Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Shareholders' Equity

Notes to Consolidated Financial Statements

For the year ended March 31, 2010

The 171st term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2010

Assets	(Millions of yen)
Current assets	2,767,296
Cash and cash equivalents	267,449
Notes and accounts receivable, trade	1,178,075
Notes	44,122
Accounts	1,154,065
Allowance for doubtful notes and accounts	(20,112)
Inventories	791,294
Deferred tax assets	153,416
Prepaid expenses and other current assets	377,062
Long-term receivables and investments	622,854
Long-term receivables	3,337
Investments in and advances to affiliates	366,250
Marketable securities and other investments	253,267
Property, plant and equipment	949,572
Land	102,666
Buildings	1,001,274
Machinery and equipment	2,493,391
Construction in progress	95,957
Less - Accumulated depreciation	(2,743,716)
Other assets	1,123,992
Deferred tax assets	400,311
Others	723,681
Total assets	5,463,714

Consolidated Balance Sheet (Continued)

As of March 31, 2010

Liabilities	(Millions of yen)
Current liabilities	2,560,429
Short-term borrowings	51,347
Current portion of long-term debts	206,017
Notes payable, trade	30,540
Accounts payable, trade	1,163,653
Accounts payable, other and accrued expenses	386,869
Accrued income and other taxes	42,384
Advance payments received	317,044
Other current liabilities	362,575
Long-term liabilities	1,868,420
Long-term debt	960,938
Accrued pension and severance costs	717,746
Other liabilities	189,736
Total liabilities	4,428,849
Equity	
Equity attributable to shareholders of the Company	705,930
Common stock	439,901
Authorized: 10,000,000,000 shares	
Issued: 4,237,602,026 shares	
Additional paid-in capital	447,732
Retained earnings	278,846
Accumulated other comprehensive loss	(459,244)
Treasury stock, at cost	(1,305)
2,160,986 shares	
Equity attributable to noncontrolling interests	328,935
Total equity	1,034,865
Commitments and contingent liabilities	
Total liabilities and equity	5,463,714

Consolidated Statement of Income

For the year ended March 31, 2010

	(Millions of yen)
Sales and other income	6,230,017
Net sales	6,137,689
Interest and dividends	7,587
Equity in earnings of affiliates	22,385
Other income	62,356
Costs and expenses	6,244,359
Cost of sales	4,760,217
Selling, general and administrative	1,305,684
Interest	35,585
Other expense	142,873
Loss from continuing operations, before income taxes and noncontrolling interests	(14,342)
Income taxes:	24,789
Current	51,666
Deferred	(26,877)
Loss from continuing operations, before noncontrolling interests	(39,131)
Loss from discontinued operations, before noncontrolling interests	(938)
Net loss before noncontrolling interests	(40,069)
Less:Net income attributable to noncontrolling interests	13,874
Net loss attributable to shareholders of the Company	(53,943)

Consolidated Statement of Shareholders' Equity

For the year ended March 31, 2010

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensi-ve loss	Treasury stock	Total shareholders' equity	Non -controlling interests	Total equity
Balance at March 31, 2009	280,281	291,137	332,804	(517,842)	(1,210)	385,170	310,969	696,139
Capital transactions with shareholders of the Company	159,620	157,921				317,541		317,541
Capital transactions with noncontrolling interest and other		(1,326)				(1,326)	15,885	14,559
Dividends to non-controlling interest							(7,094)	(7,094)
Comprehensive income (loss)								
Net income (loss)			(53,943)			(53,943)	13,874	(40,069)
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				51,587		51,587	3,810	55,397
Foreign currency translation adjustments				(8,511)		(8,511)	(8,101)	(16,612)
Pension liability adjustment				15,899		15,899	(500)	15,399
Net unrealized gains and losses on derivative instruments				(377)		(377)	92	(285)
Comprehensive income (loss)						4,655	9,175	13,830
Purchase of treasury stock, net, at cost			(15)		(95)	(110)		(110)
Balance at March 31, 2010	439,901	447,732	278,846	(459,244)	(1,305)	705,930	328,935	1,034,865

As cumulative effects of the adjustments for Fiscal Year 2008 or prior years, some figures in "Equity" at the beginning of Fiscal Year 2009 were rest

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 balance sheet and the consolidated statement of income
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.
The U.S. GAAP was systematized as the “Accounting Standards Codification” (hereinafter, “ASC”) by the U.S. Financial Accounting Standards Board.

2) Inventories
Raw materials and 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 ASC 320 “Investment – debt securities and equity securities” (former SFAS No. 115), 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” (former SFAS No. 142), 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

In June 2009, the U.S. Financial Accounting Standards Board issued SFAS No. 168 "Systematization of the U.S. FASB Accounting Standards (hereinafter, the "Systematization" and layering of generally accepted accounting standards – Replacement of SFAS No. 162 (hereinafter, the SFAS No. 168)." From the issue of SFAS No. 168 and onwards, all the new accounting standards will be issued as "Accounting Standards Updates" (hereinafter, the "ASU"). The Company has applied the SFAS No. 168 in accordance with the ASU 2009-01 "Revision based on the SFAS No. 168" in and after the consolidated fiscal year commenced April 1, 2009. As the Systematization does not change generally accepted business accounting principles in the U.S. before the application of the SFAS No. 168, the application of the SFAS No. 168 has no impact on the consolidated financial statements of the Company. Meanwhile, the Company put down with the systematized standards and the corresponding standards before application of SFAS No. 168.

The Company has adopted ASC 810 "Consolidation" (former SFAS No. 160) in and after the consolidated fiscal year commenced April 1, 2009. By doing so, the Company posted minority interests which were shown as an independent item between Liabilities and Shareholders' equity on the Consolidated Balance Sheet, as non-controlling interest included in the shareholders' equity. The Company also changed the account titles shown on the Consolidated Statement of Income. In addition, for the Consolidate Statement of Shareholders' Equity, the Company included the movement in non-controlling interest into the movement in Shareholders' Equity.

2. Notes to Consolidated Balance Sheet

1) Collateral assets and liabilities secured by collaterals

Collateral assets	Long-term receivables and investments	45	million yen

	Tangible fixed assets	2,454	million yen
	Total	2,499	million yen
Liabilities secured by collaterals	Short-term borrowing	708	million yen
	Total	708	million yen

2) Liabilities on guarantee and their kinds 105,480 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 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

Since its establishment, Mobile Broadcasting Corporation (MBCO), a consolidated subsidiary of the Company, has strived to gain and serve an increasing number of customers in an effort to expand its broadcasting business for mobile devices. However, the number of subscribers has not reached a sufficient level to sustain operation and, following a thorough review of operation, the Company has decided to cease broadcasting. MBCO ended all its broadcasting services by the end of March 2009.

The said company is in the course of going through the procedures for dissolution. In accordance with ASC 205-20 "Presentation of Financial Statements-Discontinued Operations" (former SFAS No. 144, hereinafter "ASC No. 205-20"), the Company distinctively indicated the results of operation concerning Mobile Broadcasting as discontinued operation on the Consolidated Statement of Income. Income (loss) regarding the discontinued operation is as follows:

Sales and other income	0	million yen
Costs and expenses	956	million yen
Loss from discontinued operations before income taxes and minority interest	(956)	million yen
Income taxes	(389)	million yen
Loss (after tax effect) from discontinued operations, before noncontrolling interests	(567)	million yen
Less: Net income (loss) from discontinued operations, attributable to noncontrolling interests	(141)	million yen
Net loss from discontinued operations, attributable to shareholders of the Company	(426)	million yen

On June 17, 2010, the Company and Fujitsu Limited ("Fujitsu") shall sign a Memorandum of Understanding (MOU) to merge their mobile phone businesses, following by a definitive contract on

July 29, 2010. The purpose of this business merger is 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 transfers 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, 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	90,995	million yen
Costs and expenses	100,466	million yen
Loss from discontinued operations before income taxes and minority interest	(9,451)	million yen
Income taxes	(3,846)	million yen
Loss (after tax effect) from discontinued operations, before noncontrolling interests	(5,605)	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	(5,605)	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	162,173	million yen
Costs and expenses	154,914	million yen
Income from discontinued operations, before income taxes and noncontrolling	7,259	million yen

interests

Income taxes	2,025	million yen
Income from discontinued operations, before noncontrolling interests	5,234	million yen
Less - Net income (loss) from discontinued operations attributable to noncontrolling interests	3,111	million yen
Net income from discontinued operations attributable to shareholders of the Company	2,123	million yen

4. Notes concerning financial instruments

1) Matters concerning financial instruments

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

Investment securities are mainly stocks and for marketable securities. The Company 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 Company utilizes various financial derivatives, mainly such as exchange contracts, interest-rate swap contracts, currency swap contracts and currency options, to mitigate risks. The Company has a policy and rules regarding risk management, approval, report and monitoring of financial derivatives. The Company'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, 2010, 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	214,487	214,487	-
Liabilities concerning financial instruments			
Corporate bonds and long-term loans payable	1,111,583	1,121,241	9,658
Financial derivatives	5,315	5,315	-

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 Company uses various methods and makes assumptions based on the market conditions and risk estimation as of the fiscal year-end. For certain instruments, including cash and cash equivalents, notes and accounts receivable-trade, short-term borrowings, notes and accounts payable-trade, 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 Company 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."

(Additional information)

As the Company was required to make notes concerning financial instruments in and after the current consolidated fiscal year in connection with amendments to the Corporate Calculation Rules, the Company stated the similar notes to those based on ASC 825 "Financial instruments" (former SFAS No. 107).

5. Notes to net loss per share

Net loss per share from continuing operations	
Basic net loss per share attributable to shareholders of the Company	(12.49) yen
Diluted net loss per share attributable to shareholders of the Company	(12.49) yen
Net loss per share from discontinued operations	
Basic net loss per share attributable to shareholders of the Company	(0.98) yen
Diluted net loss per share attributable to shareholders of the Company	(0.98) yen
Net loss per share	
Basic net loss per share attributable to shareholders of the Company	(13.47) yen
Diluted net loss per share attributable to shareholders of the Company	(13.47) 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, 2010

The 171st term

Toshiba Corporation

Balance Sheet
As of March 31, 2010

Assets	(Millions of yen)
Current assets	1,615,101
Cash and cash equivalents	66,940
Notes receivables	5,986
Accounts receivables	691,255
Finished products	172,227
Raw materials	40,594
Work in process	140,955
Advance payments	13,979
Prepaid expenses	13,327
Deferred tax assets	93,385
Other current assets	573,533
Allowance for doubtful accounts	(197,084)
Fixed assets	1,976,854
Tangible fixed assets	478,430
Buildings	182,385
Structures	16,136
Machinery and equipment	133,103
Delivery equipment	223
Tools, fixtures and furniture	38,973
Land	47,901
Lease assets	6,377
Construction in progress	53,327
Intangible fixed assets	37,954
Software	30,530
Lease assets	1
Other intangible fixed assets	7,422
Investments and others	1,460,470
Investment securities	160,006
Security investments in affiliates	904,803
Other investments	4,621
Other investments in affiliates	108,055
Long-term loans	100,443
Long-term prepaid expenses	4,483
Deferred tax assets	127,533
Other assets	50,764
Allowance for doubtful accounts	(242)
Total assets	3,591,956

Balance Sheet (Continued)
As of March 31, 2010

Liabilities	(Millions of yen)
Current liabilities	1,684,209
Notes payable	791
Accounts payable	871,303
Short-term loans	347,073
Commercial paper	15,000
Current portion of debentures	50,000
Lease obligations	1,630
Accrued liabilities	74,135
Accrued expenses	160,059
Corporate and other taxes payable	1,492
Advance payments received	95,973
Deposits received	2,729
Allowance for warranty and others	4,859
Allowance for losses on construction contracts	4,660
Allowance for losses on business of affiliates	1,037
Other current liabilities	53,462
Long-term liabilities	1,122,167
Debentures	465,010
Long-term loans	446,200
Lease obligations	5,119
Allowance for retirement benefits	197,457
Allowance for recycle of personal computers	4,933
Other long-term liabilities	3,447
Total liabilities	2,806,376
Net Assets	
Shareholders' equity	749,472
Common stock	439,901
Capital surplus	427,625
Capital Reserve (Additional paid-in capital)	427,625
Retained earnings	(116,750)
Other retained earnings	(116,750)
Reserves for deferral of gains on sales of property	15,010
Reserves for special depreciation	849
Reserves for programs and others	-
Retained earnings brought forward	(132,610)
Treasury stock	(1,305)
Difference of appreciation and conversion	36,107
Net unrealized gains (losses) on investment securities	35,987
Deferred profit (loss) on hedges	120
Total net assets	785,579
Total liabilities and net assets	3,591,956

Statement of Income
For the year ended March 31, 2010

	(Millions of yen)
Net sales	3,383,146
Cost of sales	2,985,437
Gross margin	397,709
Selling, general and administrative expenses	480,164
Net operating loss	82,454
Non-operating income	67,243
Interest income	3,606
Dividend income	34,401
Miscellaneous income	29,235
Non-operating expenses	97,067
Interest expenses	27,281
Miscellaneous expenses	69,785
Recurring loss	112,279
Extraordinary gains	7,092
Gains from sales of fixed assets	7,092
Extraordinary losses	101,484
Provision of Allowance for Doubtful Accounts	86,044
Loss on valuation of shares of subsidiaries and affiliates	7,184
Loss on valuation of investment securities	1,837
Impairment loss	6,418
Loss before taxes	206,672
Corporate tax, inhabitant tax and business tax	(8,035)
Taxes deferred	(34,791)
Net loss	163,845

Statement of Changes in Net Assets
For the year ended March 31, 2010

	(Millions of yen)
Shareholders' equity	
Common stock	
Balance at end of the previous term	280,281
Changes in the term	
Issuance of new shares	159,620
Total changes in the term	159,620
Balance at end of the term	439,901
Capital surplus	
Capital Reserves (Additional paid-in capital)	
Balance at end of the previous term	268,005
Changes in the term	
Issuance of new shares	159,620
Total changes in the term	159,620
Balance at end of the term	427,625
Retained earnings	
Other retained earnings	
Reserves for deferral of gains on sales of property	
Balance at end of the previous term	15,255
Changes in the term	
Reversal of reserves for deferral of gains on sales of property	(245)
Total changes in the term	(245)
Balance at end of the term	15,010
Reserves for special depreciation	
Balance at end of the previous term	3,161
Changes in the term	
Reversal of reserves for special depreciation	(2,311)
Total changes in the term	(2,311)
Balance at end of the term	849
Reserves for program and others	
Balance at end of the previous term	1
Changes in the term	
Reversal of reserves for program and others	(1)
Total changes in the term	(1)
Balance at end of the term	-

Statement of Changes in Net Assets (Continued)
For the year ended March 31, 2010

	(Millions of yen)
Retained earnings brought forward	
Balance at end of the previous term	28,692
Changes in the term	
Reversal of reserves for deferral of gains on sales of property	245
Reversal of reserves for special depreciation	2,311
Reversal of reserves for program and others	1
Net loss	163,845
Disposal of treasury stock	(15)
Total changes in the term	(161,303)
Balance at end of the term	(132,610)
Treasury stock	
Balance at end of the previous term	(1,210)
Changes in the term	
Purchase of treasury stock	(132)
Disposal of treasury stock	38
Total changes in the term	(94)
Balance at end of the term	(1,305)
Total shareholders' equity	
Balance at end of the previous term	594,187
Changes in the term	
Issuance of new shares	319,240
Net loss	163,845
Purchase of treasury stock	(132)
Disposal of treasury stock	22
Total changes in the term	155,284
Balance at end of the term	749,472

Statement of Changes in Net Assets (Continued)
For the year ended March 31, 2010

	(Millions of yen)
Difference of appreciation and conversion	
Net unrealized gains (losses) on investment securities	
Balance at end of the previous term	6,100
Changes in the term	
Changes of items other than shareholders' equity (net)	29,887
Total changes in the term	29,887
Balance at end of the term	35,987
Deferred profit (loss) on hedges	
Balance at end of the previous term	(246)
Changes in the term	
Change of items other than shareholders' equity (net)	367
Total changes in the term	367
Balance at end of the term	120
Total net assets	
Balance at end of the previous term	600,040
Changes in the term	
Issuance of new shares	319,240
Net loss	163,845
Purchase of treasury stock	(132)
Disposal of treasury stock	22
Changes of items other than shareholders' equity (net)	30,254
Total changes in the term	185,539
Balance at end of the term	785,579

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.

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. (Change of Accounting Treatment) The Company has adopted ASBJ statement No.19 " a partial amendment (No. 3) to the "Accounting Standards for Retirement Benefits"" (issued on July 31, 2008) from the current period. The change has no material impacts on the Company's profits and loss .There will be a minor impact on unappropriated balance as expenses of the difference of retirement benefit obligations to arise in connection with the application of these accounting standards.
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).

(Change of Accounting Treatment)

Revenue by sales of mass-produced standard products had been recognized upon shipment. However, the Company decided, from the current period, to change the time of revenue recognition to the point when there is persuasive evidence of an arrangement, the product has been delivered, the sales price is fixed or determinable, and collectibility is reasonably assured. That is when mass-produced standard products are considered delivered to customers once they have been shipped, and the title and risk of loss have transferred. This change was made so as to work out periodic accounting of income and loss on the sales of standard mass products in a more proper manner. Because the Company reviewed the internal system regarding revenue recognition in view of the international convergence of accounting in recent years, and concluded that conditions are met for grasping the point when products were shipped and their ownership and risk of loss were transferred. The change has no significant impacts on the Company's profits and loss.

(7) Hedge accounting

Method

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

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

Measures and objects

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

Policy

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

Evaluation of effectiveness

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

(8) Accounting of consumption taxes

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

(9) Consolidated taxation system

The Company adopted the consolidated taxation system.

(10) Presentation of amount

Amounts under million are rounded down.

2. Notes to Balance Sheet

(1) Collateral assets and liabilities secured by collaterals:

Collateral assets:

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

The above assets are collaterals pledged on loans of 985 million yen for affiliates.

(2) Accumulated depreciation for tangible fixed assets: 1,556,237 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	403,745
Toshiba Capital Corporation	82,029
Flash Alliance Ltd.	44,422
Flash Partners, Ltd.	43,620
Others	90,273
Total	664,091

(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)	898,956
Non-current monetary receivables	(Millions of yen)	108,548
Current monetary liabilities	(Millions of yen)	885,839

3. Notes to statement of income

Sales to subsidiaries and affiliates	(Millions of yen)	2,343,308
Purchases from subsidiaries and affiliates	(Millions of yen)	2,305,064
Non-operating transactions amounts with subsidiaries and affiliates	(Millions of yen)	71,736

4. Notes to statement of changes in net assets

(1) The class and number of issued shares as of the end of March 31, 2010

Common stock 4,237,602,026 shares

(2) The class and number of treasury stock as of the end of March31, 2010

Common stock 2,160,986 shares

(3) 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, 2010

Common stock 175,295,212 shares

5. Notes to deferred income tax accounting

The main cause of accrual of the deferred tax assets is net-loss carried forward, non-recognition of the allowance for retirement benefits, 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 Capital (Asia) Ltd.	100%	Sales of products	Sales of products[*3]	486,030	Accounts receivables	50,873
Subsidiary	Toshiba America Information Systems, Inc.	100%	Sales of products	Sales of products[*3]	286,009	Accounts receivables	36,747
Subsidiary	Toshiba America Electronic Components, Inc.	100%	Sales of products	Sales of products[*3]	233,686	Accounts receivables	36,240
Subsidiary	Toshiba Mobile Display Co., Ltd.	100%	Lending of cash	Lending of cash[*4]	–	Other curren assets	141,300
				Receipt of interests[*4]	914	Other curren assets	0
Subsidiary	Mobile Broadcasting Corporation	90.3%	Lending of cash	Lending of cash[*4]	–	Other curren assets	61,900
				Receipt of interests[*4]	492	Other curren assets	0
Subsidiary	Taiwan Toshiba International Procurement Corporation	100%	Procurement	Procurement[*5]	1,161,945	Accounts payable	314,589
				Transactions of components[*6]	236,347	Other curren assets	93,740
Subsidiary	Toshiba Trading, Inc.	100%	Procurement	Transactions of components[*6]	149,113	Other curren assets	64,390
Subsidiary	Toshiba International Procurement Hong Kong Ltd.	100%	Procurement	Procurement[*5]	135,700	Accounts payable	36,474
Subsidiary	Toshiba Plant Systems & Services Corporation	61.6%	Procurement	Procurement[*5]	89,995	Accounts payable	45,045
Subsidiary	Toshiba Capital Corporation	100%	Borrowing of cash	borrowing of cash[*4]	–	Short-term loans	111,000
				Payment of interests[*4]	254	Accrued expense	0
				Guarantees	82,029	–	–
Subsidiary	Toshiba International Finance (UK) Plc.	100%	Borrowing of cash	Borrowing of cash[*4]	–	Short-term loans	64,900
				Payment of interests[*4]	179	Accrued expense	0
Subsidiary	Westinghouse Electric Company LLC	100%[*2]	Guarantees	Guarantees	403,745	–	–
Subsidiary	WesDyne International LLC	100%[*2]	Guarantees	Guarantees	36,034	–	–
Affiliate	Flash Partners Ltd.	50.1%	Lending of cash	Lending of cash[*4]	–	Long-term loans	52,050
				Receipt of interests[*4]	526	Other curren assets	0
				Guarantees	43,620	–	–
Affiliate	Flash Alliance Ltd.	50.1%	Lending of cash	Lending of cash[*4]	–	Long-term loans	48,100
				Receipt of interests[*4]	439	Other curren assets	0
				Guarantees	44,422	–	–
Affiliate	Toshiba Finance Corporation	35.0%	Paying agent of debt	Paying agent of debt	316,595	Accounts payable	89,861

*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 considering market price and same condition of arms-length transaction.
*4. Conditions of lending and/or borrowing of cash are determined considering market interest rate and same condition of arms-length transaction.
*5. Conditions of procurement are determined considering market price and same condition of arms-length transaction.
*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. Notes to information per share

(1) Net assets per share	185.48	yen
(2) Net loss per share	40.91	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, 2009 to March 31, 2010. 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
1. As stated in “Adjustments to the Consolidated Financial Statements”, the Company amended the consolidated financial statements. We have audited the restated consolidated financial statements.
2. As stated in Note 10 of “1.Notes to Significant Matters Supporting the Basis of Preparation of Consolidated Financial Statements,” effective April 1, 2009, the Company adopted the Accounting Standards Codification 810 “Consolidation” (former SFAS No. 160) and prepared its consolidated financial statements based on these Accounting Standards.
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 171st fiscal period, from April 1, 2009 to March 31, 2010.

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, 2009 to March 31, 2010.

1. Method and contents of audit

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

Based on the method above, we have examined the restated consolidated financial statements for the 171st 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 171st fiscal period from April 1, 2009 to March 31, 2010.
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 171st fiscal period ended March 31, 2010 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 171st fiscal period, from April 1, 2009 to March 31, 2010. 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, 2009 to March 31, 2010.

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 171st 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 171st 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.