Notice on Toshiba’s New Management Team and Measures to Reform of Governance Structure, and Outline of Correction of Past Financial Statements and Financial Forecast

Toshiba Corporation (the “Company”), has taken the causal analysis and recommendations on prevention of recurrence contained in the report of the Independent Investigation Committee very seriously, and established a Management Revitalization Committee to intensively discuss a new management team and reform of corporate governance, the members of which Committee include the Company’s four Outside Directors, a certified public accountant and an attorney-at-law, plus independent observers.

Today, the Company hereby announces that candidates for the new Board of Directors have been decided, as in Attachment 1, and also announces an outline of the measures for reform of governance structure that have been discussed by the Management Revitalization Committee up to today.

The Company is currently taking necessary procedures to correct and restate past financial results, and to finalize financial results for fiscal 2014, following the Company’s receipt and subsequent close examination of the investigation report received from the Independent Investigation Committee on July 20. Now that the outline of amounts to be restated in the past results and the forecast for fiscal 2014 including consolidated income (loss) before income taxes and non-controlling interests have been determined by the Company as being able to be disclosed, the Company hereby announces such outline and forecast.

Please note that it is currently difficult to estimate the consolidated net income attributable to shareholders of the Company for both the restatement of past financial results and the
financial forecast for fiscal 2014, due to the accounting of tax expenses still being under examination, and due to the procedures for finalizing the financial statements still being in progress in regard to matters such as the necessity of recording valuation provisions relating to deferred tax assets.

Under the new management team, the Company will promptly execute measures for the prevention of any recurrence, based on the findings and recommendation in the report by the Independent Investigation Committee, and also accelerate discussions, led by the Representative Executive Officer, President and Chief Executive Officer on business selection and concentration. In addition, the Company will announce, in a timely and appropriate manner, any further matters that need to be announced in relation to the prevention of any recurrence of inappropriate accounting.

The Company expresses its sincere apologies to shareholders, investors and all other stakeholders for any concerns or inconvenience caused on this occasion. Under its new management team, the Company as a whole will unite to make every effort to regain the trust of shareholders, investors, all other stakeholders and the public, and asks for your understanding and ongoing support.

1. Measures for Reform of Corporate Governance by the Management Revitalization Committee

The Management Revitalization Committee comprises the Company’s four outside directors—Mr. Hiroyuki Itami, who serves as its Chairman, Mr. Ken Shimanouchi, Ms. Kiyomi Saito and Mr. Sakutaro Tanino—and Mr. Masami Hashimoto, a certified public accountant, and Mr. Mikinao Kitada, an attorney-at-law. The Committee has met five times since it was established on July 29, and has thoroughly discussed measures to reform the Company’s governance. Mr. Yuki Furuta, a former justice of the Supreme Court of Japan, and Mr. Yoshimitsu Kobayasi, the Chairman of Mitsubishi Chemical Holdings Corporation, also participated in the discussions from the first meeting on, as independent observers. Also as observers, Mr. Ryoji Sato, the former Chief Executive Officer of Deloitte Touche Tohmatsu LLC, has participated from the third meeting, and Ms. Teruko Noda, a certified public accountant, has participated in the fifth meeting.

The investigation report by the Independent Investigation Committee found the direct causes of inappropriate accounting to include: the involvement of top management; a policy that placed an over-riding concern on current profit; and strong pressure to achieve budget targets. The report noted, as the indirect causes why the Company was unable to prevent these actions, that the involvement of top-level management resulted in deviation from or the non-functioning of internal controls, and also found that an internal control structure that anticipated top management’s involvement in inappropriate accounting had not been established. The report also determined that internal control structures did not function efficiently, at both the corporate and in-house company level. As measures toward preventing recurrence of such actions, the report recommends the enhancement of corporate governance by strengthening the internal control function of the Board of Directors and the Audit Committee; establishing a new and stronger internal control department; and such as
increasing the number of Outside Directors and revising the membership of the Board.

As the result of the discussions by the Management Revitalization Committee, based on the recommendations made in the report by the Independent Investigation Committee, the Company hereby announces the outline of its corporate governance reform program, approved at the August 18 meetings of the Nomination Committee and the Board of Directors, as in Attachment 2.

Please note that the Management Revitalization Committee will continue to meet and will promote realization of the measures announced today. It will also accelerate further discussion on measures to prevent recurrence and other action items, and promptly put together the details of such recommendations. Going forward, the composition of the Committee will change. The six candidates for Outside Director of the Company, whose appointments are subject to approval by the Extraordinary General Meeting of Shareholders scheduled for late September will compose the Committee, together with Mr. Hashimoto and Mr. Kitada and also the current Outside Directors, Mr. Itami, Mr. Shimanouchi, Ms. Saito and Mr. Tanino, for a total of 12 members.

2. **Candidates for Representative Executive Officer, President and CEO and Directors in the New Management Team**

The suitability of the candidates for the posts of Representative Executive Officer, President and Chief Executive Officer, and Directors, were also discussed by the Management Revitalization Committee, in order to secure objectivity and transparency in the selection of the nominees. Discussions were also held as necessary between only the impartial independent members of the Committee (those with no interests in the Company) and the Committee’s observers, particularly in regard to the eligibility of re-nominated candidates. As a result, the candidates for Director, including the post of Representative Executive Officer President and Chief Executive Officer, were also approved by the Management Revitalization Committee based on Attachment 1.

Following the conclusion of the Extraordinary General Meeting of Shareholders, Mr. Masashi Muromachi, the current Representative Executive Officer, President and Chief Executive Officer, will cease to serve as Chairman of the Board, so as to concentrate on his role as Representative Executive Officer, President and Chief Executive Officer.

The candidates for Outside Directors comprise three corporate management experts, two accounting experts, one attorney-at-law, and one scholar. Of these, the Company has particularly decided to nominate two certified public accountants, in order to prevent any further inappropriate accounting. There will be four Directors nominated from inside the Company, including Mr. Muromachi, against seven from outside, so Outside Directors will comprise a clear majority of the new Board (1). The Company has resolved that the Chairman of the Board will be an Outside Director, as will all members of the Audit Committee, the Nomination Committee and the Compensation Committee. Attachment 1 provides the names and backgrounds of the candidates for new Outside Directors. The names and career profiles of candidates for the post of Chairman and for membership of the
three Committees (other than for Mr. Muromachi) will be determined by August 31 and announced promptly thereafter.

3. Current Status of Restatement of the Past Financial Results

An outline of the restatements of the past financial results (consolidated income (loss) before income taxes and non-controlling interests), as a result of examination by the Company based on the investigation report of the Independent Investigation Committee and that are currently available for disclosure, is as follows. Please note that the figures have not been finalized, and the Company’s accounting auditors, Ernst & Young ShinNihon LLC, are still continuing their audit, so there is a possibility that the figures will change in the future.

<table>
<thead>
<tr>
<th>Items</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014 (1-3Q cumulative)</th>
<th>Cumulative (06~14/3Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items delegated to Independent Investigation Committee</td>
<td>-28.2</td>
<td>-40.0</td>
<td>8.4</td>
<td>-31.2</td>
<td>-85.8</td>
<td>-5.4</td>
<td>30.4</td>
<td>-151.8</td>
</tr>
<tr>
<td>Self-Check</td>
<td>-0.6</td>
<td>-1.0</td>
<td>1.0</td>
<td>-0.2</td>
<td>-1.5</td>
<td>-1.3</td>
<td>-0.8</td>
<td>-4.4</td>
</tr>
<tr>
<td>Amount of correction (disclosed on July 20)</td>
<td>-28.8</td>
<td>-41.0</td>
<td>9.4</td>
<td>-31.4</td>
<td>-87.3</td>
<td>-6.7</td>
<td>29.6</td>
<td>-156.2</td>
</tr>
<tr>
<td>Amount for Impairment of fixed assets (incl. effect of depreciation / gain (loss) on sale or disposal)</td>
<td>([*1])</td>
<td>2.5</td>
<td>0.3</td>
<td>-49.0</td>
<td>14.8</td>
<td>13.7</td>
<td>15.5</td>
<td>-44.0</td>
</tr>
<tr>
<td>Others (2)</td>
<td>-9.7</td>
<td>1.3</td>
<td>5.6</td>
<td>-5.0</td>
<td>-7.1</td>
<td>-7.9</td>
<td>10.0</td>
<td>-12.8</td>
</tr>
<tr>
<td>Effect incidental to restatement, etc.</td>
<td>-51.5</td>
<td>3.8</td>
<td>5.9</td>
<td>-54.0</td>
<td>7.7</td>
<td>5.8</td>
<td>25.5</td>
<td>-56.8</td>
</tr>
<tr>
<td>(After correction) income (loss) before income taxes</td>
<td>-340.0</td>
<td>-10.0</td>
<td>210.0</td>
<td>60.0</td>
<td>80.0</td>
<td>180.0</td>
<td>190.0</td>
<td>370.0</td>
</tr>
</tbody>
</table>

"Others" in the above chart includes items, such as those delegated to the Independent Investigation Committee or items pertaining to the self check, which were additionally determined by the Company to require correction in the course of the audit procedures. Specifically, there are some items for which it was determined that it was partially not necessary to make corrections for accounting in respect of the Visual Products business and the PC business, and there are some items for which the fiscal year to which the correction pertains was changed. Likewise, "Others" also includes items for which the timing of recognition of revenues was newly revised.

In addition, incidental to such restatement of financial statements for past fiscal years, the Company implemented fixed asset impairments and inventory write-downs in the PC business, the Visual Products business, and the Semiconductor business. Inventory write-downs are included in “Others.” The breakdown of the amount for impairment of fixed assets (including past depreciation costs returned in accordance with the retrospective impairment of fixed assets) is as follows:

<table>
<thead>
<tr>
<th>Amount for Impairment of fixed assets (incl. effect of depreciation / gain (loss) on sale or disposal)</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014 (1-3Q cumulative)</th>
<th>Cumulative (06~14/3Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[*1]</td>
<td>-41.8</td>
<td>2.5</td>
<td>0.3</td>
<td>-49.0</td>
<td>14.8</td>
<td>13.7</td>
<td>15.5</td>
<td>-44.0</td>
</tr>
<tr>
<td>[*2]</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
assets) is as follows.

<table>
<thead>
<tr>
<th></th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014 (1-3Q cumulative)</th>
<th>Cumulative (08 - 14/3Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC business</td>
<td>-21.0</td>
<td>0.8</td>
<td>-0.1</td>
<td>1.7</td>
<td>0.5</td>
<td>1.5</td>
<td>9.6</td>
<td>-7.0</td>
</tr>
<tr>
<td>Visual Products business</td>
<td>-20.7</td>
<td>1.7</td>
<td>0.4</td>
<td>-0.1</td>
<td>13.6</td>
<td>3.5</td>
<td>-0.5</td>
<td>-2.0</td>
</tr>
<tr>
<td>Discrete, System LSI, etc.</td>
<td>-50.6</td>
<td>0.8</td>
<td>8.5</td>
<td>6.3</td>
<td>35.0</td>
<td>6.3</td>
<td>35.0</td>
<td>-35.0</td>
</tr>
<tr>
<td>Total</td>
<td>-41.8</td>
<td>2.5</td>
<td>0.3</td>
<td>-49.0</td>
<td>14.8</td>
<td>13.7</td>
<td>15.5</td>
<td>-44.0</td>
</tr>
</tbody>
</table>

For matters that will affect the consolidated net income attributable to shareholders of the Company, such as the necessity of recording valuation provisions regarding the long-term deferred tax assets of the Company and its consolidated subsidiary corporations (consolidated tax subsidiaries in Japan), the Company has evaluated that there is a possibility that such matters will be recoverable in respect of past fiscal years based on future plans that incorporate risks anticipated based on the most recent actual results, but the Company is currently still in the progress of finalizing the financial results, including the audit procedures by the accounting auditor, so the Company will promptly announce the results when they are available for disclosure.

4. Current Status of the Forecast for Fiscal 2014 Results

The forecast for the fiscal 2014 consolidated results that is able to be currently announced is as follows.

<table>
<thead>
<tr>
<th>Net Sales</th>
<th>Operating income (loss)</th>
<th>Income (loss) before income taxes</th>
<th>Free Cash Flow</th>
<th>Interest bearing liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>6660</td>
<td>170</td>
<td>140</td>
<td>140</td>
<td>1150</td>
</tr>
</tbody>
</table>

“Income (loss) before income taxes” above includes an impairment of fixed assets and investment assets in the Nuclear Energy business, the Semiconductor business, and the White Goods and automotive / battery related businesses of minus 127 billion yen. These impairments are the result of an appropriate evaluation of the recoverability of assets as part of the audit procedures, including a strict re-examination by the Company itself as to business profitability. In addition, “Income (loss) before income taxes” also includes a minus 26 billion yen charge pursuant to the exit from the consumer PC business and overseas TV business, and a minus 12 billion yen charge for lawsuit expenses.

Because the accounting for tax expenses is still under examination, at the current stage the Company is unable to announce the forecast figures for net income attributable to
shareholders of the Company, but due to effects such as there not being any tax effect for the above impairments of fixed assets and investment assets, and the effect of reversal of deferred tax assets due to the fiscal 2015 tax reforms (change in tax rates), the net income (loss) for fiscal 2014 is expected to be a loss. In addition to this, for matters such as the necessity of recording valuation provisions for long-term deferred tax assets of the Company and its consolidated subsidiary corporations (consolidated tax subsidiaries in Japan), although the Company has evaluated that there is possibility of recoverability as of fiscal 2014 as for past fiscal years, the Company is still in the progress of finalizing the financial results, including the audit by the accounting auditor that is currently in progress, in respect of matters such as the necessity of recording valuation provisions for deferred tax assets recorded by overseas subsidiaries of the Company. Details will be disclosed promptly once they are available for announcement. The Company will also announce, in a timely and appropriate manner, any further matters that need to be announced in relation to financial forecasts.

For the details of restatements for past year results and the consolidated forecast for fiscal 2014, please refer to Attachment 3.

# # #
1. Director Candidates

**In-House Director**

Masashi Muromachi (currently Director, Chairman of the Board, Representative Executive Officer, President and Chief Executive Officer)

**Outside Directors**

Hiroyuki Itami (currently Outside Director)
Teruko Noda (currently Certified Public Accountant)
Koichi Ikeda (currently Advisor to the Board, Asahi Group Holdings Ltd.)
Yuki Furuta (currently Attorney-at-Law)
Yoshimitsu Kobayashi (currently Chairperson, Member of the Board, Mitsubishi Chemical Holdings Corporation)
Ryoji Sato (currently Certified Public Accountant)
Shinzo Maeda (currently Senior Advisor, Shiseido)

Notes
(1) Newly-appointed directors are underlined.
(2) Other in-house director candidates will be appointed separately.

2. Career in Brief of Newly-Appointed Outside Director Candidates

**Hiroyuki Itami**

Date of Birth: March 16, 1945

- April 1973: Full-time Instructor, Faculty of Commerce and Management, Hitotsubashi University
- March 1975: Visiting Assistant Professor, Graduate School of Business, Stanford University
- April 1977: Assistant Professor, Faculty of Commerce and Management, Hitotsubashi University
- March 1982: Visiting Associate Professor, Graduate School of Business, Stanford University
- April 1985: Professor, Faculty of Commerce and Management, Hitotsubashi University (until March 2008)
- August 1994: Dean, Faculty of Commerce and Management, Hitotsubashi University (until July 1996)
April 2008  Professor, Graduate School of Management of Science and Technology (renamed Graduate School of Innovation Studies in April 2011), Tokyo University of Science (current)

October 2008  Dean, Graduate School of Management of Science and Technology (renamed Graduate School of Innovation Studies in April 2011), Tokyo University of Science (until September 2014)

June 2012  Outside Director, Toshiba Corporation (current)

Teruko Noda
Date of Birth: January 3, 1939

March 1961  Joined Toshiba Corporation (until August 1963)

July 1971  Joined Chuo Audit Corporation

March 1975  Registered as Certified Public Accountant

May 1985  Representative Partner, Chuo Audit Corporation

August 1992  Vice Chairman, Accounting System Committee, The Japanese Institute of Certified Public Accountant

November 1997  Examiner, Certified Public Accountant Examination (until October 2000)


March 2009  Audit & Supervisory Board Member, Chuetsu Pulp & Paper Co., Ltd. (until June 2015)

May 2009  Audit & Supervisory Board Member, Renown Incorporated (until May 2013)

Koichi Ikeda
Date of Birth: April 21, 1940

April 1963  Joined Asahi Breweries, Ltd. (current Asahi Group Holdings, Ltd.)

March 1996  Director

March 1997  Managing Director

March 1999  Senior Managing Director

March 2000  Senior Managing Corporate Officer

March 2001  Senior Managing Director and Senior Managing Corporate Officer
<table>
<thead>
<tr>
<th>Name</th>
<th>Date of Birth</th>
<th>Position</th>
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<tbody>
<tr>
<td><strong>Yuki Furuta</strong></td>
<td>April 8, 1942</td>
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<td></td>
<td></td>
<td>January 2002</td>
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<td>March 2006</td>
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<td>March 2010</td>
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<td>April 1993</td>
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<td>July 1998</td>
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<td>September 1999</td>
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<td></td>
<td>December 1999</td>
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<td></td>
<td></td>
<td>August 2002</td>
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<td></td>
<td></td>
<td>September 2003</td>
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<td></td>
<td></td>
<td>August 2005</td>
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<tr>
<td><strong>Yoshimitsu Kobayashi, PhD</strong></td>
<td>November 18, 1946</td>
<td>December 1974</td>
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<td>June 2003</td>
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<td></td>
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<td>April 2005</td>
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<td>June 2006</td>
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<td>February 2007</td>
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<td>April 2007</td>
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<td>April 2012</td>
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<td></td>
<td></td>
<td>April 2015</td>
</tr>
</tbody>
</table>
Ryoji Sato
Date of Birth: December 7, 1946
April 1969
Joined Nikko Securities (current SMBC Nikko Securities Inc.)
October 1971
Joined Tohmatsu Awoki & Co. (current Deloitte Touche Tohmatsu LLC)
February 1975
Registered as Certified Public Accountant
January 1978
New York Office, Touche Ross
September 1979
London Office, Touche Ross
May 1983
Partner, Tohmatsu Awoki & Co.
June 2001
Managing Partner, Tokyo Office, Deloitte Touche Tohmatsu LLC
June 2004
Representative Partner and Managing Partner, Tokyo Office
June 2007
Chief Executive Officer
November 2010
Senior Advisor (until May 2011)

Shinzo Maeda
Date of Birth: February 25, 1947
April 1970
Joined Shiseido
June 2003
Corporate Officer (Director)
June 2005
President & CEO (Representative Director)
April 2011
Chairman (Representative Director)
April 2013
Chairman (Representative Director), President & CEO
April 2014
Chairman (Director)
June 2014
Senior Advisor (current)
Outline of Reform of Corporate Governance Structure

Since Toshiba Corporation (the “Company”) received the report by the Independent Investigation Committee, the Management Revitalization Committee has met five times for intensive discussions on a basic policy for reforming the Company’s corporate governance structure, with a primary focus on the function and composition of the Board of Directors and reinforcement of the supervisory organizations. Based on the Committee’s discussions, the Company has formulated and hereby announces basic policies for reform of the corporate governance structure. The Company will establish and implement concrete measures based on these basic policies.

1. Composition and Reinforcement of the Board of Directors’ Function

The Company is a company with a Nomination Committee System, which emphasizes the Board of Directors’ supervisory function over the execution of business, and delegates wide range of decisions on the execution of business to Executive Officers. The Company reconfirms that the functions of Board of Directors are to “monitor and supervise business execution” and “to determine the Company’s basic strategies.” In order to ensure that these functions are effective and fully enforced, as well as strengthened, the Company has decided to implement policies to change the composition of the Board of Directors, as described below, and to implement measure in strengthening the functions of the Board of Directors.

(1) Composition of the Board of Directors

i. Reducing the number of members of Board of Directors to approximately 11 people
To ensure substantive and productive deliberation, the Company has decided to reduce the membership of the Board of Directors from the former number of 16 persons (the Articles of Incorporation states “20 persons or less”) to approximately 11 people. Note that the Company will be nominating 11 candidates of new Director.

ii. Increasing the ratio of Outside Directors to more than half
To secure the effectiveness of the “monitor and supervise business execution” function, the Company has decided that Outside Directors will constitute over half of the membership of the Board of Directors. Note that the Company will be nominating four in-house Directors and seven Outside Directors for the new Board of Directors nominees.

iii. Ensuring a composition of the Board of Directors in which the expertise of its members is taken into account
Recognizing that the involvement of top management in inappropriate accounting caused internal controls to function improperly, and the insufficiency of the accounting audit function and compliance inspections, which are the core of the “monitor and supervise execution” function, the Company will henceforward take steps to appoint multiple Outside Directors with management experience and expert knowledge in finance and the law. Specifically, the Company will, where possible, appoint Directors who are management executives, legal and
accounting professionals, and experts in other areas, in order to diversify the composition of
the Board of Directors. Note that the current nominees for Director have diverse
backgrounds: three management executives, two accountants, one attorney-at-law and one
scholar.

iv. Enabling an Outside Director to become Chairman of the Board of Directors
The Company will change its articles of incorporation, which currently specifies that the
Chairman of the Company (an in-house Director) shall also serve as Chairman of the Board of
Directors, to enable the appointment of an Outside Director as Chairman of the Board of
Directors.

(2) Reinforcement of the Board of Directors’ Supervisory Functions

i. Reinforcing the support structure for Outside Directors
The function and headcount of the Audit Committee Office will be expanded in order to
provide support for Outside Directors. By utilizing independent outside experts
(attorneys-at-law, certified accountants) and others, the Audit Committee Office will reinforce
its powers of investigations and transform itself into an organization that proactively gathers
information. This will provide the Outside Directors with stronger information gathering and
investigation abilities and reinforce their function.

ii. Establishment of ‘Executive Sessions’
The Company will establish ‘Executive Sessions,’ a meeting of and for the Outside Directors
to stimulate information exchanges among themselves and to increase their understanding of
the Company’s business

2. Reinforcement of the Audit Committee’s Supervisory Function

The Independent Investigation Committee’s report found that one of the main reasons for
inappropriate accounting was the improper functioning of the internal controls (audit
function) managed by the Audit Committee, and recommends reinforcing internal controls by
the Audit Committee as a means to prevent recurrence. The Company recognizes
reinforcement of the Audit Committee’s audit function as an urgent matter, and following
discussion with the Management Revitalization Committee has decided to implement the
measures described below, in order to change the composition of the Audit Committee and
reinforce its audit function.

(1) Composition of the Audit Committee

i. Composing the Audit Committee only of independent Outside Director members
It is now recognized that effective audits were not secured under the customary practice of
appointing the Executive Officer responsible for finance as Chairman of the Audit Committee.
Therefore, the Company has decided that all members of the Audit Committee, four or five in
number, must be independent Outside Directors.
ii. Composing the Audit Committee of Outside Directors with a high level of expertise

Recognizing that there has thus far been insufficient appointment of Audit Committee members with a background in finance and accounting, the Company has decided that members of the Audit Committee must be Outside Directors with a high level of expertise and extensive experience in the fields of accounting, law and management. It will be mandatory that some members of the Audit Committee are Outside Directors who are experts in law or accounting, so as to reinforce the functions of accounting auditing and compliance inspections.

(2) Reinforcement of the Audit Function of the Audit Committee

i. Reinforcement of the Audit Committee Office

To ensure that the Audit Committee Office is able to gather information and conduct investigations based on instructions from the Audit Committee, the Company will increase the size of the Audit Committee Office’s staff, appoint staff members with knowledge of accounting, and ensure provision of the funding necessary to expand opportunities to use outside experts. Securing reinforcement of the Audit Committee Office will be ensured by appointing the Executive Officer responsible for auditing to head of Audit Committee Office.

ii. Reinforcement of the audit function of the Audit Committee through establishment of internal reporting system

In addition to the internal whistleblower system on the business execution side, the Company will establish a confidential reporting function in the Audit Committee Office in order to enable direct reporting of concerns to the Audit Committee. The Company will also clarify that all members of the Audit Committee have the right of access to all reports made to the business execution side using the whistleblower system.

iii. Securing the independence of the Audit Committee Office

The Audit Committee will have the right to approve the appointment of, dismiss and veto the dismissal of the head of the Audit Committee Office, so as to secure the independence of the Audit Committee Office.

iv. Elimination of the Corporate Audit Division, establishment of the Internal Audit Division, and direct control of the Audit Committee

The Company will eliminate the current Corporate Audit Division, separate the internal audit function of the Corporate Audit Division from the business execution side, and reestablish these functions in an Internal Audit Division under the direct control of the Audit Committee.

v. Reinforcement of the audit function in accounting and compliance inspections by the Internal Audit Division

As the current work of the Corporate Audit Division mainly consists of business audits (based more on consultation rather than audits), the Company will clearly limit and focus the work of the Internal Audit Division to audits of accounting, compliance inspections, audits of appropriateness and audits of internal control. Responsibility for business audits will be shifted to the business execution side, and the execution and supervisory functions will be
clearly separated. The Internal Audit Division’s function in accounting audits and compliance inspections will be reinforced by the Company ensuring sufficient funding for the Internal Audit Division to make proactive use of independent outside attorneys-at-law and certified accountants. The foregoing structure will also be reinforced by appointing the executive officer in charge as the general manager of the Corporate Audit Division.

vi. Reinforcement of accounting audits and compliance inspections over in-house companies
By establishing a structure whereby several members of the Internal Audit Division are resident in each in-house company and have full access to all of the in-house company’s information, the Company will strengthen the function of accounting audits and compliance inspections, etc. This will also enable the Internal Audit Division to understand communications between accounting auditors and in-house companies, and build a structure for cooperation and sharing information with accounting auditors.

vii. Securing the independence of the Internal Audit Division
The independence of the Internal Audit Division will be reinforced by giving the Audit Committee the right to approve the appointment of, dismiss and veto the dismissal of the head of the Internal Audit Division.

3. Reinforcing the Nomination Committee and ensuring the transparency of nomination procedures
The Independent Investigation Committee’s report found that the involvement of certain members of top management in internal controls (risk management) invalidated its effectiveness. In order to prevent any recurrence and in conjunction with the reinforcement of the Board of Directors’ function (as stated 1. above) and the reinforcement of the Audit Committee’s supervisory function (as stated 2. above), the Company believes that it needs to clarify the standards of eligibility for top management, and to establish a structure that secures appropriate decisions on the eligibility of potential candidates. Accordingly, as described below, the Company will change the composition of the Nomination Committee and implement measures to assure the objectivity, transparency and fairness of nomination procedures.

(1) Composition of the Nomination Committee
i. Composing the Nomination Committee only of independent Outside Director members
To ensure the objectivity, transparency and fairness of the nomination procedures, all members of the Nomination Committee four or five in number, must be independent Outside Directors. The Representative Executive Officer, President and Chief Executive Officer will attend meetings only as an observer with no voting right.

(2) Ensuring the fairness of nomination procedures
i. Planning for successors ‘Succession Plan’
To ensure the objectivity and fairness of the process of nominating successors, the Nomination Committee will formulate a Succession Plan.
ii. Clarification of the basis for selection and the selection processes of Representative Executive Officers and Executive Officers

The Nomination Committee will clearly set out the standards for the selection of Representative Executive Officers and Executive Officers. The Nomination Committee will have the authority to conduct periodic interviews with all candidates, and to secure the objectivity of nominations, the Company will introduce a system for evaluation of the Representative Executive Officer, President and Chief Executive Officer by top management (a confidence vote system).

###

###
New Management Team, Measures to Reform of Governance Structure, and Forecast for Financial Results

Toshiba Corporation

August 18, 2015

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Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies and performance of Toshiba Group.

- These forward-looking statements are not historical facts, rather they are based on management’s assumptions and beliefs in light of the economic, financial and other data currently available.

- Since Toshiba Group is promoting business under various market environments in many countries and regions, they are subject to a number of their risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations.

- Toshiba’s fiscal year (FY) runs from April 1 to March 31. 1H refers to the first six months (April-September); 2H refers to the latter six months (October-March); 1Q refers to the first quarter (April-June); 2Q refers to the second quarter (July-September); 3Q refers to the third quarter (October-December); 4Q refers to the fourth quarter (January-March).

- While restatements of results refer to past information, they are not fixed at this point and figures are subject to change.

- The optical disc drive (ODD) business is classified as a discontinued operation in accordance with the Accounting Standards Classification (ASC) 205-20 “Presentation of Financial Statements – Discontinued Operations”. The results of the ODD business have been excluded from net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Net income of Toshiba Group is calculated by reflecting the ODD business results to income (loss) from continuing operations, before income taxes and noncontrolling interests. Results of the past fiscal years and figures announced at the beginning of the fiscal period have been revised to reflect this change.

- Until FY2013, some of advanced R&D expenses and headquarters administrative overhead expenses were allocated to all segments. Starting in FY2014, part of these expenses is classified into corporate expenses without being allocated to the segments. Results of the past fiscal years have been revised to reflect this change.
New Management Team and Reform of Corporate Governance Structure

Hiroyuki Itami
Director,
Chairman of the Management Revitalization Committee
Toshiba Corporation

August 18, 2015

Framework of the Management Revitalization Committee

Management Revitalization Committee

Chairman: Hiroyuki Itami (Outside Director)
Members: Ken Shimanouchi (Outside Director)
Kiyomi Saito (Outside Director)
Sakutaro Tanino (Outside Director)
Mikinao Kitada (Attorney-at-Law)
Masami Hashimoto (Certified Public Accountant)

Observers: Yoshimitsu Kobayashi (Chairperson, Mitsubishi Chemical)
Yuki Furuta (former Supreme Court justice)
Ryoji Sato (Certified Public Accountant)
Teruko Noda (Certified Public Accountant)

Close Cooperation
Support

Recurrence Prevention Team
Professional Advisors
In-house execution team
Overview of the New Governance Structure (Board of Directors)

Mission of Board of Directors

Discussion Points
- The Independent Investigation Committee pointed out that the supervisory function of the Board of Directors did not function.
- The Company will redefine the true mission of the Board of Directors in consideration of reinforcing the supervisory function over business execution.

Suggestions

- Mission and Function of the Board of Directors
  - Recognize mission and function of the Board of Directors as being to “monitor and supervise business execution” and “to determine the Company’s basic strategies.”
  - Establish new structure (next slide) to reinforce both missions

Reference: Current rules of Board of Directors
Main items to determine
2. Important decisions on business strategy, such as major M&A
Main items to be reported
1. Status of execution of business by Executive Officers
2. Items determined at management meetings and documents of management decisions

Items pointed out by the Independent Investigation Committee

- “1. Clarify items to be reported” and “2. Expand scope of items to be reported,” to reinforce supervisory function of the Board of Directors by increasing amount of information provided to the Board.

Overview of the New Governance Structure (Board of Directors)

Composition of the Board of Directors

Discussion Points
- Develop a framework for the Board's monitoring and supervisory functions to work appropriately, and to prevent the invalidation of internal controls due to pressure from top management as pointed out by the Independent Investigation Committee.
- Develop appropriate structure for the Board to determine mid- to long-term improvement of corporate value and basic management policy with a view to securing sustainability.

Suggestions

- Size of Board of Directors
  - Should be 10-12 members
- Composed of outside and in-house directors
  - Should be 6 - 8 Outside Directors and 4-5 in-house Directors
- Personal attributes of Outside Directors
  - Attain diversity, such as management executives, experts in law and accounting and other areas
- Chairman of the Board of Directors
  - Enable Outside Directors to become Chairman of the Board of Directors
    (The current articles of incorporation state that he Chairman of the Company shall also serve as Chairman of the Board of Directors)

Items pointed out by the Independent Investigation Committee

- Increase number of Outside Directors
- Should change the compositions of the Board of Directors with consideration of need for various types of expertise
- Ensure independence of Outside Directors
Overview of the New Governance Structure
(Board of Directors)

Measures to Reinforce Functions of the Board of Directors

**Discussion Points**
- Develop a support structure independent from business execution, so that Outside Directors can execute their role and functions effectively

<table>
<thead>
<tr>
<th>Suggestions</th>
<th>Items pointed out by Independent Investigation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Appropriate support for Outside Directors</td>
<td>➢ “1. Clarify items to be reported” and “2. Expand scope of items to be reported,” to reinforce supervision function of Board of Directors by increasing amount of information provided to Board of Directors.</td>
</tr>
<tr>
<td>➢ Establish a permanent support organization independent from top management to support Outside Directors’ activities</td>
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<tr>
<td>➢ Consider a new organization that can function like the Board of Directors secretariat</td>
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<tr>
<td>➢ Expand investigations etc. by Corporate Audit Div. and the Audit Committee Office and investigations etc. by outside experts, to reinforce Outside Directors’ function of gathering information and investigating.</td>
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<tr>
<td>➢ Ensure provision of appropriate quality and quantity of information, and appropriate opportunities for prior consideration and deliberation by the Board of Directors</td>
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</tr>
<tr>
<td>➢ Hold periodic meetings of Outside Directors only, enabling them to share information and awareness of problems</td>
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</tr>
</tbody>
</table>

Composition of the Board of Directors and the Three Committees

**Board of Directors**
- 7 Outside Directors
- 4 In-house Directors

**Nomination Committee**
Composed of 4 or 5 Outside Directors only

**Compensation Committee**
Composed of 4 or 5 Outside Directors only

**Audit Committee**
Composed of 4 or 5 Outside Directors only
Required to have members with accounting or legal knowledge

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Matters pointed out by the Independent Investigation Committee regarding Internal Control

1. Internal controls did not function in in-house companies
   ⚫ Internal control by Finance & Accounting Div. did not function

2. Internal controls did not function in corporate staff divisions
   ⚫ Involvement of certain top management and executives invalidated internal controls in financial reporting

Recommendations for an organization designed to prevent recurrence
◆ Establish powerful internal control division
◆ Reinforce internal control function (supervisory function) of the Board of Directors
◆ Reinforce internal control function (audit function) of the Audit Committee
◆ Effective use of internal whistleblower system

Image of Corporate Governance Structure
Securing Independence of Financial Accounting

Current

President

Company President

BU BU

Company CFO

Company Accounting Div.

CFO

Finance & Accounting Div.

After Change

President

Company President

CFO

Finance & Accounting Div.

Company CFO

Company Accounting Div.

CFO instruction line is independent from business units

* Located within the relevant in-house company

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Items Considered in Respect of Nomination and Compensation Committees

Matters Pointed Out by the Independent Investigation Committee
1. No development of an internal control structure that anticipated the possibility of inappropriate accounting involving certain members of top management
2. Over-riding current-term profit policy
   ★ Maximization of short-term profit and pressure to achieve goals resulted in inappropriate accounting

Nomination Committee

- All members must be Outside Directors
- Improve selection process for President
  * Formulation of Succession Plan by Nomination Committee
  * Introduction of anonymous vote of confidence system intended to act as a check on the President

Compensation Committee

- All members must be Outside Directors
- To consider designing compensation based on mid- to long-term corporate value
Model of Process for Selecting President & CEO

Discussion Points

- Documentize the process and selection standards for President (HR requirements)
- Systemize a monitoring and evaluation cycle for presidential candidates by the Nomination Committee and the Board of Directors
- Study a process for Directors and Executive Officers based on the process for the President

<table>
<thead>
<tr>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define selection process</td>
<td>Define standards for selection (HR requirements)</td>
<td>★Receive list of prospective successors from the President</td>
<td>Candidate assessment (Integrate external evaluation tools)</td>
<td>Evaluate Eligibility based on assessment results</td>
<td>Narrow down candidates</td>
</tr>
</tbody>
</table>

“Vote of confidence” re the President

April | May | June | July | August | September |
<table>
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</thead>
<tbody>
<tr>
<td>★Resolution by the Board of Directors</td>
<td>★New President takes office</td>
<td>Execution of monitoring (interviews etc.) of all Executive Officers (including presidential candidates) by Nomination Committee and Outside Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Evaluation System for President & CEO (Vote of Confidence system)

Discussion Points

- Establish system of anonymous vote of confidence in President by top management, as reference material for the Nomination Committee when making succession plan

1. Vote of Confidence (Evaluation) items (sample)

<table>
<thead>
<tr>
<th></th>
<th>Favorable</th>
<th>Neutral (Blank vote)</th>
<th>Unfavorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Is there any problem with the current President’s attitude towards compliance?</td>
<td>No, there isn’t</td>
<td>Neither / I don’t know</td>
<td>Yes, there is</td>
</tr>
<tr>
<td>B) Do you trust all actions taken by the current President as a management executive?</td>
<td>Yes, I do</td>
<td>Neither / I don’t know</td>
<td>No, I don’t</td>
</tr>
</tbody>
</table>

2. Voter

About 120 people*; anonymous voting

* Executive Officers (except Directors), Vice Presidents, General Managers of Divisions, Presidents of Branches, General Managers of Corporate Staff Groups, Presidents of key subsidiaries

3. Action on Results

(1) Hold vote in November as reference material for the Nomination Committee to consider the reappointment of the President. Final decision is made by the Board of Directors.

(2) If there are many unfavorable answers (approximately 20% or more), carry out additional research and examine the results carefully.

(3) The results are to be known only to the Nomination Committee.
Schedule for Management Revitalization Committee

<table>
<thead>
<tr>
<th>2015A</th>
<th>2015B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug 17~</td>
<td>Aug 24~</td>
</tr>
<tr>
<td>Aug 31~</td>
<td>Sep 7~</td>
</tr>
<tr>
<td>Sep 14~</td>
<td>Sep 21~</td>
</tr>
<tr>
<td>Sep 31~</td>
<td>Sep 28~</td>
</tr>
<tr>
<td>Aug 31 Board Meeting for financial reporting</td>
<td>Late Sep: Extraordinary General Meeting of Shareholders</td>
</tr>
</tbody>
</table>

- Meetings to be held approx. once a week
- Concentrate discussion on reoccurrence prevention

Items to discuss to prevent recurrence
- Reform of governance structure
- Reform of corporate culture
- Strengthening internal control functions
- Incorporation of J-Sox, reform of working processes

Re-examination of accounting standards, formulation of work processes, and strict implementation

New Management Team

- The Management Revitalization Committee also discussed candidates. The eligibility of re-nominated candidates was discussed by only the Committee’s impartial independent members and observers with no interests in the Company.

- **Outside Directors**
  - Hiroyuki Itami (current Outside Director)
  - Teruko Noda (Certified Public Accountant)
  - Koichi Ikeda (Advisor to the Board, Asahi Group Holdings Ltd.)
  - Yuki Furuta (Attorney-at-Law)
  - Yoshimitsu Kobayashi (Chairperson, Member of the Board, Mitsubishi Chemical Holdings Corporation)
  - Ryoji Sato (Certified Public Accountant)
  - Shinzo Maeda (Senior Advisor, Shiseido)

- **In-House Director**
  - Masashi Muromachi (current Director, Chairman of the Board, Representative Executive Officer, President and CEO)

- **Representative Executive Officer, President and CEO**
  - Masashi Muromachi

* Other in-house Director candidates are scheduled to be nominated separately
Outline of Restatement Estimates of Past Financial Results and Forecast for Fiscal 2014

August 18, 2015
Masashi Muromachi
President & CEO
Toshiba Corporation

Outline of Restatement of Past Financial Results
(Income (loss) before income taxes/Cumulative amount, FY2008–FY2014 3Q)

1. Amount of restatement (announced on July 20) -156.2 billion yen
   - Items delegated to Independent Investigation Committee -151.8 billion yen
   - Self-check -4.4 billion yen

2. Effect incidental to restatement -56.8 billion yen
   - Impairment of fixed assets
     - PC -7.0 billion yen
     - Visual Products -2.0 billion yen
     - Semiconductor (discrete, system LSI) -35.0 billion yen
   - Others -12.8 billion yen

Forecast for FY2014
- Operating income (loss) 170.0 billion yen
- Income (loss) before income taxes 140.0 billion yen
- Net income (loss) forecasted to turn to loss
  * Includes loss from revaluation of assets:
    Approx. 127 billion yen...STP*, Semiconductors, White Goods and others
  * South Texas Project

Dividend
The dividend as of the date of record, September 30, 2015, will be zero
Income (Loss) before Income Taxes, Restatement of Past Financial Results and Impact of Restatement

Cumulative amount, FY2008–FY2014 3Q

- (Before correction) Income (loss) before Income Taxes: 583.0 billion yen
- (1) Correction amount announced on July 20:
  - (-156.2) billion yen
- (2) Impact from restatement, etc.:
  - (-56.8) billion yen
- (After correction) Income (loss) before income taxes: 370.0 billion yen

- Amount of correction (announced on July 20):
  - Items delegated to Independent Investigation Committee: -151.8 billion yen
  - Self-check: -4.4 billion yen

- Impact from restatement:
  - Impairment of fixed assets: -44.0 billion yen (including impact of depreciation / gain (loss) on sale or disposal)
    - PC: -7.0 billion yen
    - Visual Products: -2.0 billion yen
    - Semiconductors: -35.0 billion yen
    - Others: -12.8 billion yen

Outline of FY2014 Operating Income (Loss)

Costs of business withdrawals and lawsuit fees: (-48.0) billion yen

- Cost of business withdrawals/lawsuit:
  - PC B2C: -13.0 billion yen
  - Visual Products overseas: -23.0 billion yen
  - Lawsuits: -12.0 billion yen

- Losses from revaluation of fixed assets:
  - STP impairment: -41.0 billion yen (STP: South Texas Project)
  - Semiconductors impairment: -42.0 billion yen
  - White goods impairment: -39.0 billion yen
  - Automotive/batteries impairment: -5.0 billion yen

Loss from revaluation of assets: (-127.0) billion yen

- Current forecast for FY2014:
  - Energy & Infrastructure: 25.0 billion yen
  - Community Solutions/Healthcare: 78.0 billion yen
  - Electronic Devices & Components: 214.0 billion yen
  - Lifestyle: -110.0 billion yen

Unit: billion yen

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Measures regarding Management Issues

- Business reform reflecting the restatement of the past financial results and forecast for FY 2014

1) Social Infrastructure
   - Optimization of percentage-of-completion method, review and revise order management process

2) PC, Visual Products, White Goods, Semiconductors (Discrete, System LSIs)
   - In addition to reforming cost structure (optimization of overseas operation basis, implementation of brand licensing), examine every possibility to improve business operation, without limitation

- Deploy measures in recovering own capital

   - Improvement in business profitability, acceleration in selling non-core business assets
   - Sold approximately 113 billion yen (before tax) of Kone Corporation stock on July 22

Long Term Electricity Demand and Nuclear Power

Outlook of Worldwide Energy Production, by Source

- Nuclear power is expected to be the baseload power source in order to meet worldwide energy demand

<table>
<thead>
<tr>
<th>Year</th>
<th>Ocean</th>
<th>CSP</th>
<th>Solar</th>
<th>Geothermal</th>
<th>Wind</th>
<th>Bio</th>
<th>Hydro</th>
<th>Nuclear</th>
<th>Gas</th>
<th>Oil</th>
<th>Coal</th>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>66</td>
<td>357</td>
<td>1,291</td>
<td>378</td>
<td>3,345</td>
<td>1,569</td>
<td>6,222</td>
<td>4,644</td>
<td>9,499</td>
<td>494</td>
<td>12,239</td>
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<tr>
<td>2040</td>
<td>2,461</td>
<td>380</td>
<td>148</td>
<td>624</td>
<td>392</td>
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</tbody>
</table>

Capacity (GW)

- 2013: Newly constructed
- 2040: Nuclear energy production forecast

Forecast of Nuclear Energy Production

As electricity demand grows, the energy produced with nuclear power will increase 60%

Source: IEA World Energy Outlook, 2014
Nuclear Power: Fuel and Services Business

- Promote sales with new fuels offering enhanced efficiency and reliability to take share from competitors (e.g. U.S. BWR market, France, Ukraine and other markets)
- Services Business: Unify Toshiba Group’s nuclear power business. Offer differentiation achieved by combining Toshiba and Westinghouse’s superior technologies

The order backlog in the Fuel and Services business has more than doubled

Assure Base for Profit of Business by Expanding Fuel and Services Business

Nuclear Power Business
Consolidated Results and Impairment Evaluation

Net Sales of Nuclear Business (Consolidated)

Cumulative EBITDA* since acquisition of Westinghouse: approximately 370 billion yen

* EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization

Executed annual impairment test for FY2014
Found nothing indicting the possibility of not being able to collect the value of booked assets
Detailed explanation

August 18, 2015
Yukikazu Watanabe
General Manager, Finance & Accounting Division
Toshiba Corporation

Income (Loss) before Income Taxes, Restatement of Past Financial Results and Effects of Restatement

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<tr>
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</thead>
<tbody>
<tr>
<td>(Before correction)</td>
<td>-259.7</td>
<td>27.2</td>
<td>194.7</td>
<td>145.4</td>
<td>159.6</td>
<td>180.9</td>
<td>134.9</td>
<td>583.0</td>
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<tr>
<td>Income (loss) before income taxes</td>
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<tr>
<td>Items delegated to</td>
<td>-28.2</td>
<td>-40.0</td>
<td>8.4</td>
<td>-31.2</td>
<td>-85.8</td>
<td>-5.4</td>
<td>30.4</td>
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<tr>
<td>Self-Check</td>
<td>-0.6</td>
<td>-1.0</td>
<td>1.0</td>
<td>-0.2</td>
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<td>-1.3</td>
<td>-0.8</td>
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<tr>
<td>Amount of correction</td>
<td>-28.8</td>
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<td>9.4</td>
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<td>-6.7</td>
<td>29.6</td>
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<td>Amount for Impairment of</td>
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<td>2.5</td>
<td>0.3</td>
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<td>14.8</td>
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<td>fixed assets</td>
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<td>(incl. effect of depreciation</td>
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<td>/ gain (loss) on sale or</td>
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<td>disposal)</td>
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</tr>
<tr>
<td>Others (2)</td>
<td>-9.7</td>
<td>1.3</td>
<td>5.6</td>
<td>-5.0</td>
<td>-7.1</td>
<td>-7.9</td>
<td>10.0</td>
<td>-12.8</td>
</tr>
<tr>
<td>Effect incidental to</td>
<td>-51.5</td>
<td>3.8</td>
<td>5.9</td>
<td>-54.0</td>
<td>7.7</td>
<td>5.8</td>
<td>25.5</td>
<td>-56.8</td>
</tr>
<tr>
<td>restatement, etc.</td>
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</tr>
<tr>
<td>(After correction)</td>
<td>-340.0</td>
<td>-10.0</td>
<td>210.0</td>
<td>60.0</td>
<td>80.0</td>
<td>180.9</td>
<td>190.0</td>
<td>370.0</td>
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<td>Income (loss) before income taxes</td>
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</tbody>
</table>

*1 PC and Visual Products
*2 Mainly semiconductor
**Forecast for FY2014 (Entire Company)**

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Current forecast</th>
<th>FY2013 Results after correction</th>
<th>Difference</th>
<th>FY2014 Items to note (included number)</th>
<th>Forecast announced on Sept. 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6660</td>
<td>6490</td>
<td>170</td>
<td>-175</td>
<td>6700</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>170</td>
<td>250</td>
<td>-80</td>
<td>-175</td>
<td>330</td>
</tr>
<tr>
<td>%</td>
<td>2.6%</td>
<td>3.9%</td>
<td></td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>140</td>
<td>180</td>
<td>-40</td>
<td>-175</td>
<td>250</td>
</tr>
<tr>
<td>%</td>
<td>2.1%</td>
<td>2.8%</td>
<td></td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>FCF</td>
<td>140</td>
<td>40</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest bearing liabilities (interest bearing liabilities minus cash and deposits)</td>
<td>1150</td>
<td>1220</td>
<td>-70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unit: billion yen

*The forecast shows a loss in net income (loss). The Company is currently carrying out required processes to finalize the consolidated financial results, and will promptly announce the results when they are available for disclosure.*

**Reevaluation of Assets (Fixed Assets)**

In line with the restatement of past financial results, we are re-examining business profitability and making appropriate evaluations of the recoverability of assets

- **PC**
  - Executed impairment in FY2008
  - Executed all amounts in entire B2B and B2C

- **Visual Products**
  - Executed impairment in FY2008
  - Executed all amounts for all domestic and overseas business

- **Semiconductors**
  - System LSI
    - Executed impairment in FY2011
    - Executed for full amount, in accordance with the downturn in the sensor business
  - Discrete
    - Executed impairment in FY2014
    - Executed partially, in accordance with the downturn in white LEDs
  - Memory
    - No problem found; has continued to generate stable profit since FY2009

- **White Goods**
  - Executed impairment in FY2014
  - Executed all amounts for all domestic and overseas business
In line with the restatement of past financial results, we are re-examining business profitability and making appropriate evaluations of the recoverability of assets.

- **STP (South Texas Project)**
  - Executed impairment in FY2014
  - Evaluated the course of negotiation in selling electricity and investment, and executed all amounts by financing and loans

- **Westinghouse**
  - Executed impairment test on the business of the nuclear power division, including the nuclear business in Japan
  - The fair value of goodwill has always exceeded the book value since the acquisition, therefore the value of the goodwill as of FY2014 is deemed appropriate

- **Landis+Gyr**
  - Stable profit since the acquisition in 2011
  - The fair value of goodwill exceeds the book value, therefore the value of the goodwill as of FY2014 is deemed appropriate

- **Deferred tax assets**
  - Examined based on future plans that incorporated anticipated risks of the current environment into future plans, and determined that there is a probability of recovering loans via collateral for deferred tax assets of Toshiba Corporation and its consolidated subsidiaries*, as of FY2014
  - In regard to matters such as the necessity of recording valuation provisions related to deferred tax assets recorded by overseas subsidiaries of the Company, the Company is currently carrying out required processes to finalize the consolidated financial results and an audit by the external accounting auditor is in progress, and the Company will promptly announce the results when they are available for disclosure.

### Cash Flows

**Unit: billion yen**

- **Cash flow from operating activities**
  - FY2012: 132.3
  - FY2013: 286.6
  - FY2014: 330.0

- **Cash flow from investing activities**
  - FY2012: -196.3
  - FY2013: -246.6
  - FY2014: -190.0

- **Free cash flow**
  - FY2012: 38.0
  - FY2013: 40.0
  - FY2014: 140.0

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*consolidated subsidiaries in Japan subject to consolidated taxation

**Key Points**

- Improve working capital by optimizing business operation
- Investment in focus businesses will continue and increase, but assets held by the Company will be sold, to promote asset efficiency
## Forecast for FY2014, by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2014 Sales</th>
<th>FY2013 Sales after correction</th>
<th>Year-on-Year</th>
<th>Reference Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy &amp; Infrastructure</strong></td>
<td>2,010</td>
<td>1,810</td>
<td>200</td>
<td>1,990</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>25</td>
<td>6</td>
<td>19</td>
<td>91</td>
</tr>
<tr>
<td><strong>Community Solutions</strong></td>
<td>1,410</td>
<td>1,350</td>
<td>60</td>
<td>1,410</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>54</td>
<td>55</td>
<td>-1</td>
<td>61</td>
</tr>
<tr>
<td><strong>Healthcare Systems &amp; Services</strong></td>
<td>410</td>
<td>410</td>
<td>0</td>
<td>440</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>24</td>
<td>30</td>
<td>-6</td>
<td>31</td>
</tr>
<tr>
<td><strong>Electronic Devices &amp; Components</strong></td>
<td>1,760</td>
<td>1,680</td>
<td>80</td>
<td>1,730</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>214</td>
<td>244</td>
<td>-30</td>
<td>226</td>
</tr>
<tr>
<td><strong>Lifestyle Products &amp; Services</strong></td>
<td>1,160</td>
<td>1,310</td>
<td>-150</td>
<td>1,200</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>-110</td>
<td>-54</td>
<td>-56</td>
<td>-48</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>520</td>
<td>500</td>
<td>20</td>
<td>550</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>7</td>
<td>11</td>
<td>-4</td>
<td>9</td>
</tr>
<tr>
<td><strong>Corporate and Eliminations</strong></td>
<td>-610</td>
<td>-570</td>
<td>-40</td>
<td>-620</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>-44</td>
<td>-42</td>
<td>-2</td>
<td>-40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,660</td>
<td>6,490</td>
<td>170</td>
<td>6,700</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>170</td>
<td>250</td>
<td>-80</td>
<td>330</td>
</tr>
</tbody>
</table>

Unit: billion yen

Currently under audit procedures by external accounting auditor.
<table>
<thead>
<tr>
<th>Year</th>
<th>Before Correction</th>
<th>Change</th>
<th>After Correction</th>
<th>Before Correction</th>
<th>Change</th>
<th>After Correction</th>
<th>Before Correction</th>
<th>Change</th>
<th>After Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6,129.9</td>
<td>0.1</td>
<td>6,130.0</td>
<td>6,270.7</td>
<td>-10.7</td>
<td>6,260.0</td>
<td>599.4</td>
<td>-4.3</td>
<td>5,990.0</td>
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<tr>
<td>Income (loss) before income taxes</td>
<td>27.2</td>
<td>-37.2</td>
<td>-10.0</td>
<td>194.7</td>
<td>15.3</td>
<td>210.0</td>
<td>145.4</td>
<td>-85.4</td>
<td>60.0</td>
</tr>
<tr>
<td>Sales</td>
<td>5,727.0</td>
<td>-7.0</td>
<td>5,720.0</td>
<td>6,502.5</td>
<td>-12.5</td>
<td>6,490.0</td>
<td>4,716.2</td>
<td>3.8</td>
<td>4,720.0</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>159.6</td>
<td>-79.6</td>
<td>80.0</td>
<td>180.9</td>
<td>-0.9</td>
<td>180.0</td>
<td>134.9</td>
<td>55.1</td>
<td>190.0</td>
</tr>
</tbody>
</table>