48,323
Treasury stock	
Balance at end of the previous term	(1,305)
Changes in the term	
Purchase of treasury stock	(171)
Disposal of treasury stock	15
Total changes in the term	(156)
Balance at end of the term	(1,461)
Total shareholders' equity	
Balance at end of the previous term	749,472
Changes in the term	
Dividends of surplus	(8,470)
Net income	129,842
Purchase of treasury stock	(171)
Disposal of treasury stock	11
Total changes in the term	121,211
Balance at end of the term	870,684

Statement of Changes in Net Assets (Continued)
For the year ended March 31, 2011

	(Millions of yen)
Difference of appreciation and conversion	
Net unrealized gains (losses) on investment securities	
Balance at end of the previous term	35,987
Changes in the term	
Changes of items other than shareholders' equity (net)	(16,585)
Total changes in the term	(16,585)
Balance at end of the term	19,401
Deferred profit (loss) on hedges	
Balance at end of the previous term	120
Changes in the term	
Change of items other than shareholders' equity (net)	(439)
Total changes in the term	(439)
Balance at end of the term	(318)
Total net assets	
Balance at end of the previous term	785,579
Changes in the term	
Dividends of surplus	(8,470)
Net income	129,842
Purchase of treasury stock	(171)
Disposal of treasury stock	11
Changes of items other than shareholders' equity (net)	(17,024)
Total changes in the term	104,187
Balance at end of the term	889,767

Adjustments to the Financial Statements

On February 12, 2015, Toshiba Corporation (hereinafter, "the Company") 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.

(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. (Additional Information) It has been passed 7 years since the recycle system of household-use personal computers started in Japan. Accordingly, as it has become possible to estimate recycling costs by using the Company's volume of shipment and collection rate, and a collection rate in the domestic market reported by a third-party organization, the amount of allowance for recycle of personal computers was changed in the fiscal year. The amended amount of 1,171 million yen in the past years is recorded in non-operating income.

(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) Changes of Accounting Treatment

1) Effective from the fiscal year, the Company has adopted the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18 released on March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21 released on March 31, 2008). The impacts of the adoption of the accounting standard and the guidance on the Company's financial statements are immaterial.

2) Effective from the fiscal year, the Company has adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21 issued on December 26, 2008), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 issued on December 26, 2008), and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 issued on December 26, 2008).

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 951 million yen for affiliates.

(2) Accumulated depreciation for tangible fixed assets: 1,548,722 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	377,629
WesDyne International LLC	42,448
Flash Alliance Ltd.	32,348
Others	79,566
Total	531,993

(4) Important disputes

In January 2007, the European Commission adopted a decision that imposed fines on 19 companies, including the Company, for infringing EU Competition Law in the gas insulated switchgear market. The decision imposed a fine of €86.25 million on the Company, plus a fine of €4.65 million jointly and severally with Mitsubishi Electric Corporation. Following its own investigation, the Company contends that it has not found any infringement of EU Competition Law, and it has brought an action to the European Court of First Instance seeking annulment of the European Commission's decision.

(5) Monetary receivable and liabilities to subsidiaries and affiliates

Current monetary receivables	(Millions of yen)	900,984
Non-current monetary receivables	(Millions of yen)	118,511
Current monetary liabilities	(Millions of yen)	1,017,229

3. Notes to Statement of Income

Sales to subsidiaries and affiliates	(Millions of yen)	2,581,239
Purchases from subsidiaries and affiliates	(Millions of yen)	2,595,036
Non-operating transactions amounts with subsidiaries and affiliates	(Millions of yen)	151,507

4. Notes to Statement of Changes in Net Assets

(1) The class and number of issued shares as of the end of March 31, 2011

Common stock 4,237,602,026 shares

(2) The class and number of treasury stock as of the end of March 31, 2011

Common stock 2,519,870 shares

(3) Resolution of dividends

Resolution	Total amount of dividends	Dividend per share	Record date	Effective date
Board of Directors Meeting held on Nov. 9, 2010	8,470 million yen	2.00 yen	Sep. 30, 2010	Dec. 3, 2010
Board of Directors Meeting held on May 9, 2011 (scheduled)	12,705 million yen	3.00 yen	Mar. 31, 2011	Jun. 1, 2011

(4) The class and number of the shares subject to the stock acquisition rights (excluding those of which the first day of the right exercise period has not been reached) as of the end of March 31, 2011

Common stock 175,295,212 shares

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.

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 Information Systems, Inc.	100%	Sales of products	Sales of products*3	373,552	Accounts receivables	51,699
Subsidiary	Toshiba Capital (Asia) Ltd.	100%	Sales of products	Sales of products*3	505,307	Accounts receivables	46,966
Subsidiary	Toshiba Consumer Marketing Co., Ltd.	100%	Sales of products	Sales of products*3	362,392	Accounts receivables	17,929
Subsidiary	Toshiba Mobile Display Co., Ltd.	100%	Lending of cash	Lending of cash*4	–	Other current assets	135,300
				Receipt of interests*4	1,028	Other current assets	0
Subsidiary	Mobile Broadcasting Corporation	90.3%	Lending of cash	Lending of cash*4	–	Other current assets	62,650
				Receipt of interests*4	442	Other current assets	0
Subsidiary	Taiwan Toshiba International Procurement Corporation	100%	Procurement	Procurement*5	1,355,340	Accounts payable	274,007
				Transactions of components*6	247,198	Other current assets	70,514
Subsidiary	Toshiba Trading, Inc.	100%	Procurement	Transactions of components*6	283,736	Other current assets	59,903
Subsidiary	Toshiba Plant Systems & Services Corporation	61.6%	Procurement	Procurement*5	85,619	Accounts payable	46,209
Subsidiary	Toshiba International Finance (UK) Plc.	100%	Borrowing of cash	Borrowing of cash*4	–	Short-term loans	123,700
				Payment of interests*4	117	Accrued expenses	0
Subsidiary	Toshiba TEC Co., Ltd.	53.0%	Deposit of cash	Deposit of cash*6	–	Deposits received	65,102
				Payment of interests*6	104	Accrued expenses	0
Subsidiary	Westinghouse Electric Company LLC	100%*2	Guarantees	Guarantees	377,629	–	–
Subsidiary	WesDyne International LLC	100%*2	Guarantees	Guarantees	42,448	–	–
Affiliate	Flash Alliance Ltd.	50.1%	Lending of cash	Lending of cash*4	–	Long-term loans	70,600
				Receipt of interests*4	383	Other current assets	0
Affiliate	Flash Partners Ltd.	50.1%	Lending of cash	Lending of cash*4	–	Long-term loans	40,000
				Receipt of interests*4	362	Other current assets	0
Affiliate	Toshiba Finance Corporation	35.0%	Paying agent of debt	Paying agent of debt	321,364	Accounts payable	78,590

*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.

7. Notes to information per share

(1) Net assets per share	210.09	yen
(2) Net income per share	30.66	yen

8. Notes to business combinations and divestitures

(Transactions between entities under common control)

The Company merged with its wholly-owned consolidated subsidiary, Toshiba Capital Corporation on October 1, 2010.

1. Summary of the merger

1) Name of dissolved company and its principal business
Toshiba Capital Corporation
Raising and managing funds for the Group

2) Date of the merger
October 1, 2010

3) Legal method of the merger
Toshiba, as the surviving company, absorbed Toshiba Capital, which was dissolved upon the merger.

4) Name of a company after the merger
Toshiba Corporation

5) Summary of the transaction including a purpose of the merger

This merger is intended to promote integration of a cash management service for the Group and to enhance operational efficiency.

2. Summary of applied accounting procedures

In the merger, the Company has applied accounting procedures for transactions among entities under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21 issued on December 26, 2008) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 issued on December 26, 2008).

(Business divestitures)

On July 29, 2010, Fujitsu Limited and Toshiba Corporation concluded a definitive contract on the merger of their mobile phone businesses on which they signed a Memorandum of Understanding (MOU) on June 17, 2010. The Company transferred its mobile phone business to Fujitsu Toshiba Mobile Communications Limited (hereinafter referred to as the New Company) on October 1, 2010.

1. Summary of the business divestitures

1) Name of the company to which the business is transferred

Fujitsu Toshiba Mobile Communications Limited

2) Contents of business divested

Design, development, and sales of mobile phones, etc.

3) Reasons for the business divestiture

As competition in the mobile phone market intensifies both in Japan and across the globe, the Company divested the business in order to enhance development ability and make the business more efficient by combining expertise and technologies which have been cultivated by the both companies.

4) Date of the business divestiture

October 1, 2010

5) Summary of the business divestiture including legal method

The Company transferred its mobile phone business to the New Company established by the Company, and sold 80.1% of the New Company's shares to Fujitsu Limited.

2. Summary of applied accounting procedures

In the business divestiture, the Company has applied accounting procedures in the case that the Company receives cash as a consideration in accordance with the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 issued on December 26, 2008) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 issued on December 26, 2008). Any losses and gains on the business divestiture were not incurred.

3. Book values of assets and liabilities related to the transferred business and their breakdown

Current assets	4,341 million yen
Fixed assets	660 million yen
Total assets	5,001 million yen
Current liabilities	3,869 million yen
Long-term liabilities	2 million yen
Total liabilities	3,871 million yen

4. Estimated amount of gain or loss related to the transferred business recorded on the statement of income for the fiscal year

Net sales	43,474 million yen
Operating loss	(6,318) million yen

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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

Jun Uemura
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, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of equity and the notes to the consolidated financial statements of Toshiba Corporation (the “Company”) applicable to the fiscal year from April 1, 2010 to March 31, 2011. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Toshiba Group, which consisted of the company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2010 in conformity with U.S. generally accepted accounting principles (Please refer to Note 1. 1)pursuant to Article 3, Paragraph 1 of the Supplementary provision to the Corporate Calculation Rules (Ministry of Justice Ordinance No.46 of 2009.)

Supplement information
As stated in “Adjustments to the Consolidated Financial Statements”, the Company amended the consolidated financial statements. We have audited the restated consolidated financial statements.

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

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AUDIT REPORT (Consolidated Financial Statements)

We, the audit committee of the Company, have audited the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholder's equity and the notes) during the 172nd fiscal period, from April 1, 2010 to March 31, 2011.

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 shareholder's equity and the notes) applicable to the fiscal period from April 1, 2010 to March 31, 2011.

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 172nd 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 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

Jun Uemura
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 172nd fiscal period from April 1, 2010 to March 31, 2011.
These financial statements and these related supplementary schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and these related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and these related supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and these related supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and these related supplementary schedules. We believe that our audit provides a reasonable basis for our 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 applicable to the 172nd fiscal period ended March 31, 2011 in conformity with accounting principles generally accepted in Japan.

Supplement information
As stated in “Adjustments to the Financial Statements”, the Company amended the financial statements and these related supplementary schedules. We have audited the restated financial statements and these related supplementary schedules.

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 172nd fiscal period, from April 1, 2010 to March 31, 2011. 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) applicable to the fiscal period from April 1, 2010 to March 31, 2011.

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 restated 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 172nd 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 172nd 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.