

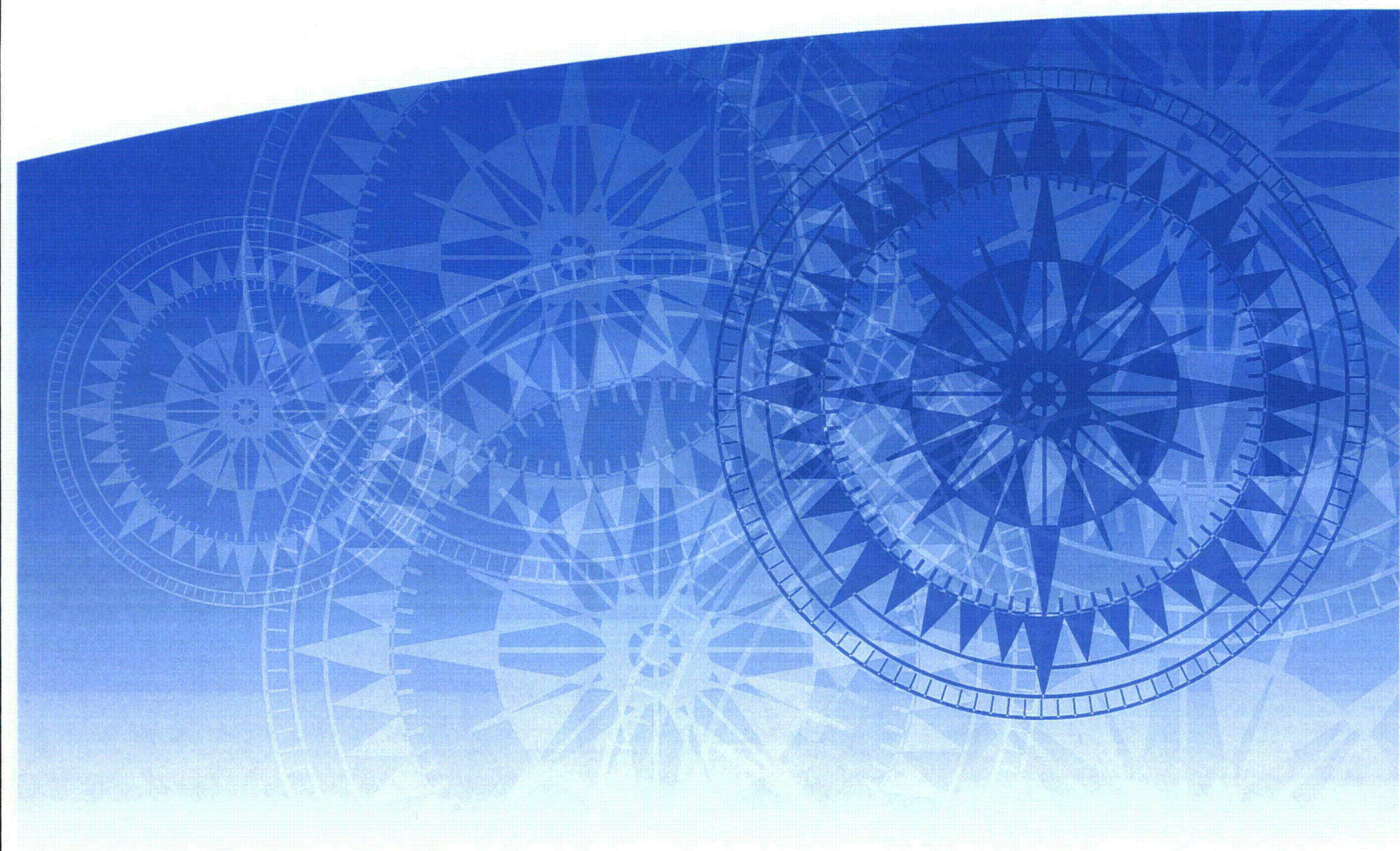
TOSHIBA

Leading Innovation >>>

2014

Annual Report

Year ended March 31, 2014 Operational Review



BASIC COMMITMENT OF THE TOSHIBA GROUP

We, the Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community.

COMMITMENT TO PEOPLE

We endeavor to serve the needs of all people, especially our customers, shareholders and employees, by implementing forward-looking corporate strategies while carrying out responsible and responsive business activities. As good corporate citizens, we actively contribute to further the goals of society.

COMMITMENT TO THE FUTURE

By continually developing innovative technologies centering on the fields of Electronics and Energy, we strive to create products and services that enhance human life, and which lead to a thriving, healthy society. We constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment.



**Committed to People,
Committed to the Future. TOSHIBA**

Framework of Toshiba Group's Management Philosophy

Basic Commitment of the Toshiba Group

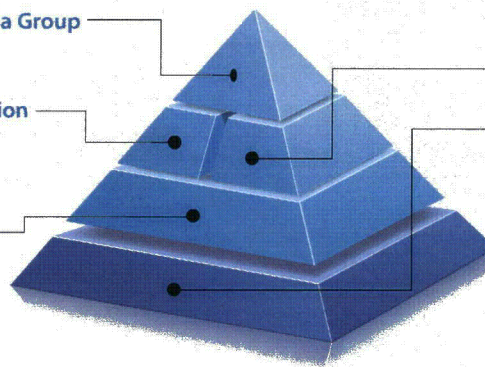
Toshiba Group's mission

Toshiba Group Management Vision

A set of values and targets shared throughout Toshiba Group

Toshiba Group Standards of Conduct

Standards of conduct to which everyone in Toshiba Group is required to adhere



Toshiba Brand Statement

United Nations Global Compact*

Responsibilities as a global enterprise




















* UN Global Compact: A voluntary corporate citizenship initiative concerning human rights, labor, the environment, and anti-corruption proposed by the former UN Secretary-General Kofi Annan in 1999 at the World Economic Forum. Toshiba joined the UN Global Compact in 2004.

Toshiba Group's Corporate Philosophy emphasizes respect for people, creation of new value, and contribution to society.

The Group slogan—"Committed to People, Committed to the Future. TOSHIBA."—expresses the essence of our corporate philosophy.

We recognize that it is our corporate social responsibility (CSR) to put our philosophy and slogan into practice in our day-to-day business activities. In doing so, we accord the highest priority to human life and safety and to compliance.

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To Our Shareholders

I wish to deeply thank our shareholders for your strong support. I assumed the office of the Chairman of the Board of Directors in June 2014. I am determined to enhance Toshiba's corporate value, and would like to ask for your continued strong support.

Toshiba is a company with a Committees governance system. While business operations are carried out by Executive Officers, the Board of Directors plays the role of supervising management, and it is working to strengthen management efficiency. In addition to the supervision of management, the Board of Directors carries out deliberations and decision-making regarding basic management policy and business strategies that will have a considerable impact on maximizing corporate value from the standpoint of our shareholders. At the Board of Directors meetings held in FY2013, we received reports from executive officers regarding business forecasts and actual results, and after holding thorough discussions, we made decisions regarding important matters related to the company's basic policies such as our Medium-term Business Plan, restructuring of business groups, and large-scale facility investments.

At the meetings of the Board of Directors we have established an appropriate balance of supervisory and operational functions by balancing the number of directors who concurrently serve as executive officers and nonexecutive directors and by requiring half of the nonexecutive directors to be outside directors. In this way, we are able to carry out our supervisory functions based on a broad level of expertise and experience. In order to assure transparency in management, Toshiba considers it very important to have the deep involvement of outside directors in our decision-making processes. For this purpose, in our nomination committee, audit committee and compensation committee, outside directors make up a majority, and the chairman's position of the nomination committee and the compensation committee is held by outside directors. In addition, in order for the outside directors system to function most effectively, each time we hold a meeting of the Board of Directors and/or a committee meeting we make arrangements to hold a prior explanatory information session. Based on their experience and knowledge in their respective fields, outside directors offer us frank perspectives that are independent of Toshiba's ways of thinking, and their opinions are reflected in our decision-making process. As chairman of the Board of Directors, I look forward to the further proactive participation of our outside directors in the Board's discussions.

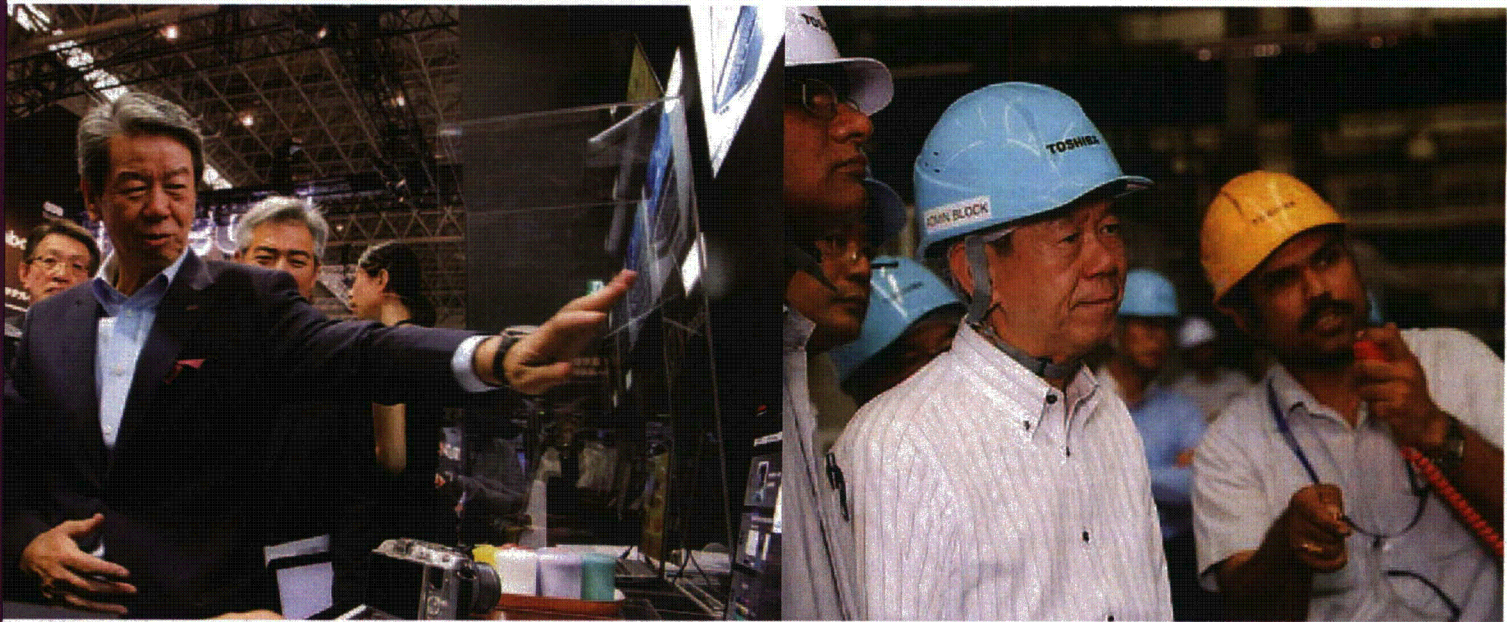
Toshiba makes it our basic corporate governance policy and objective to improve the efficiency and transparency of management and maximize corporate value from the standpoint of our shareholders. Through our supervision of the situation of the executive officers' business operations and by making decisions concerning such important matters as the company's basic policies, the Board of Directors will work so that we can contribute to maximizing Toshiba's corporate value. I sincerely ask our shareholders for your further continued guidance and support.

June 2014



M. Muromachi

Masashi Muromachi
Chairman of the Board of Directors



Toshiba President Hisao Tanaka visiting an International Exhibition in Japan (left) and a Toshiba Group company in India (right)

Corporate Strategies

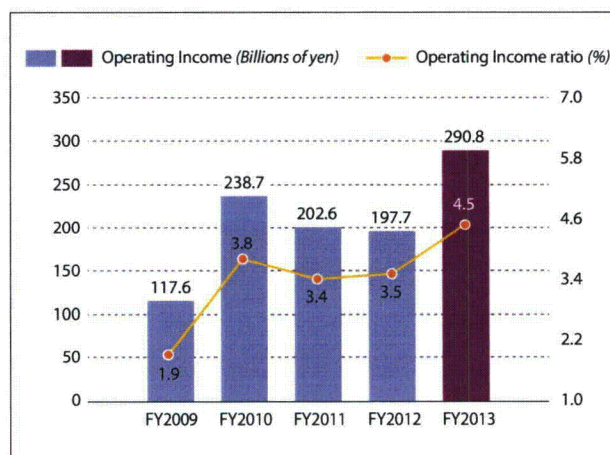
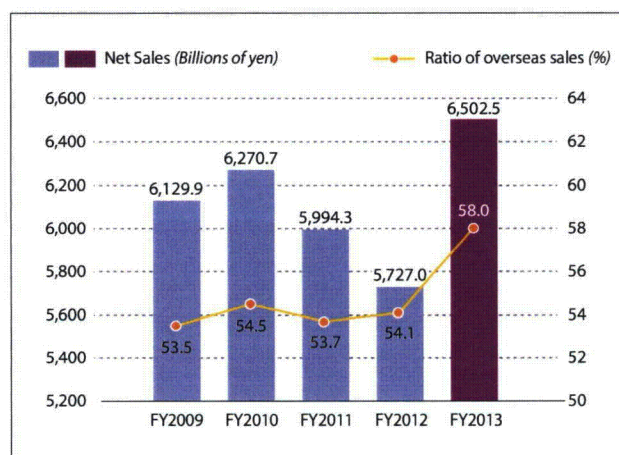
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President's Perspective

Performance and Achievements in FY2013

During this past year since I became president of Toshiba I have carried out action plans for Growth through Creativity and Innovation by seeking Value Creation, pursuing Productivity Improvement, globally developing diverse creative talent and moving forward with CSR management. In terms of the concrete measures that were executed in FY2013, I would like to point to our investment for Yokkaichi Operations to strengthen our memory business and our steps to improve our business operation structure to help us expand into growing emerging markets, such as the Energy & Infrastructure segment's proactive measures in the power generation and T&D businesses in India. In the Healthcare Systems & Services segment, which we have decided to further develop as a new third business pillar, we have integrated various healthcare systems and services that were developed in different organizations within Toshiba Group into one business domain. We have moved ahead aggressively with the restructuring of our Lifestyle Products & Services segment. In our TV/PC businesses, we closed and sold LCD TV manufacturing bases in China and Europe and carried out the shifting of personnel to other departments. In addition, we discontinued the Optical Disk Drive business. In October, we carried out a large-scale reorganization of our business groups for the first time in a decade and changed our business structure to better allow us to propose solutions to customers' needs and to maximize the added value of a customer-oriented business structure. At the same time, we strengthened corporate strategic functions by streamlining Head Office departments and promoting global shared services. We worked hard to foster New Concept Innovation by establishing a New Business Development Division to carry out the creation of new businesses and took stock of our technical strengths and identified potential customer needs. Although full-scale commercialization of new businesses is yet to start, from now on New Concept Innovation will unearth latent needs, and our efforts in this area are progressing steadily.

As a result of carrying out these action plans, in FY2013 net sales increased by 13.5% year on year to ¥6,502.5 billion. Starting with our Electronic Devices & Components segment achieving a great increase in sales from continued higher sales of memories throughout the fiscal year, all of our business segments, especially our Energy & Infrastructure and Community Solutions segments, achieved a solid business performance compared to the year-earlier period. Operating income also saw a great increase of ¥93.1 billion to ¥290.8 billion. Although the Energy & Infrastructure segment recorded a one-time loss in its nuclear business, the Electronic Devices & Components segment recorded its highest-ever operating income, and both Community Solutions and Healthcare Systems and Services achieved higher operating income. With regard to the Lifestyle Products & Services segment, which includes our TV and PC businesses, there was a shrinkage in the market and a rise in procurement costs due to the depreciation of the yen, and these latter businesses did not return to profitability; however, with



the progress we have made in restructuring, the operating income of this business segment steadily improved from the first half to the second half of the fiscal year. Toshiba's debt/equity ratio improved by 29 points compared to the year-earlier period to become 113%.

On the back of our business performance and achievements in FY2013, we will go forward with resolute all-out efforts to achieve sustained creative growth, and at the same time, we will accelerate our efforts to solve remaining issues. Based on this, we have drawn up Toshiba's Medium-term Business Plan for up until FY2016. I would like to introduce the key points of our plan.

Medium-term Business Plan – FY2014 to FY2016

We are now faced with a world economic environment characterized by such serious common global social issues as global environmental issues, resource and energy shortages, improving food, water and air quality, adjusting to the needs of a more information-intensive society with the shift to Big Data, and coping with great increases in population in many parts of the world as well as the issues presented by aging societies in various national settings. In such an environment, Toshiba's vision going forward is to aim to contribute through its various businesses to the realization of a safe, secure and comfortable society, a Human Smart Community by Lifenology – the technology life requires. To realize this vision, it is necessary to aim to not only provide products but also to provide excellent user experiences. Providing products is only the starting point, and we need to fuse our products and services so as to add better user experiences such as by combining products and advanced sensors as well

as information and communication technology (ICT).

Taking all these crucial matters into consideration, we have drawn up a Medium-term Business Plan for FY2014 through FY2016 that will help Toshiba achieve sustained Growth through Creativity and Innovation by pursuing growth that does not overly depend on market growth but is generated by Toshiba's creative powers. Among the key points of our new Medium-term Business Plan, the ones I place most importance on are "promoting a healthy financial base," "organic growth" and "enhancing profitability." We will work to compatibly balance both creative growth and the strengthening of our financial base.



President Tanaka explaining Toshiba's corporate strategies to employees in Japan

Securing a healthy financial base

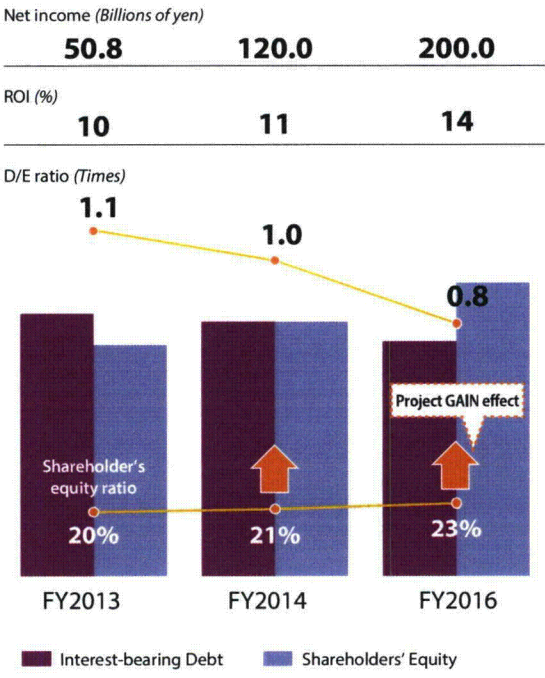
In our growth businesses, we will continue to make resource inputs necessary to sustain our competitive power; however, when executing them we will put the priority on strengthening our financial base. We will carry out capital expenditures and investments during the Medium-term Business Plan now under way within a planned frame of ¥1.5 trillion. With regard to business alliances with other companies as well as M&A, our intention is to carry them out within this planned frame, with priority placed on Healthcare, Data Storage and Energy. With regard to business acquisitions in particular, our policy is to carefully select the opportunities that will lead to the strengthening of our financial base through the making of higher profit from synergies with existing businesses.

We have already started up a Productivity Improvement project, Project GAIN,*¹ that will help us transform Toshiba into a truly innovative enterprise. Project GAIN involves thinking outside of the box to review productivity processes in all areas in order to optimize total costs and utilize resources and assets more efficiently. We will create enormous benefits through cost reductions in procurement and logistics as well as by maximizing the efficient use of our production bases, and we will achieve increased sales by spreading into all areas the various measures that have achieved results.

Through Project GAIN we will generate additional investment funds that will be utilized to further improve our financial base and to make timely investments for growth. By improving our total assets turnover ratio and cash conversion cycle, we will strengthen our cash flow management and lower our D/E ratio to 0.8 times at the end of FY2016 from 1.1 times in FY2013. Similarly, we will improve, respectively, ROI*² from 10% to 14% and our shareholders' equity ratio from 20% to 23%.

*1: Global Action for Innovative Enterprise
*2: Return On Investment

Strengthening Financial Base



Pursuing "organic growth" and "enhanced profitability"

Our Medium-term Business Plan sets the FY2016 net sales target at ¥7.5 trillion. This is approximately the same average growth rate of 5% as the forecasted GDP growth rate during the Medium-term Business Plan. However, the market growth rate of Toshiba's business pillars of Data Storage, Energy and Healthcare is expected to exceed this percentage figure.

So far, Toshiba has focused on allocating resources to strategic growth areas and we have concentrated on transforming our business portfolio. As a result, we have many businesses that have the world's top-level competitive power in the Data Storage, Energy and Healthcare markets — all markets where big growth is expected. For example, in the data storage business, NAND flash memory has high technological capabilities and profitability and we are looking to expand our strong NAND business to enterprise fields. In the energy business, we have the world's highest efficiency combined cycle technology for thermal power generation, and with regard to renewable energy, our hydroelectric pump-up power generation and geothermal power generation are also businesses in which we have the world's top share. We will expand our energy business centering on the application of low-carbon technologies. In healthcare, which we have decided to make our third business pillar, we are targeting the position of being among the world's top three in diagnostic imaging systems. In new healthcare business areas, we are developing such exciting new products as heavy-ion radiotherapy systems that offer improved treatment for cancer patients and DNA testing kits. The unique technology strengths Toshiba possesses in healthcare systems and services can lead us to win in the healthcare market.



In this manner, by absolutely strengthening the strong global businesses that Toshiba already possesses in line with the expansion of growth markets, including in emerging economies, we will achieve increased profit from increased sales – not necessarily by depending on business acquisitions. In addition, by creating new markets through New Concept Innovation, we will steadily realize our sales targets. This is my view of the role to be played by “organic growth.”

In addition to enhancing the profitability created through “organic growth,” we will resolutely carry out the restructuring of low-performance businesses to return such businesses into black figures. Moreover, in all of our businesses we will enhance profitability by strengthening our maintenance and services businesses.

Through “organic growth” and “enhanced profitability” we will aim to further strengthen our presently strong businesses and work to effectively improve our businesses with issues. Going forward, we will aim in all of our business fields for a Return On Sales (ROS) of 5% or more.

Maintaining high profitability and technological superiority in Data Storage



With the arrival of the use of Big Data and the more information-intensive society, such as IoT,^{*1} globally the volume of information storage is growing by leaps and bounds, and going forward, the demand for data storage-related products such as Toshiba’s NAND flash memory, SSD^{*2} and HDD is expected to further greatly grow.

In NAND flash memory, for which we have the world’s top-class competitive power, from April 2014 we began mass production of the world’s most advanced smallest-class 15nm product. In addition, we are promoting the development of and building a production system for the coming next-generation 3D multilayer NAND flash memory era, which is expected to begin in the latter half of FY2015, and we are aiming to make sample

shipments within FY2014. In such a way, we continue to make excellent progress in our pursuit of miniaturization and efficiency as well as cutting costs and continue to speedily bring to market products that have a strong competitive power. Going forward, in order to keep our technological superiority and continue to lead the market, we will selectively allocate management resources focused on the data storage business.

*1: Internet of Things

*2: Solid State Drive

Contributing to the global environment by using "low carbon" technologies in making, transmitting and distributing, storing and smartly using energy

It has become a crucial global task to tackle resource and energy issues while giving consideration to the effects on the global environment, such as the need to reduce greenhouse gas emissions. Toshiba will continue to contribute to the solution of these problems by offering highly efficient, low greenhouse gas emission power generation systems, including the world's highest efficiency combined cycle units and renewable energy systems such as hydroelectric power, geothermal power and solar power generation. Energy problems are urgent issues, especially in the emerging economies, and in this context, Toshiba is also aggressively carrying out the development of its energy businesses. For example, in India, we established joint-venture companies with local companies, and we are strengthening our overseas operations by establishing a global horizontal division work structure, including for manufacturing in the thermal power generation business and the power transmission, transforming and distribution business. We are developing our energy business with a view toward promoting exports to Asian and African markets from India.

In our nuclear power business, it is important to work on receiving new orders and the construction of new plants. However, a key foundation for Toshiba's earnings is in maintenance services and the supply of fuels for existing plants. These areas account for more than 80% of our nuclear business sales. Presently, about a 28% share (ratio of installed capacity) of the world's operating nuclear plants are those that Toshiba Group has handled, and we can expect stable profitability in this business in the future as well. While pursuing further safety in nuclear power generation, we will aim to improve profitability based on maintenance services and our fuel business for existing plants.

In the Community Solutions segment, towards the early realization of the Human Smart Community, we have participated in a total of 36 demonstration plants and commercial projects regarding the Smart Community around the world. With the knowledge and information we have gathered so far, we will accelerate commercialization and will work to realize stable energy supply and safe, secure and comfortable communities.



Aiming for the world's top 3 share in diagnostic imaging systems, expanding into new healthcare business areas

In diagnostic imaging systems, which are a key foundation of our healthcare business, we aim to be among the world's top 3 in market share by such means as strengthening product competitiveness, expanding into new areas such as the in-vitro diagnosis (IVD) business, expanding and strengthening our global operations structure and strengthening our maintenance and service operations. For example, for our CT systems, which have already obtained a very high reputation from medical institutions around the world, we will aim for a top-level global market share by enhancing our products' appeal in such ways as incorporating low radiation dose technology in all of our CT models. Furthermore, we will further expand our global operations by such means as expanding production at our Brazil plant and implementing a co-development system at each of our bases in Japan, the U.S., Europe, China and India. In our maintenance and services business, we will contribute to shortening patients' waiting times, and achieve improvements in medical institutions' management by guaranteeing the stable operation of equipment in conjunction with diagnosing signs of a problem through the use of a remote maintenance system and by reducing costs by speedily inspecting and repairing systems.

In addition to the diagnostic imaging systems that we have focused on up until now, Toshiba is developing a wide range of new business areas in healthcare such as health promotion, prevention, diagnosis & treatment and prognosis & nursing care. That we possess core technologies relevant to these new business areas, such as semiconductor, nuclear power and digital equipment technologies, and that we are already developing the sales and services of medical equipment in more than 135 countries around the world are both strengths that are unique to Toshiba. In order to clearly demonstrate such strengths of our company, we have established a new healthcare company by integrating related resources within Toshiba Group.



We will expand our business greatly not only in diagnostic imaging systems but also in new healthcare business areas, as we further develop the healthcare segment into our company's third pillar of business.

Realizing black figures by further strengthening the business efficiency of the Lifestyle Products & Services segment

In our home appliances businesses that are already in the black we will expand these businesses mainly by focusing on emerging economies, such as in Asia and the Middle East, where the markets are growing, and we will aim for 5% or more Return On Sales (ROS). In our TV business, due to the effects of the restructuring steps that we have implemented so far, the improvement of the cost structure is steadily progressing. We will work to build up a business system that can better withstand the influence of fluctuations in sales by thoroughly further implementing a streamlining of management. In the PC business, where market growth is hard to expect, we will further proceed with restructuring efforts by such means as focusing on particularly promising sales regions and reducing the numbers of product models. At the same time, we will considerably improve our earnings power by expanding sales to enterprises.

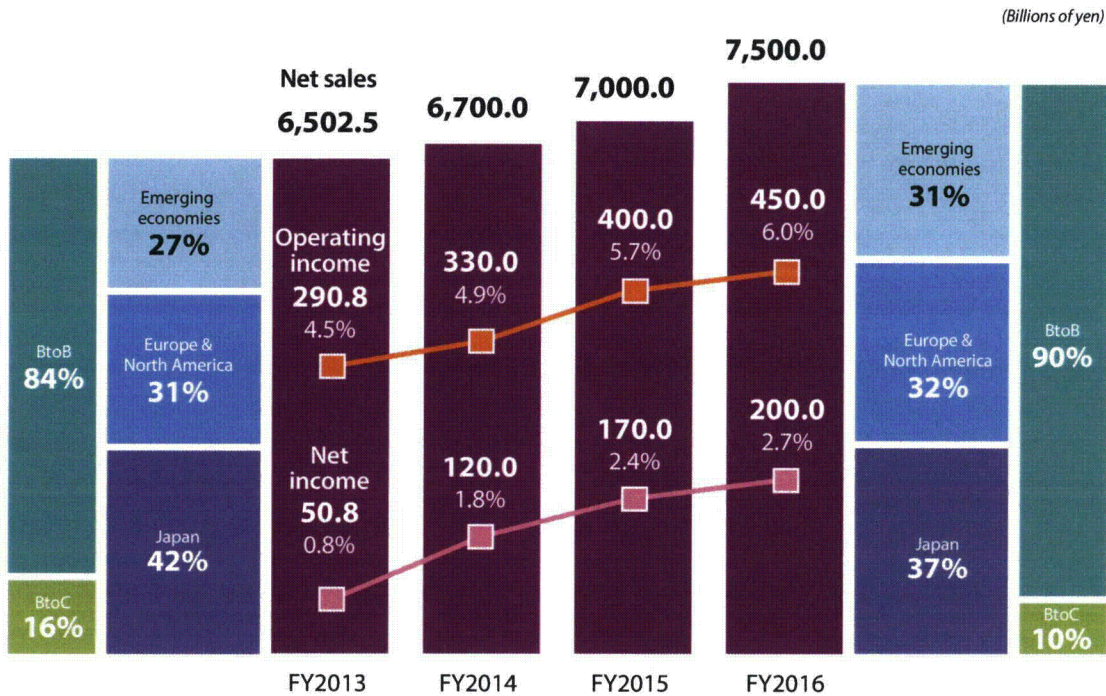


Aiming to achieve record business performance levels

Toshiba Group will further accelerate Growth through Creativity and Innovation with the growth engine provided through Value Creation and New Concept Innovation, as we focus on customers' points-of-view and combine values to create synergies and expand applications. Productivity Improvement will bring about a more effective use of resources and assets as well as enhance the quality, efficiency and speed in all businesses. We will aim to exceed our highest level ever of operating income with ¥330 billion in FY2014, and in FY2015, we will aim to exceed our highest level ever of net income with ¥170 billion. In FY2016, we will further expand our sales ratio to enterprises and sales ratio outside of Japan and aim to exceed the highest level ever of net sales. In addition, in FY2016, we will aim to attain the highest level ever of operating income (¥450 billion and ROS of 6%) as well as our highest level ever of net income (¥200 million).

Under this Medium-term Business Plan, unless a drastic environment change occurs, we will not change our targeted values once we announce them, and from next year on, we will report every year the achievement status of our forecasts. In order to gain the trust of all of our shareholders, we will go all-out in our management efforts to absolutely achieve the targeted values we announce.

Expanding overseas sales ratio and accelerating shift to BtoB will create steady growth



Contributing to a Sustainable Society as a Corporate Citizen of Planet Earth

The CSR management that I am aiming for is to realize a sustainable society together with all of our stakeholders through our businesses by gathering together the powers of Toshiba Group's 200,000 employees and by placing human life, safety and legal compliance as utmost priorities. Last year, we specified "human rights," "supply chain CSR," and "the environment" as areas that are essential to strengthen when promoting the further globalization of our company's business activities, while taking into consideration third-party organization recommendations, selecting issues to tackle and studying future policy measures. We consider it our responsibility as a global company to strengthen CSR activities in such areas as human rights, labor, safety/hygiene, the environment and ethical issues as we vigorously carry out CSR management – not only regarding Toshiba alone, but also including all of our procurement clients that comprise our supply chain that is spread all around the world.

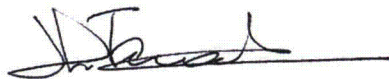
Regarding the environment, which is one of the most important themes in CSR management, presently Toshiba is leading the way in environmental management by promoting both long-term targets by means of our Environment Vision 2050 and short-term targets in the important areas represented by the 4 Greens.*¹ We have set our FY2015 environmental target at a level that surpasses that of other companies. Furthermore, we have pursued the intensification and expansion of environment management and announced T-COMPASS,*² our environmental management concept. It points to serious and urgent global environment issues including reducing the amount of use of Natural resources (N), reducing Energy use and greenhouse gas emissions (E), minimizing the risks involved in the use of chemical Substances (S) and minimizing the amount of Water resources consumed (W), which are expressed in the compass's 4 axes (N.E.S.W.), and Toshiba Group is coming together and aiming for a comprehensive solution of these issues. Aiming to solidify Toshiba's position as one of the world's foremost eco-companies, we will continue to move forward with and expand our environmental management.

Going forward, I will work to the best of my abilities to build a corporate group that is trusted as a global company and is seen as an excellent corporate citizen of planet Earth. I will also constantly work to maximize Toshiba's corporate value through pressing ahead with CSR management.

*¹ Greening of Product, Greening by Technology, Greening of Process, Green Management

*² Toshiba Comprehensive environmental database and its Practical Application to Simplified and/or Streamlined LCA

By proactively using Toshiba Group's 200,000 people's various strengths as the source of innovation, we will work with all of our powers to realize a safe, secure and comfortable Human Smart Community. I will do my utmost in management efforts to meet the expectations of our shareholders by steadily promoting accelerated creative growth with the aim of attaining robust record-levels of earnings and enhanced corporate value. I wish to ask for your continued support.



Hisao Tanaka
Director, President and CEO



Medium-term Business Plan

On May 22, 2014, we announced our management policy and business strategies for the period to FY2016. We will reinforce our businesses through "Value Creation" and "Productivity Improvement" and will further accelerate "Growth Through Creativity and Innovation."

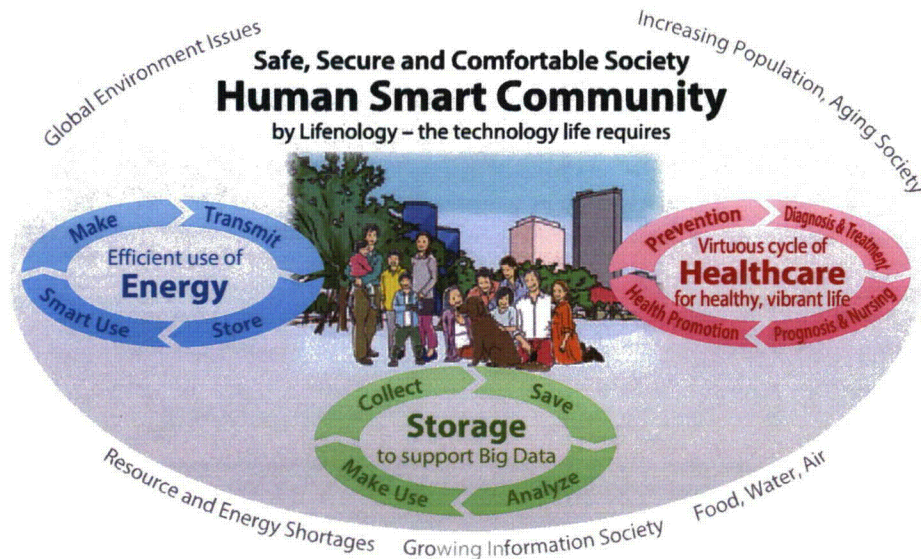
Toshiba Group Management Policy Vision

Growth Through Creativity and Innovation

Pursue growth that does not overly depend on market growth, but is generated by Toshiba's creative powers



Toshiba's Vision



Our Aim: Providing Products + Excellent User Experiences

Action Plans for Creative Growth and Innovation

Electronic Devices & Components

FY14 ¥1.7T → FY16 ¥2.2T

Storage

Development of flash servers and storage
→ Enterprise is becoming an important segment

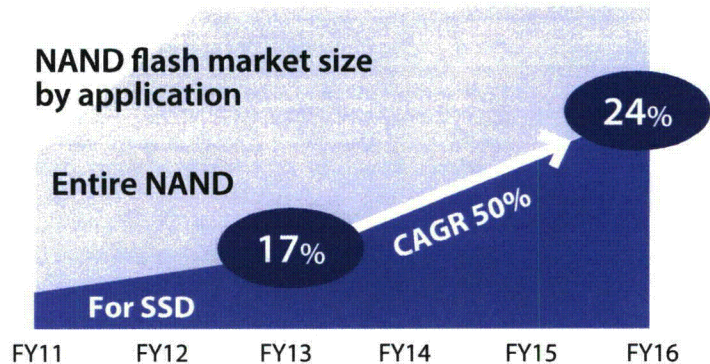
Further expansion of SSD business

- Enhance controller technology
- Maximum utilization of HDD business customer base

Large capacity and cost reduction of NAND through miniaturization and development of next-generation technologies

- 15nm generation based on floating gate technology: Mass production from April 2014
- 3D memory: Ship samples in FY2014
- Preparation for next-generation lithography technology

NAND flash market size by application



Discrete/system LSI

From Domestic/consumer to targeting Overseas/automotive, industrial and communication applications

- Discrete: White LED, power devices (Super-junction DTMOS), GaN/SiC
- System LSI: Image recognition processor (Visconti™), motor controller, structured array*1
- Identify needs in IoT*2 market (e.g. smart cars and wearable devices)

*1: Replacement of Gate Arrays
*2 IoT: Internet of Things

Memory: Pursuit of Miniaturization and Efficiency

Started mass production of world's smallest class 15nm NAND
Promote development and build production system for 3D memory era

Optimize existing properties, power supplies and production equipment
Realize efficient investment for transition to 3D memory



15nm production

- Mass production of 15nm by starting operations at the second phase of the Fab 5 building



3D production

- Build a supplementary site dedicated to 3D production
- Utilize Fab 3 and Fab 4 to reduce investment cost
- New site to be completed in summer 2015
- Introduce leading-edge equipment in sequence such as next-generation lithography, deposition and etching

*1: 2D memory based on floating gate technology

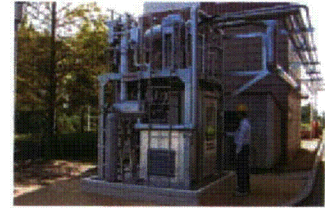
Energy & Infrastructure

FY14 ¥2.0T → FY16 ¥2.3T

Carbon reduction

Highly efficient and environment-conscious technology that helps protect the earth

Make Energy **World's highest efficiency Combined Cycle, Solar power generation,**
 Planning pilot plant for super-critical CO₂ cycle power generation
 First installation of a CO₂ capture & utilization system



CO₂ capture & utilization test facility in Saga, Japan

Transmit Energy **High voltage DC transmission system, smart grid,**
Advanced Metering Infrastructure (AMI)

Store Energy **Rechargeable lithium-ion battery (SCIB™):**
Idling stop system, EV/PHEV for vehicles
 Tohoku Electric Power Co.: World's highest class 40MW system
 Kyushu Electric Power Co.: Power frequency control system for remote islands (Tanegashima and Amami-ooshima)



Tanegashima and Amami-ooshima

Smart Use of Energy **Railway's permanent magnet synchronous motor (PMSM) system**
Premium efficiency (IE3) heavy duty motors

Strengthening overseas operations

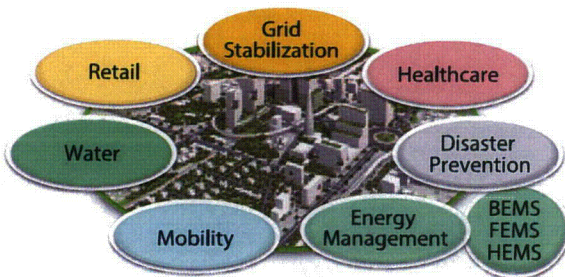
Thermal Power **Toshiba JSW Power Systems Private Ltd.**
 Global expansion plan centering on making best use of JSW's capabilities to expand business in India, Middle East, Africa and Southeast Asia

Transmission & Distribution **Establishing global horizontal division work structure**
 Localize by providing low-cost components from India to final assembly & testing plants in other countries (Japan, North America, EMEA countries)

Community Solutions

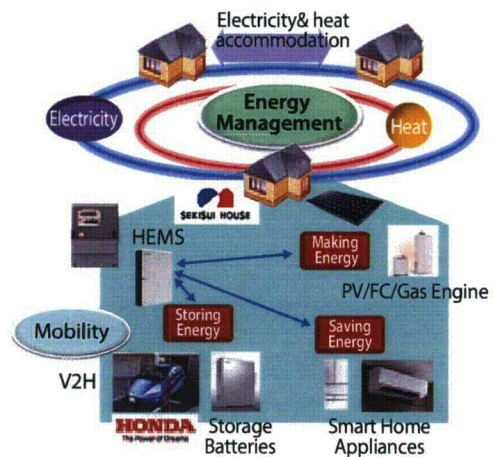
FY14 ¥1.4T → FY16 ¥1.6T

Realizing stable energy supply and safe, secure and comfortable communities



Collaboration with partners

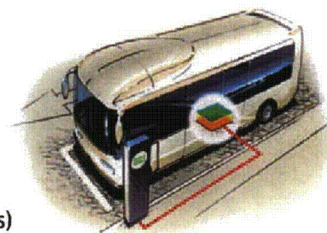
Low-carbon society via energy & mobility
 V2H*/community field test with Honda Motor Co., Ltd. and Sekisui House, Ltd.
 Efficient electricity and heat management



*V2H: Vehicle to Home

Mobility trial test

of wireless battery charging BUS
 serving as All Nippon Airways company-use electric bus



Regional solutions

(collaborations with local governments)

- Yokohama Smart City project
- Smart Community around Kawasaki Station
- Lyon Project in France

Healthcare Systems & Services

FY14 ¥440B → FY16 ¥720B

Medical

Target World's top 3 in Imaging Systems,
No.1 in CT sales

Product Competitiveness

- Incorporate reduced radiation exposure technology in all CTs
- Launch strategic MRI models (high definition, more compact, lower power consumption and quieter sound)
- Angio CT: Support for leading-edge cancer treatment, treatment of heart diseases

Business Expansion

- IVD^{*1}: Instant virus checking, infection, cancer marker
- PET^{*2}-CT: Biomarker image-sensing

Strengthening Services

- Expand remote maintenance installed products
- Strengthen unit/component life detection technology

Strengthening Global Operations Structure

- Accelerate and divide up development in Japan, the U.S., Europe, China and India
- Expand Brazil production, preparing new production site



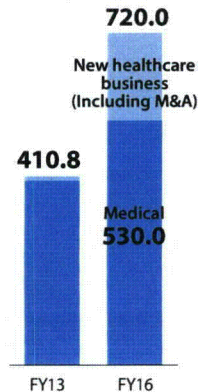
New Healthcare areas

Promote COI^{*3} business

- Genome sequence, analysis
- Big Data analytics, sensing technology utilization

DNA testing system

- Application in various areas of healthcare, including human and animal infections



*1: in vitro diagnostics *2: positron emission tomography

*3 COI (Center of Innovation): Center of Innovation Science and Technology based on Radical Innovation and Entrepreneurship Program by Ministry of Education, Culture, Sports Science and Technology

Lifestyle Products & Services

FY14 ¥1.3T → FY16 ¥1.4T

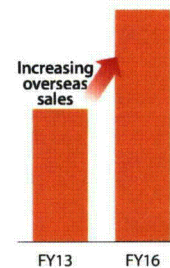
Home Appliances

Business Outside of Japan

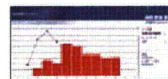
Aiming to increase sales and profits by leveraging our brand strength in Japan and Asia and aiming for early achievement of ROS of 5%

- Increasing development resources (+25%), and continuously releasing differentiated and local-fit products
- Focusing on Asia and the Middle East
- Links to visual products
 - New markets (such as Myanmar, Cambodia)
 - Removing redundant functions

CAGR : 20%



Application of computing technology accumulated through PC business to IoT^{*}



HDD failure prediction
Energy management

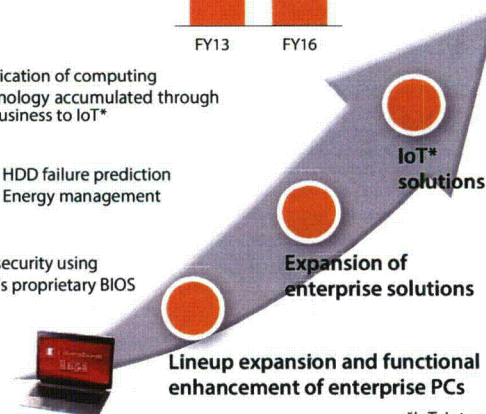
Robust security using
Toshiba's proprietary BIOS

Visual Products

PCs

B2B Business

Aiming to turn profitable by shifting business to B2B, reducing the number of product platforms in order to improve operational efficiency



*IoT: Internet of Things

Financial Highlights (consolidated basis)

→ Please see P. 72 for the 11-year consolidated financial summary.

(Billions of yen)

	FY09	FY10	FY11	FY12	FY13
Financial performance					
Net sales (Total)	¥6,129.9	¥6,270.7	¥5,994.3	¥5,727.0	¥6,502.5
Net sales—Japan	2,852.8	2,851.8	2,775.4	2,627.1	2,732.5
—Overseas	3,277.1	3,418.9	3,218.9	3,099.9	3,770.0
Operating income (Note 1)	117.6	238.7	202.6	197.7	290.8
Income from continuing operations, before income taxes and noncontrolling interests	27.2	194.7	145.4	159.6	180.9
Net income (loss) (Note 2)	(19.7)	137.8	70.1	77.4	50.8
Financial position and indicators					
Total assets	5,451.2	5,379.3	5,752.7	6,100.0	6,241.6
Equity attributable to shareholders of Toshiba Corporation (Note 3)	797.4	868.1	863.5	1,034.3	1,229.1
Interest-bearing debt	1,218.3	1,081.3	1,235.8	1,471.6	1,388.4
Shareholders' equity ratio (%)	14.6	16.1	15.0	17.0	19.7
Debt/equity ratio (Times)	1.5	1.2	1.4	1.4	1.1
Investment					
R&D expenditures	310.8	319.2	319.5	304.9	329.5
Capital expenditures (Property, plant and equipment)	209.3	229.9	298.1	237.3	229.5
Depreciation (Property, plant and equipment)	252.3	215.5	202.8	170.7	137.6
Return indicators (%)					
Return on investment (ROI) (Note 4)	4.8	10.4	8.6	7.4	9.8
Return on equity (ROE)	(3.2)	16.6	8.1	8.2	4.5
Return on assets (ROA)	(0.4)	2.5	1.3	1.3	0.8
Free cash flow					
Net cash provided by operating activities	451.4	374.1	335.0	132.3	286.6
Net cash used in investing activities	(252.9)	(214.7)	(377.2)	(196.3)	(246.6)
Free cash flow	198.5	159.4	(42.2)	(64.0)	40.0
Per share of common stock (yen)					
Net income (loss) (Note 5)					
—basic	(4.93)	32.55	16.54	18.27	12.00
—diluted	(4.93)	31.25	16.32	—	—
Cash dividends	0.00	5.00	8.00	8.00	8.00
Number of employees (Thousands)					
Number of employees	204	203	210	206	200
Japan	123	121	117	113	112
Overseas	81	82	93	93	88

Notes: 1. Operating income is derived by deducting the cost of sales and selling, general and administrative expenses from net sales.

2. Net income (loss) attributable to shareholders of Toshiba Corporation is described as Net income (loss).

3. Equity attributable to shareholders of Toshiba Corporation is based on U.S. GAAP.

4. ROI = Operating income / (Average equity attributable to shareholders of Toshiba Corporation + Average equity attributable to noncontrolling interests + Average interest-bearing debt) × 100

5. Basic earnings (losses) per share attributable to shareholders of Toshiba Corporation (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 convertible bonds were converted or stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

6. The Mobile Phone business has been classified as discontinued operations since FY2010. Prior-period data for FY2009 has been reclassified to conform with the current classification.

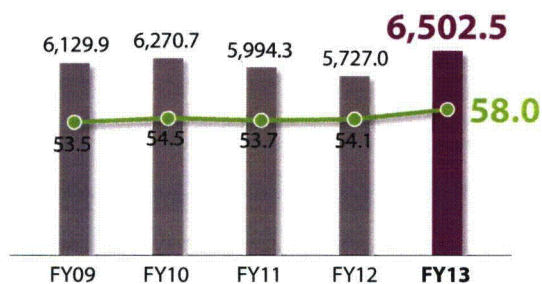
7. Following the acquisition of Landis+Gyr AG in July 2011, Toshiba Corporation completed the allocation of the cost of the acquisition to assets and liabilities in FY2012. Results for FY2011 have been revised to reflect this change.

8. Following the acquisition of IBM's Retail Store Solutions business in July 2012, Toshiba Corporation completed the allocation of the cost of the acquisition to assets and liabilities in FY2013. Results FY2012 have been revised to reflect this change.

9. The Optical Disc Drive (ODD) business has been classified as discontinued operations since FY2013. Prior-period data up to FY2012 has been reclassified to conform with the current classification.

→ Please see the Data Section from P. 71 for Consolidated Financial Statements.

Net sales (Billions of yen)
Ratio of overseas sales (%)



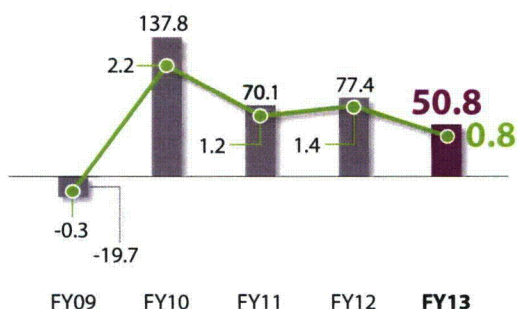
All five business segments recorded increased sales YoY, most notably the Electronic Devices & Components segment, where the Memories business saw significantly higher sales throughout the year.

Operating income (Billions of yen)
Operating income ratio (%)



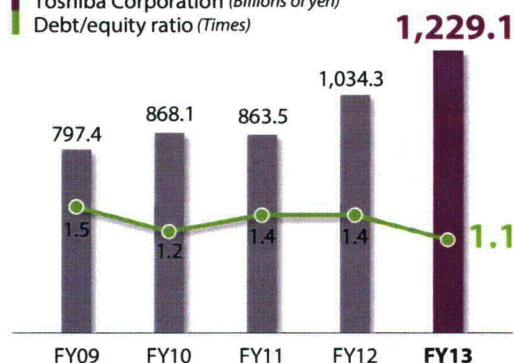
Toshiba Group's operating income increased by 47% over FY2013. The Electronic Devices & Components segment recorded operating income of 238.5 billion yen, the highest it has ever achieved.

Net income (loss) (Billions of yen)
Return on sales (%)



Net income decreased YoY, mainly resulted from the discontinuation of the Optical Disc Drive business and abolishment of the Special Corporate Tax for Reconstruction (for the Great East Japan Earthquake).

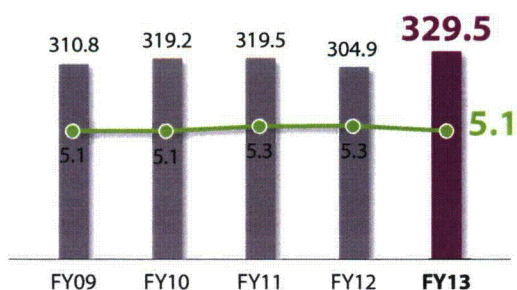
Total equity attributable to shareholders of Toshiba Corporation (Billions of yen)
Debt/equity ratio (Times)



The debt-to-equity ratio at term end was 113%, a 29% improvement YoY.

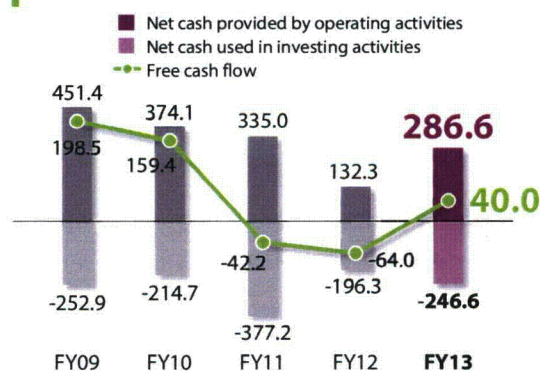
180-billion yen of subordinated bonds, issued in June 2009 and treated as interest-bearing debt in the FY2013 accounts, was replaced by hybrid financing (subordinated loans) in June 2014.

R&D expenditures (Billions of yen)
R&D/sales ratio (%)



R&D expenditures increased by 8% YoY to 329.5 billion yen, but the R&D to sales ratio decreased to 5.1%, due to higher sales YoY.

Free cash flow (Billions of yen)

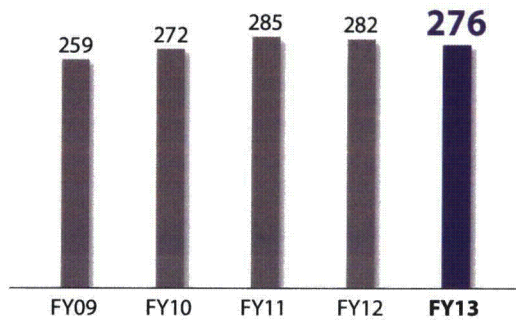


Free cash flow increased to +40.0 billion yen, due to higher operating cash flow income YoY.

Non-Financial Highlights (consolidated basis)

[Environment]

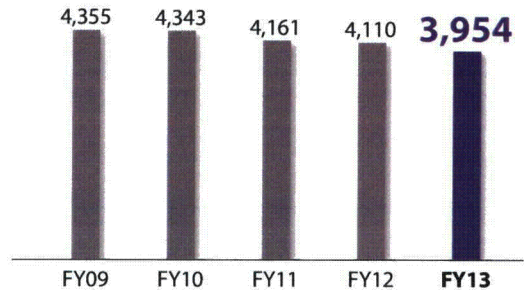
Total Emissions of Greenhouse Gases (10kt-CO₂)



*The CO₂ emissions coefficient for electricity in Japan used 4.87t-CO₂/10,000kWh in FY2012.

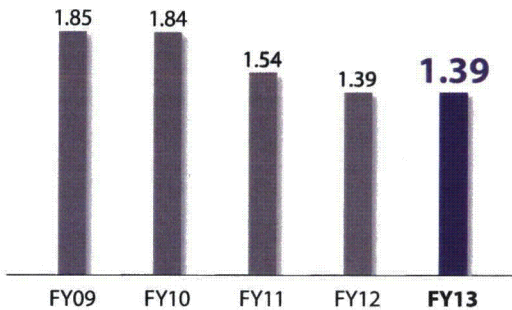
[Environment]

Volume of Water Received (10km³)



[Environment]

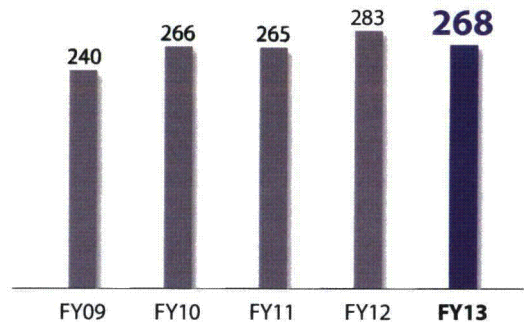
Emissions of substances targeted for reduction* (kt)



*551 substances, including chemical substances designated as Type 1 under the PRTR Law (Concerning Pollutant Release and Transfer Register) as well as volatile organic compounds (VOC) and other substances.

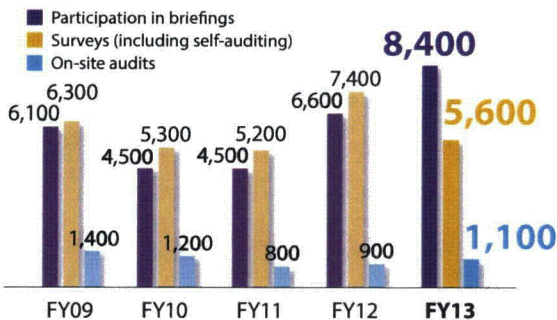
[Environment]

Total Waste Generated (kt)



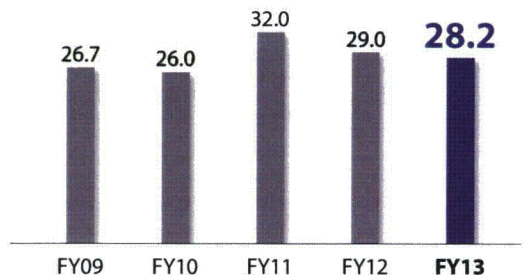
[Rigorous Implementation of "CSR Procurement Policy"]

Domestic and overseas Toshiba Group companies (No. of companies)



[Expenditures on Corporate Citizenship Activities]

Domestic and overseas Toshiba Group companies (100 millions of yen)



Expenditures include cash contributions to support disaster recovery.

Special Feature: Toshiba's Healthcare Strategy

Toward a society in which everyone can lead healthy, active lives



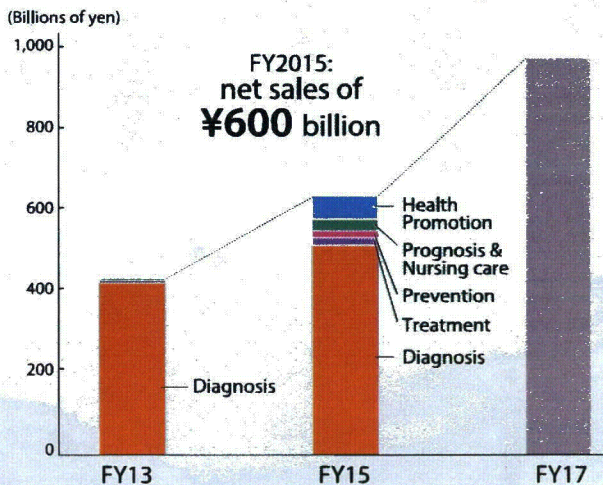
Special Feature: Toshiba's Healthcare Strategy



* Market size figures are Toshiba estimates

In order to realize a society in which everyone can lead healthy, active lives, we have brought together our wide-ranging technologies and are developing the Healthcare business worldwide as the third pillar of Toshiba's business. In addition to diagnosis and treatment, a business that we have already expanded into more than 135 countries, we are now moving into a wide range of new areas, including health promotion by improving air, water and food and other elements in the living environment that are essential to life; prevention, to reduce the risk of disease; and prognosis and nursing care that support recovery from illnesses and injuries.

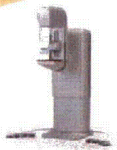
Healthcare business net sales target




We will continue to provide Toshiba-only services and products by complementing the wide range of technologies owned by Toshiba's business groups, Energy & Infrastructure, Community Solutions, Lifestyles Products & Services and Electronic Devices & Components, and also through New Concept Innovation that proposes solutions different from existing applications by the fusion of a wide range of technical assets. We aim to generate Healthcare business net sales of 600 billion yen in FY2015 and 1 trillion yen in FY2017.

Diagnosis & Treatment


A full lineup of high-image-quality, low-dose, diagnostic imaging systems




Mammography



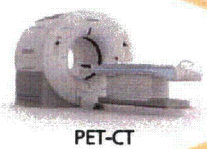
MRI



CT




Ultrasound diagnostic systems




PET-CT

Quick and easy examination without stressing the body



Breath Analyzer DNA tester

Patient-friendly non-surgical cancer treatments



Heavy-ion radiotherapy systems

Early detection and patient-friendly treatment that imposes no stresses on the body is our ideal target in disease diagnosis and treatment. It will also reduce healthcare costs. At Toshiba, we will make progress by providing more patient-friendly diagnostic imaging systems offering even higher image quality. We also aim to create speedy, simple

means of testing that do not stress the body, and we will continue to provide new technologies, such as DNA tester and breath analyzer that measure concentrations of disease-related trace gases in exhaled breath. In treatment, our heavy-ion radiotherapy systems exemplify our efforts to deliver more patient-friendly cancer treatment.

Unique, Toshiba-Only World Leading Technologies

320-row CT detector

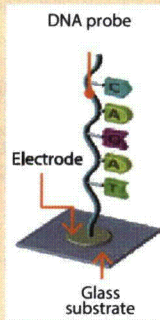


The unrivaled 320-row area detector can capture details of entire organs, such as the heart or brain, in just one, 0.275-second long rotation.

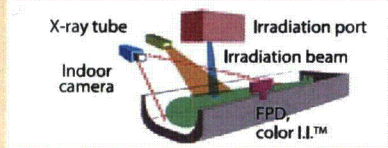
Current Detection-type DNA Chips

20-30 items can be simultaneously tested in less than two hours with the instrument and the DNA chip card.

The actual manual operating time is approximately 20 minutes, so it is possible to make significant time savings compared to similar types of equipment.

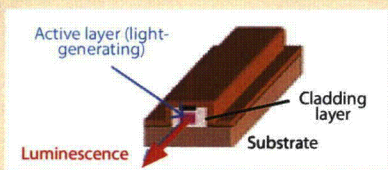


Respiratory-gated irradiation technology for heavy-ion beam



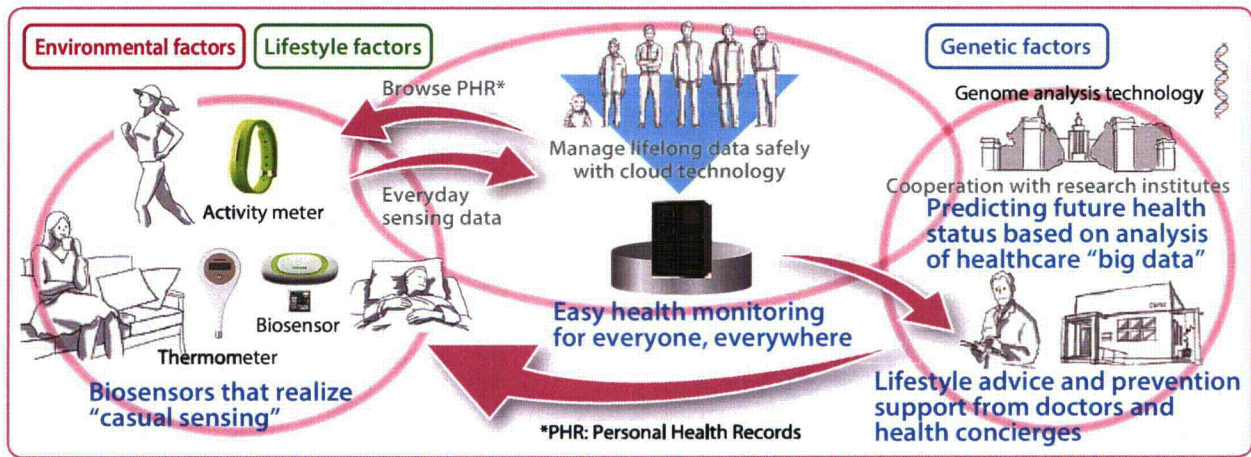
Our proprietary Respiratory-gated irradiation and 3D high-speed scanning technologies realize heavy-ion beam irradiation of moving organs, extending treatment to more patients.

Quantum cascade laser



By taking advantage of the mid-infrared band that cannot be oscillated in conventional semiconductor lasers, it is possible to carry out highly accurate gas analysis of exhaled breath and indoor and outdoor air in a short period of time.

Prevention

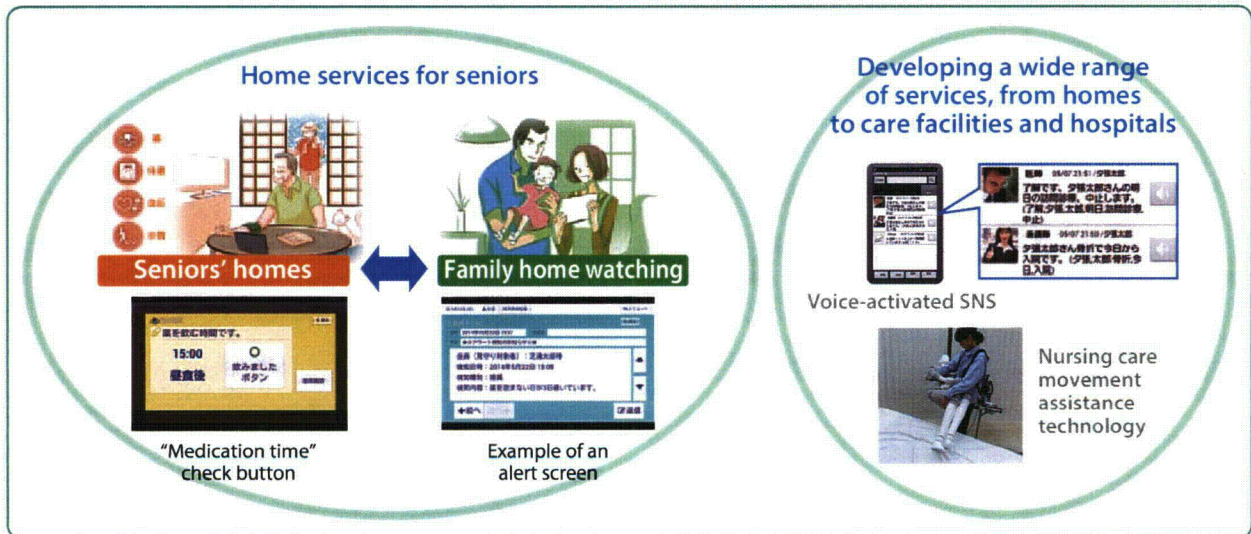


In “prevention,” by gaining an understanding of environmental (the living environment) and lifestyle factors, along with genetic factors, we hope to predict future health status and disease risk, and to encourage people to adopt optimal lifestyles. In measuring lifestyle factors, realizing “casual sensing” is essential; biosensors based on our semiconductor technologies can monitor such vital signs as pulse and body

temperature, and accumulate and analyze information.

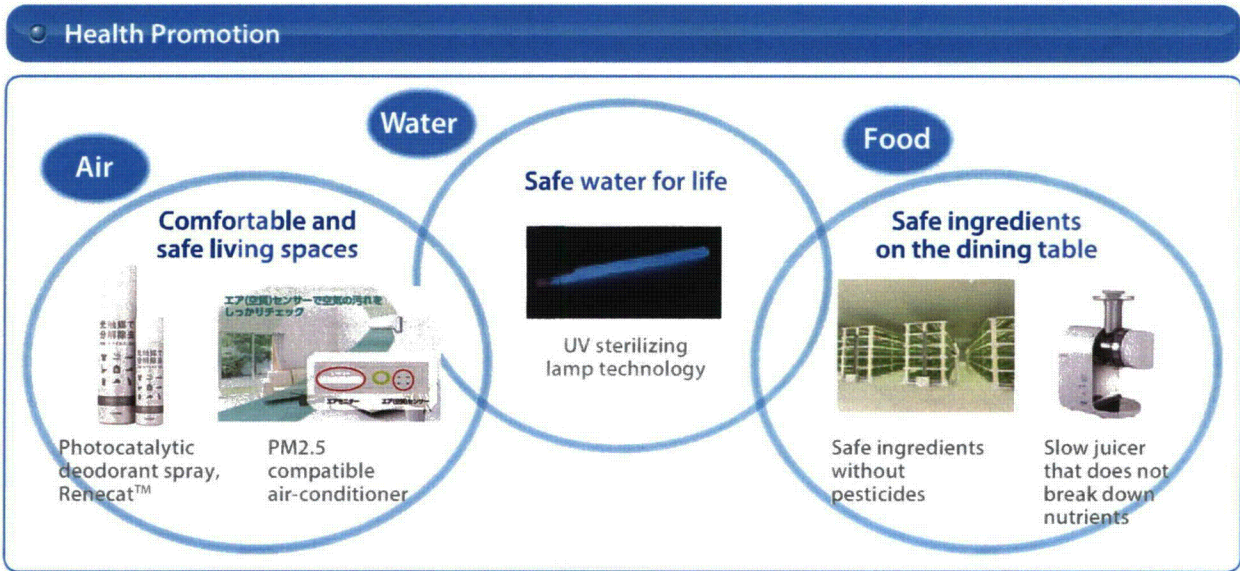
With regard to genetic factors, technological development through joint research with research institutes has made low-cost genome analysis possible, and we will continue to work on means to identify potential future risk of contracting diseases.

Prognosis & Nursing Care



In home services for seniors, tablet devices, home-health management and communication with families via video phones and handwritten-input mail help bring peace of mind and a sense that the family is close, even when far away. In nursing care, movement assistance technology is helping to reduce burdens on care givers, and we also

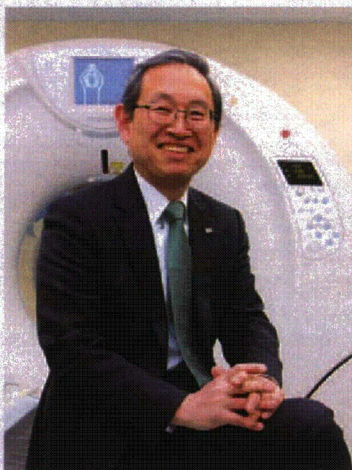
provide services that enable information about patients to be shared easily among multiple medical care providers. For example, health reports orally entered into terminals can be recognized, automatically documented, and the information shared with other care givers and hospitals, in support of coordinated nursing care.



With regard to air, we help to realize comfortable and safe living spaces with products like home appliances that employ antibacterial, anti-viral and air-cleaning technologies, and products that provide virus protection and deodorant in the form of a simple spray. With regard to water, small water purification devices adopting our advanced water purification technologies make it possible to enjoy safe water, even in the event of disaster. With regard to food, our

UV sterilizing lamp and other lighting technologies, along with our temperature and humidity control technologies, grow vegetables that are completely free of pesticides, and we continue to provide cooking appliances that retain nutrition more effectively. Beyond this, we will continue to fuse Toshiba's wide-ranging technologies to support quality of life, including participation in sports and other social activities, and even develop medical care for pets.

Interview



Satoshi Tsunakawa
 President and Chief Executive Officer
 Healthcare Company, Toshiba Corporation
 (appointed July 1, 2014)

Healthcare is an industry that will last forever. Different countries and regions have different medical and sanitation situations, and different health concerns. The state of healthcare and the issues prioritized change to reflect technological advances and policy. The healthcare industry is one where Toshiba and those who support health assistance and medical and nursing services should link arms and lead the way. I believe our mission is to promote that. The key for new growth lies in fusing on-site findings with Toshiba technologies and know-how, and evolving in order to solve the issues involved in improving the quality and efficiency of healthcare services.

In diagnosis & treatment we will take cooperation with leading medical institutions in Japan and overseas to new levels, and accelerate the global development and dissemination of our medical technology. We will also make the most of our strengths in diagnostic imaging to continue to create solutions linked to prevention and prognosis & nursing care. In addition, we will continue to contribute to the creation of a dynamic society that provides the infrastructure for promoting health, and an environment in which people can feel secure, enjoy peace mind and live active lives. With Toshiba-only innovations, we will take on the challenge of pioneering the future of the healthcare industry.

Research & Development and Intellectual Property

Taking on the challenges of generating new innovations

Research & Development

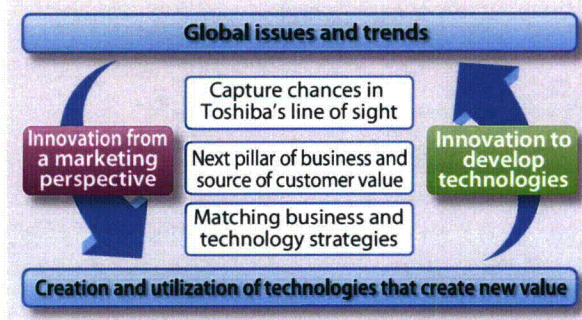
Toshiba Group is concentrating its attentions on businesses that will drive future growth, and towards this has expanded R&D to the global scale. Beyond that, we are ensuring our ability to take full advantage of R&D results by reinforcing our global IP strategy. Through our R&D and IP, we will continue to meet the challenges of generating innovations.

R&D Strategy

Toshiba Group's new management policy defines Growth through Creativity and Innovation as the main target, to be achieved through Value Creation and Productivity Improvements. We have also added Healthcare to Energy and Data Storage as a core business. In achieving this management policy, in addition to our long-standing promotion of Value Innovation, which encompasses the unearthing of society's potential needs and issues and the creation of innovative technologies, and Process Innovation, the constant productivity improvements that fuel profit creation and strengthen competitiveness, we will promote New Concept Innovation that utilizes the wide-ranging technology assets of Toshiba Group in many and diverse fields to generate synergies, and create new value for customers.

In Energy, we are working to ensure long-term energy security. For that purpose, we aim to realize a sustainable society by offering the optimal mix of baseload power sources, including next-generation thermal and nuclear power and renewable and alternative energy source, along with new types of batteries and power electronics that reduce environmental impacts. In Data Storage, in order to

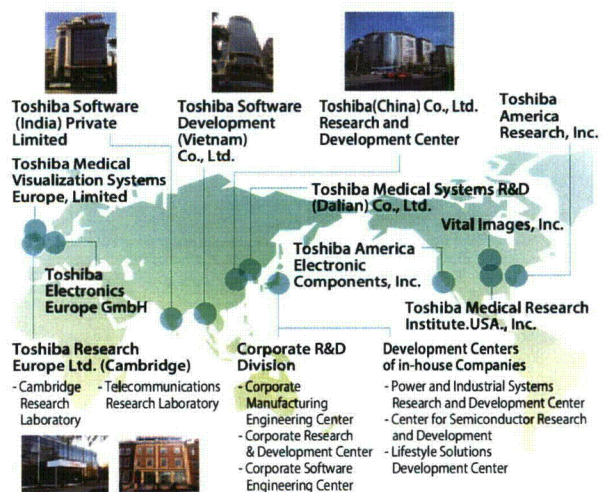
deal with the continuing shift to big data and ensure information security, we will construct data centers and systems that make use of our large-capacity storage devices, while in cloud infrastructure we will continue to provide solutions for the retail, healthcare and other sectors. In Healthcare, in order to respond to population growth in emerging markets and aging in the developed world, we aim to create a new dimension for healthcare by fusing Toshiba Group's broad range of technologies, and we will promote advances in diagnostics and expansion into disease prevention and prognosis.



Initiatives to strengthen global research & development

In order to strengthen our global competitiveness we are increasing our responsiveness to market changes, even in our research and development activities. In particular, in expanding markets such as China and Asia, we plan to deploy not only manufacturing bases but also engineering bases and development facilities, and we are also carrying out joint research and development with local universities and companies. In line with this, in FY2013 we commenced joint research with the Indian Institute of Technology in Madras, India. Going forward, we want to take the results of research and development in emerging economies such as China and India as starting points for the creation of products that win acceptance in the global market, including the developed countries.

Major R&D bases in Japan and overseas



R&D achievements that create new value

Energy & Infrastructure

Supercritical CO₂ cycle thermal power generation system

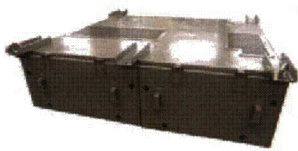


The system offers high efficiency, equivalent to that of gas combined cycle power generation systems, and is an environmentally friendly thermal power generation

system that does not emit CO₂ into the atmosphere as it generates power. We have recently carried out successful pressure fuel-combustion on the gas turbine combustor, an essential component, at the actual target pressure (300 atm), a big step towards realizing the system.

Energy & Infrastructure

High efficiency compact power converters with All-SiC packages for rolling stock

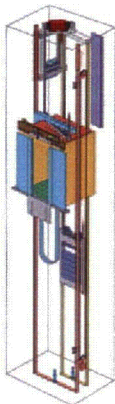


We have developed a 150 kW power converter for railway rolling stock using our original 1.7kV- All-SiC package. By increasing the switching frequency from the conventional 4.5kHz to the higher

16kHz, very high efficiency of 96% has been achieved at the rated load and 40% reduction in volume and 60% reduction in weight have been demonstrated. (This development was implemented with assistance from NEDO's "Strategic Innovation Program for Energy Conservation Technologies.")

Community Solutions

Order-made Elevator: ELCRUISE™



This order-made elevator offers enhanced energy savings and safety features based on the concept of safety, security, comfort and the environment. We have also applied advanced technologies employed in our standard elevator, the "SPACEL-GR," in order to enhance our product line-up with excellent, energy-saving performance and safety features. In Japan, these product lines won the "Minister of Economy, Trade and Industry Award" at the 10th Eco-Products Awards, and the "2013 Minister of Environment Recognition Award for Global Warming Prevention Activities."

Community Solutions

Object recognition scanner

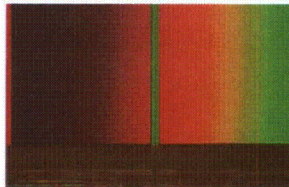


Use of unique image recognition technology has allowed us to develop the world's first scanner for POS (point-of-sale) systems that can identify varieties of fruit and vegetables that are simply held to the

scanner, removing the need to fix barcodes onto fruit and vegetables.

Electronic Devices

64 gigabit NAND flash memory using the most advanced process node

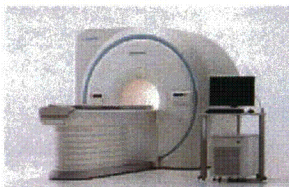


Second-generation 19nm process technology has allowed us to realize a 64 gigabit NAND flash memory with the world's smallest chip size (94.1mm²), in collaboration with SanDisk

Corporation. In addition to reducing the chip size of the first-generation 19nm chip by approximately 17%, we have achieved the world's fastest-class write speed of 25Mbyte/second by using our original high-speed writing circuit system.

Healthcare

Vantage Elan™: 1.5 Tesla MRI system



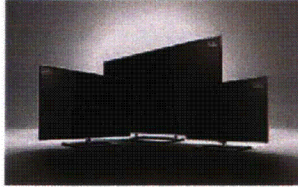
While avoiding any compromise in captured image quality, we have developed a Magnetic Resonance Imaging (MRI) system that achieves the smallest installation space and

lowest power consumption in its class. This product solves installation space and running cost issues that, until now, have hindered the introduction of superconductive type MRI.

R&D achievements that create new value

Lifestyles

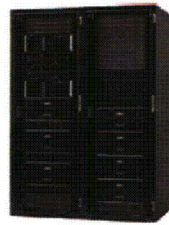
REGZA Z8X series: High Resolution 4K Ultra HD TVs



Our successfully commercialized REGZA Z8X series (84-, 65- and 58-inch models) are equipped with the "Cinema 4K" high-quality image processing system that integrates our newly developed image processing engine and 4K panel with a pixel count four times that of full HD. All models have the "REGZA CEVO4K" image processing engine, which boosts processing speed to approximately 2.5 times that of previous engines, and realize high image quality thanks to our new "High impact 4K resolution images".

Cloud & Solutions

Storage systems to achieve the optimal balance between high performance and large capacity



By combining Toshiba Group's storage technologies including our proprietary tiered-storage system technology, we launched hybrid storage systems integrating both flash memory and HDD, to provide the best balance between the performance and the capacity. In cloud platform services area, we offered global cloud platform services to provide highly reliable Information and Communication Technology (ICT) resources that can be flexibly adapted to meet the various business needs.

External evaluations related to R&D

Awarding entity	Name of the award / Awarded achievement
Cabinet office, Government of Japan Spring 2013 Award for Science and Technology	Medal with Purple Ribbon Pioneering work of high-quality speech synthesis based on closed-loop training
Ministry of Education, Culture, Sports, Science and Technology FY2014 The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	Prize for Science and Technology (Development Category) Development of a mobile-type biological agent detection system
Ministry of Education, Culture, Sports, Science and Technology FY2014 The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	Prize for Science and Technology (Development Category) Development of phased array weather radar
Ministry of Education, Culture, Sports, Science and Technology FY2014 The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	Prize for Science and Technology (Science and Technology Promotion Category) Promotion of human interface technology for document processing
Japan Institute of Invention and Innovation FY2013 National Commendation for Invention	The Prize of Chairman of Japan Business Federation Invention of Chemical decontamination method using ozone
The Promotion Foundation for Electrical Science and Engineering FY2013 (61st) Electrical Science and Engineering Promotion Awards	Electrical Science and Engineering Promotion Award Development of CoPt-SiO ₂ granular medium for perpendicular magnetic recording
The Japan Electrical Manufacturers' Association FY2014 (63rd) JEMA TECHNICAL AWARD	Award for Excellence in Electrical Industry Technology Development of the world's first inspection, test and measurement technology that will improve the economic efficiency and reliability of nuclear power plants
Ministry of the Environment FY2013 Minister of the Environment Award for global warming prevention activities	Development and commercialization of energy-saving, environmentally friendly and earthquake-proof elevators
Ministry of the Environment FY2013 Minister of the Environment Award for global warming prevention activities	Development of an air-cooled, heat pump-type modular heat source machine (Universal Smart X RUA-SP Series)
Eco-Products Awards Promotion Committee 10th Eco-Products Awards "Eco-Products Category" Minister's Prize, the Ministry of Economy, Trade and Industry	Energy-saving, environmentally friendly and earthquake-proof elevators
Eco-Products Awards Promotion Committee 10th Eco-Products Awards "Eco-Services Category" Minister's Prize, the Ministry of Economy, Trade and Industry	Next generation lighting control systems using image motion sensors

New Concept Innovation

As we look to realize Growth through Creativity and Innovation, Toshiba Group is promoting New Concept Innovation, an initiative that will enable us to maximize our strengths by either expanding the application of or combining the technologies that are our current businesses now use in-house in their products and services. This approach will allow us to provide customers with new value from the perspective of the end user, and provide solutions to completely different customers from those for conventional applications.

FY2013 Initiatives and Achievements

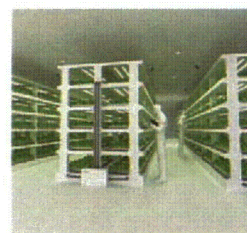
Infrastructure Health Monitoring Business

In developing image-processing technologies for infrastructure, we have drawn on 3D reconstruction, 3D ultrasound, and high precision positioning technologies from satellite navigation systems held by group companies. Our aim is a maintenance and management business that automates processes and reduces labor costs in the diagnostics of aging infrastructure. In partnership with the UK's Cambridge University, we have developed a process for detecting cracks and water leaks in infrastructure, such as bridges and tunnels, from photographic images. On May 14, 2014 we started a demonstration project to analyze images taken in a power transmission tunnel in London.



Plant Factory Business

We plan to market long-storage-life, pesticide-free vegetables grown at "Toshiba Clean Room Farm Yokosuka," a closed-type plant factory that combines Toshiba Group's water treatment, air control and lighting equipment with technologies from such areas as semiconductor production. We are utilizing an idle company-owned factory to operate the plant factory, which will start shipping lettuce, baby leaf greens, spinach, mizuna and other vegetables in the first half of FY2014. Controlling the growing environment makes it possible to provide functional vegetables, rich in vitamins and polyphenols.



Breath Analyzer Utilizing QCL*

Toward promoting the Healthcare business that Toshiba Group is cultivating, we have developed a breath analyzer able to analyze trace gases in exhaled breath, with the aim of detecting substances that are useful in the diagnosis of diseases and monitoring health. This device combines Toshiba's long-held semiconductor laser technology with trace gas analysis technology to realize measurements as accurate as stationary mass analyzers in equipment that fits on a desk. (QCL*: Quantum Cascade Laser)



Coordinate Plus™: Virtual Fitting Service

We combined surveillance cameras commercialized by the semiconductor business, image recognition LSI, integrated human-detection sensing technology developed for social infrastructure image-authentication systems, and specially developed body-type fitting technology, to achieve a virtual fitting system that perfectly fits images of clothes to individuals. A demonstration experiment from April to May 2014 allowed customers at a beauty salon to use a tablet to select clothes, and then virtually try them on in front of large display similar to a mirror. The experiment verified shopping activities after trying on clothes.



Intellectual Property IP Strategy

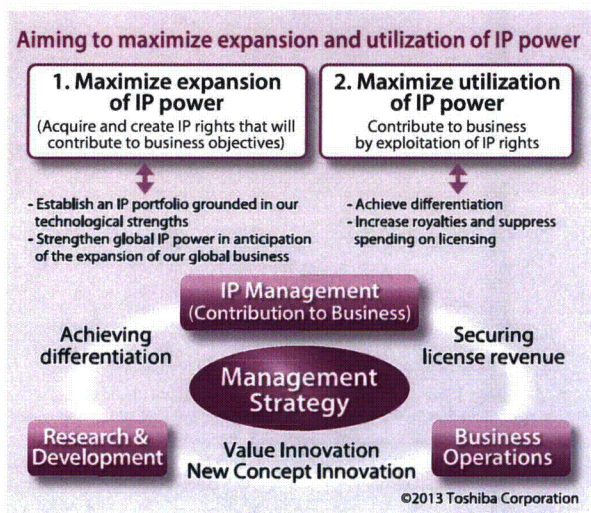
As we generate Growth through Creativity and Innovation, Toshiba is making every effort to maximize expansion and utilization of its IP power.

We are expanding IP power by building up an IP portfolio in technologies where we are strong, and reinforcing our global IP power in anticipation of expanding our global business. More particularly, we are boosting the value of the portfolio by focusing on new businesses.

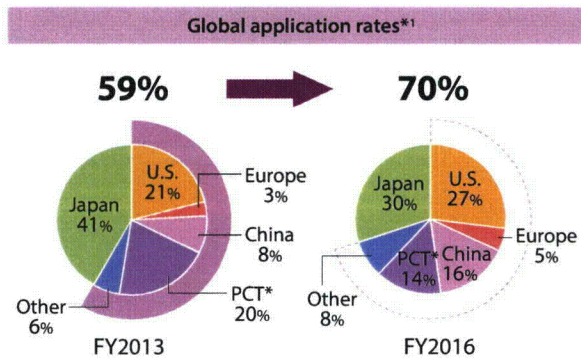
In terms of utilizing our IP power, we will strive to

contribute to further increases in operating income by expanding licensing revenue and promoting differentiation through IP. In FY2016 we aim to increase revenue from licensing by 30% against the FY2013 level. In addition, we will carry out regular inventory checks of IP assets and, with consideration for the business impact, carry out selective sales. The other aspect of our IP management is concerned with risk and compliance, and includes copyright education and anti-counterfeiting measures.

Toshiba's IP Strategy



Enhancing Our Global IP Power



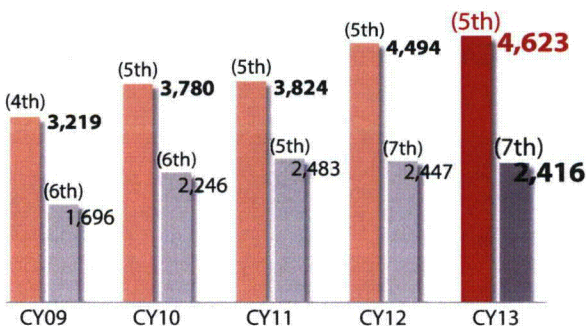
*1: Global application rate = No. of overseas applications / (No. of domestic applications + No. of overseas applications)

*2: Patent Cooperation Treaty: System to expand applications to multiple countries based on an application in one country (No. of countries planned for application expansion is counted)

IP Achievements

● Number of patent registrations

Note: Figure in parenthesis shows the Company's ranking by number of patent registrations



● Number of patents registered in Japan (2013)

Ranking	Company Name	Number
1	Panasonic	7,117
2	Toyota Motor	5,588
3	Canon	5,582
4	Mitsubishi Electric	4,963
5	Toshiba	4,623
6	Honda Motor	3,638
7	Fujitsu	3,483
8	Ricoh	3,291
9	NEC	2,941
10	Sharp	2,871

Survey results from Patolis

● Number of patents registered in U.S. (2013)

Ranking	Company Name	Number
1	IBM	6,809
2	Samsung Electronics	4,675
3	Canon	3,825
4	Sony	3,098
5	Microsoft	2,660
6	Panasonic	2,601
7	Toshiba	2,416
8	Hon Hai Precision Industry	2,279
9	Qualcomm	2,103
10	LG Electronics	1,947

Source: IFI Claims Patent Services Data (US)

Toshiba was selected by Thomson Reuters as one of the "2013 Top 100 Global Innovators" awarded to the world's most innovative organizations.



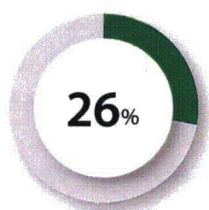
Business Review

FY2013 Sales by Segment

FY2013 Business Result

Energy & Infrastructure Segment

→ P.32



Sales

¥1,812.2 billion
(YoY +¥179.9 billion, +11%)

Although the Nuclear Power Systems business in Japan saw lower sales, the overall Social Infrastructure business recorded growth, reflecting higher sales in the T&D Systems, Solar Photovoltaic Systems, Railroad Systems, Automotive Systems and other businesses.

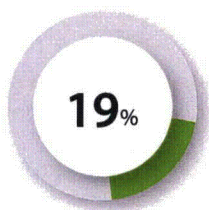
Operating Income

¥32.3 billion
(YoY -¥52.8 billion)

Higher sales generated higher income in T&D and Solar Photovoltaic Systems. Thermal & Hydro Power Systems performed well but saw lower operating income. Deterioration in Nuclear Power Systems reflected a temporary expense overseas and a conservative reassessment of the asset value of a U.S. developer of nuclear power plants.

Community Solutions Segment

→ P.36



Sales

¥1,357.4 billion
(YoY +¥178.3 billion, +15%)

The Retail Information Systems and Office Equipment business reported significantly higher sales on positive effects from a business acquisition and other factors. The Disaster Prevention Systems, Elevator & Building Systems, Lighting and Commercial Air-Conditioners businesses also saw sales increases.

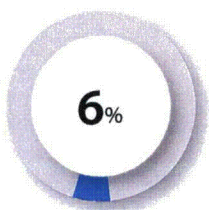
Operating Income

¥51.9 billion
(YoY +¥9.2 billion)

The Retail Information Systems and Office Equipment business saw higher operating income reflecting higher sales, and the Elevator & Building Systems and Commercial Air-Conditioners businesses also recorded higher operating income.

Healthcare Systems & Services Segment

→ P.39



Sales

¥410.8 billion
(YoY +¥31.2 billion, +8%)

Healthcare systems, especially CT systems, recorded higher sales on higher unit sales in emerging economies and sales growth in the overseas service sector.

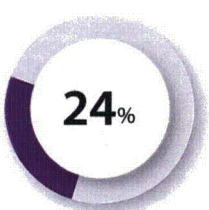
Operating Income

¥28.6 billion
(YoY +¥4.8 billion)

The segment saw higher operating income on higher sales, in emerging economies and in the overseas service sector.

Electronic Devices & Components Segment

→ P.41



Sales

¥1,693.4 billion
(YoY +¥406.8 billion, +32%)

The Memories business saw significantly higher sales on increased sales volume, and the Discrete business reported higher sales. The Storage Products business also recorded higher sales, especially in 3.5-inch hard disk drives.

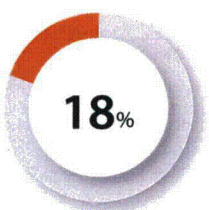
Operating Income

¥238.5 billion
(YoY +¥143.0 billion)

Segment operating income increased by 143.0 billion yen to 238.5 billion yen, the highest it has ever recorded. The Memories business saw a notable upswing, maintaining high profitability.

Lifestyle Products & Services Segment

→ P.44



Sales

¥1,313.8 billion
(YoY +¥44.0 billion, +3%)

The Visual Products business, which includes LCD TVs, saw sales decrease due to a shift in focus to redefined sales territories and other factors, while the PC and White Goods businesses recorded higher sales.

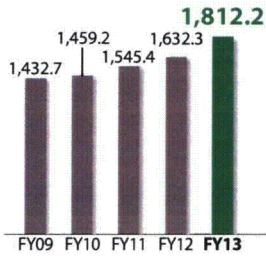
Operating Income

-¥51.0 billion
(YoY -¥8.7 billion)

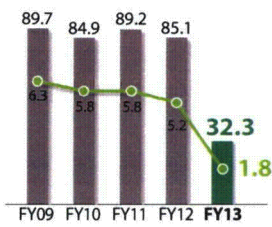
Visual Products improved considerably, reflecting restructuring and higher sales prices. White Goods declined on a weaker yen. PCs saw lower operating income on inventory clearance cost and weaker yen, but with a better second half.

Note: Ratio of net sales total prior to elimination of inter-segment sales

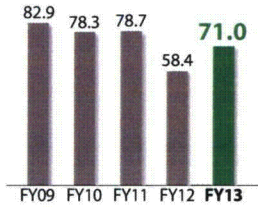
Sales (Billions of yen)



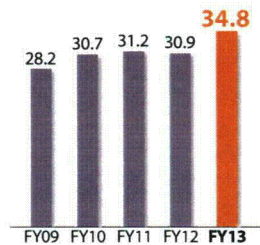
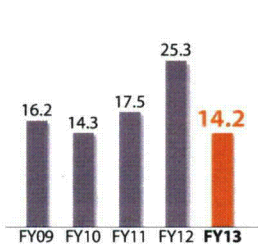
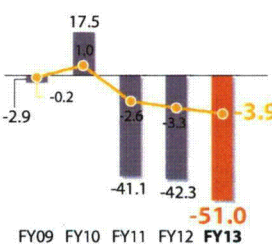
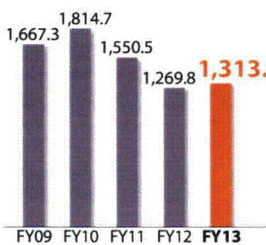
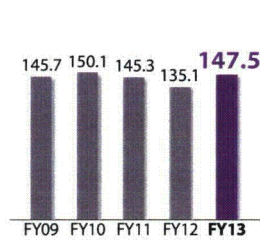
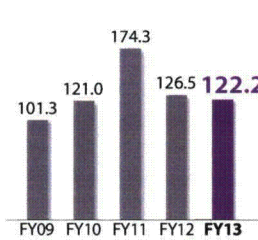
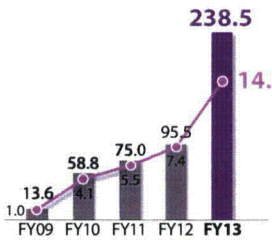
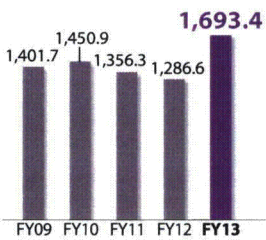
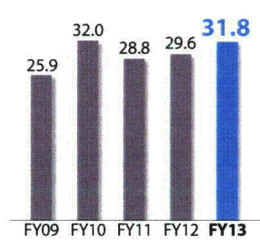
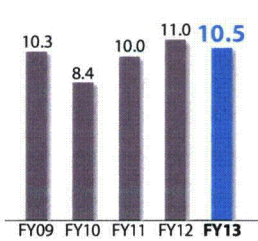
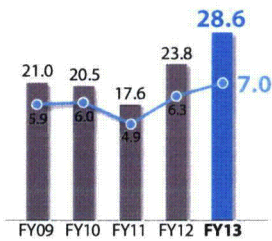
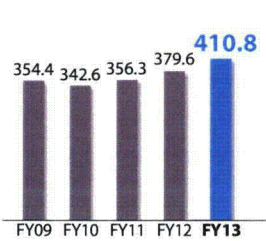
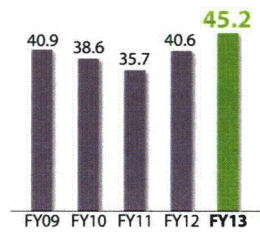
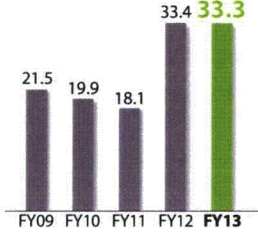
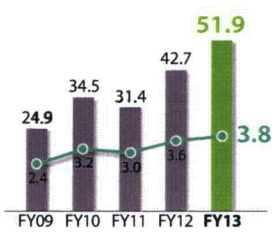
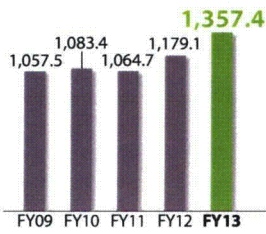
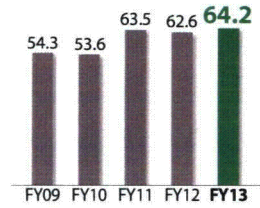
Operating income (Billions of yen)
Operating income ratio (%)



Capital expenditures (Billions of yen)
(Payment basis)

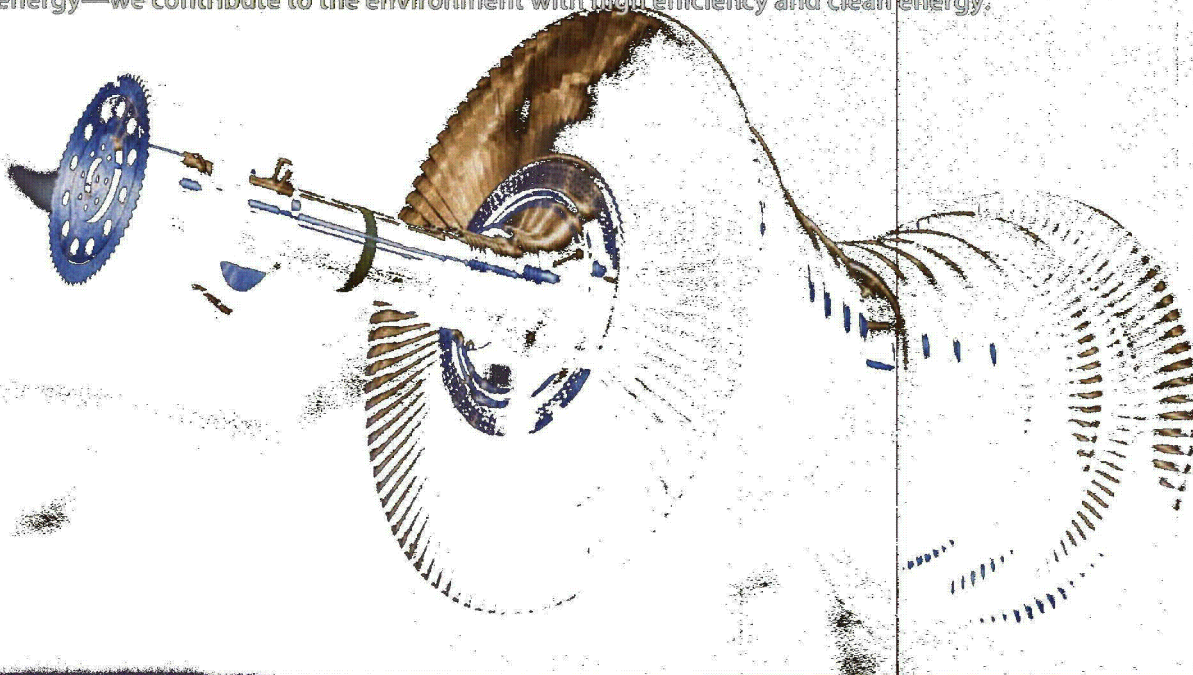


R&D expenditure (Billions of yen)



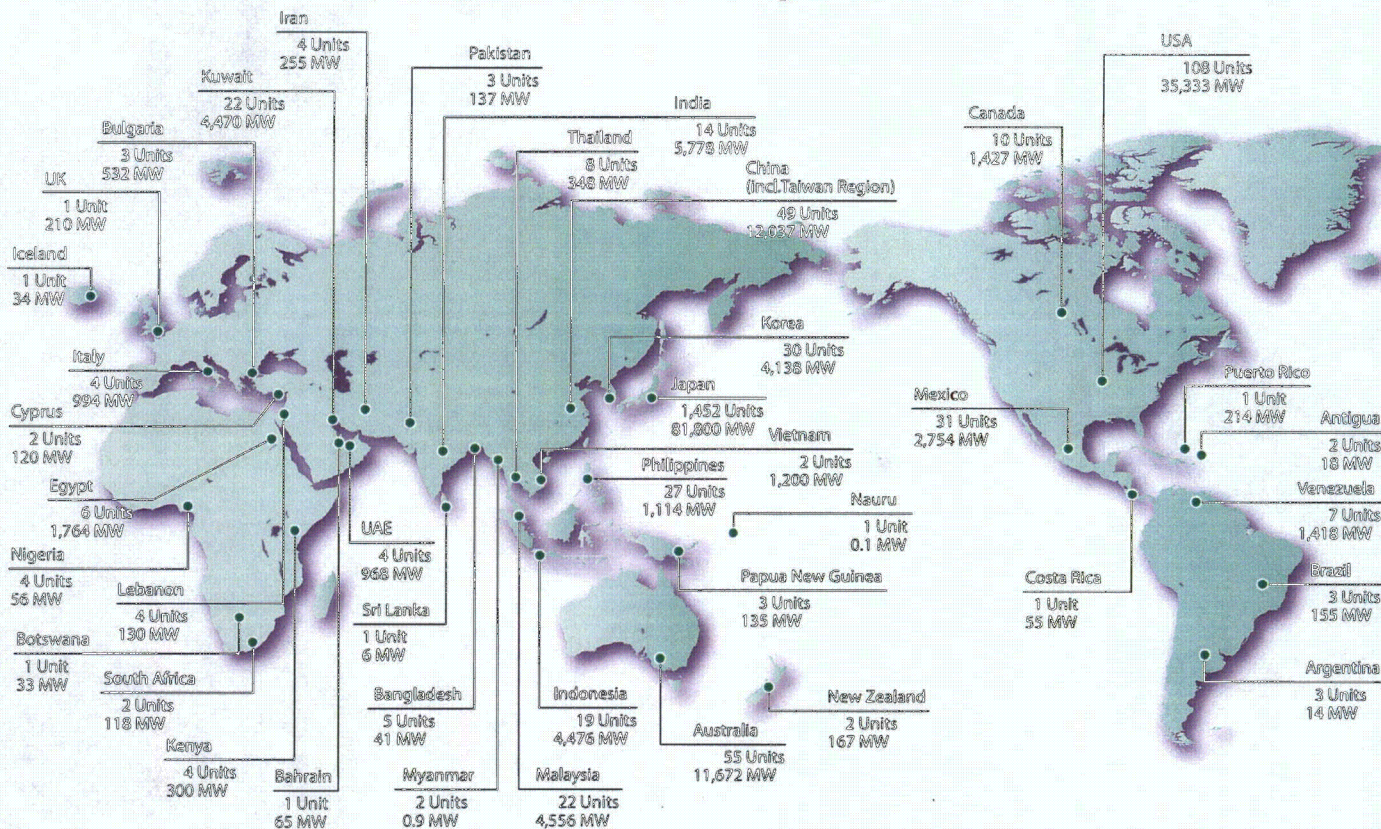
Energy & Infrastructure Segment

At every stage of the energy cycle—make energy, transmit energy, store energy and smart use of energy—we contribute to the environment with high efficiency and clean energy.



Delivery record of steam turbines for thermal power plants

Total: 1,924 units, 179,042 MW (megawatts) As of March 2014



Power Systems Company

In nuclear power systems, a baseload power source that contributes to securing stable energy supply, Toshiba Group continues its global business expansion, aiming to supply the latest plants offering enhanced safety. In a recent move, we acquired a 60% stake in NuGeneration Ltd., which plans to construct nuclear power plants in West Cumbria, Northwest England, from Spain's IBERDROLA and France's GDF SUEZ. Westinghouse Electric Company, a group company, proposes to construct three of its AP1000™ pressurized water reactors on the site.

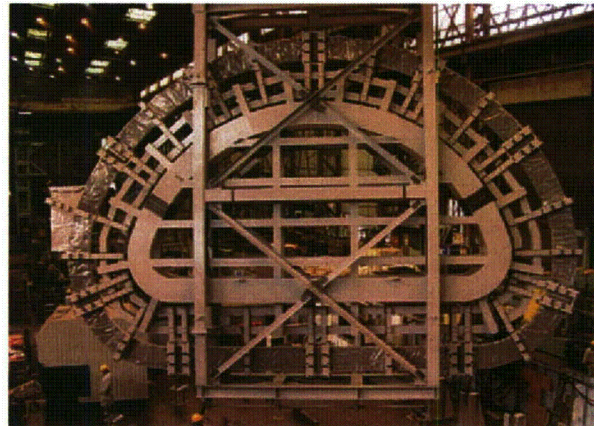


©2014 Georgia Power Company All rights reserved
Installation of the largest module of the AP1000™, under construction in the US

Separately, we are applying technologies cultivated in nuclear power plants to healthcare. In August 2013, we accepted an order from the National Institute of Radiological Sciences to supply a rotating gantry equipped with superconducting magnets, for a heavy-ion radiotherapy system for cancer treatment, and to produce interior equipment for the treatment room. This marks the world's first use of superconducting magnets in heavy-ion radiotherapy, and the first time in Japan that a rotating gantry has been installed in a heavy-ion radiotherapy treatment room. In addition, we started joint research with Yamagata University into the development of next-generation heavy-ion radiotherapy system in July 2013. We are also making headway overseas. We signed memoranda of understanding on feasibility studies for heavy-ion radiotherapy system for cancer treatment with local partners in the United Arab Emirates and Malaysia, in May and July 2013, respectively, and are now investigating the business potentials.

In fusion reactors, a future energy source, we are contributing to the International Thermonuclear Experimental Reactor (ITER), which is being promoted by a seven international consortium of Japan, the European

Union, Russia, the U.S., South Korea, China and India. We have received an order for toroidal magnetic field coils, superconducting coils that are major components of the reactor.



Toroidal magnetic field coil for ITER, full-scale prototype body

We are promoting global expansion in thermal power generation systems offering high efficiency and reliability. We entered into a strategic alliance agreement in gas turbine combined-cycle power generation field with the U.S. company General Electric (GE) in October 2013. In April 2014, we received an order from Hokkaido Electric Power Co., Inc. for a high efficiency combined-cycle thermal power generation system for the Ishikariwan Shinko Power Plant Unit 1, liquefied natural gas (LNG) fueled thermal power plant. The combined-cycle thermal power generation system, which combines GE's latest high efficiency 9HA Gas Turbine with Toshiba's most advanced steam turbine, is expected to achieve a world-leading thermal efficiency of 62% (at the lower heating value)* and the plant will have a capacity of approximately 570 MW(megawatts). Looking to future business expansion, in September 2013 we signed a natural gas liquefaction tolling agreement with a Freeport affiliate in the U.S. We will support companies, such as power companies, seeking to procure U.S.-produced LNG at competitive prices.

In January 2014, we integrated subsidiaries there into a company offering comprehensive capabilities: engineering, manufacturing, procurement, construction and service. In February 2014, we received an order for the supply of two 800 MW(megawatts) super-critical steam turbine and generator island packages for the Darlipali Super Thermal Power Station in Darlipali, Orissa state.

In geothermal systems, we reorganized a local

* As of April 15, 2014. Toshiba survey.

subsidiary in Turkey into Toshiba Infrastructure and Electronics A.S. (TAET) in August 2013, and commenced sales activities. In January 2014, we won our first geothermal plant order there, from Zorlu Enerji, an independent power producer and member of the Zorlu Energy Group to supply key equipment, including turbines, generators and condensers, for the new Alasehir Geothermal Power Plant in western Turkey. In November 2013, in Japan, we partnered with ORIX Corporation and established Nakao Geothermal Power Generation Corporation, as a vehicle for promoting geothermal power generation in the Nakao, Okuhida Onsen region in Gifu Prefecture. We are currently verifying business feasibility by surveying the region's geothermal resources and studying the surrounding environment.

The Power Systems Company works continues to refine and strengthen a structure to support global business expansion. In February 2014, we established the Global Engineering & Production Center at Keihin Product Operations in Yokohama. This is both a global engineering center, responsible for the design and development of thermal, hydro and renewable energy-related equipment, and a global production center that provides support and expert guidance to overseas sites. It will support global business development and deepen cooperation between sites in Japan and overseas, including the Smart Community Center in Kawasaki, the core site of our smart community business.



The Global Engineering & Production Center at Keihin Product Operations

Going forward, the Power Systems Company will build on a proven track record and continue to promote our global energy systems business with services and power generation systems offering high efficiency and high quality.

Social Infrastructure Systems Company

The Social Infrastructure Systems Company businesses include power systems, such as transmission and distribution systems (T&D) that ensure stable supply of power generated at power plants and solar photovoltaic

power generation systems; SCiB™ rechargeable batteries that are safe and that recharge rapidly; railway & automotive systems that incorporate advanced power electronics technologies for high efficiency motors and inverters; security and automation systems, such as security systems and industrial measuring equipment and labor-saving equipment; and radar systems for aviation safety and control, and for weather observation.

We are accelerating a global expansion of the T&D business. In December 2013, in India, we acquired Vijai Electricals Ltd.'s power and distribution transformers and switching device businesses, and established Toshiba Transmission & Distribution Systems (India) Pvt. Ltd. This full-scale entry into the Indian market gives us a site positioned to handle global production to support expansion. In parallel with this, we are increasing production at our transformer plant in Brazil and have started to run a joint venture factory in Russia.



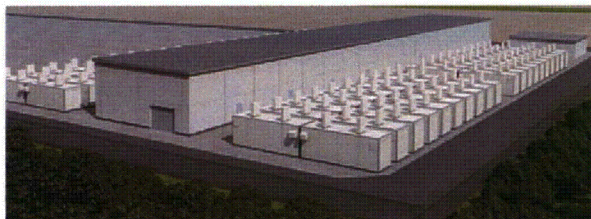
Toshiba Transmission & Distribution Systems (India) Pvt. Ltd.'s switch gear factory

In smart grids, we won an order in July 2013 for smart meter communications systems from Tokyo Electric Power Co., Ltd. (TEPCO). TEPCO plans to introduce smart meters into 27 million households in the next seven years, and the supplied metering systems will apply Landis + Gyr AG's (L+G) technology, a proven communications system, and technologies meeting international standards.

L+G recorded another business win in September 2013, an order from British Gas, the UK's largest power and gas company, for smart meters to measure gas and electricity consumption. In the period up to 2020, smart meters will be installed in 12 million households in central and southern England, with a total order value of some 90 billion yen. On top of this L+G won an order from CPS Energy, a power company in Texas, USA, for smart meters to measure power usage. Between 2014 and 2019 approximately 700 thousand smart meters will be installed in San Antonio, Texas, an order with a value of approximately 5 billion yen.

In the solar photovoltaic power generation systems business, the residential market in Japan performed very strongly. In overseas business, we have partnered with GAGFAH, Germany's largest real estate company, and initiate a retail power business utilizing solar power systems in rental apartments owned by GAGFAH in the towns of Villingen-Schwenningen and Ostfildern.

In rechargeable battery systems, in November 2013 we won an order to supply what will be the battery system with the world's largest output (based on Toshiba in-house research), 40,000 kW(kilowatts), for the "Demonstration Project on Battery Storage Systems for Dealing With Frequency Fluctuations at Nishi Sendai Transformer Substation," which is being implemented by Tohoku Electric Power Co., Ltd. (Tohoku Electric). The system will be installed at Tohoku Electric's Nishi Sendai Substation and equipped with Toshiba's SCiB™ lithium-ion rechargeable batteries. It will be used in a new initiative to tackle frequency variations in solar and wind power generation resulting from changes in the weather.



Tohoku Electric Power, Nishi Sendai Substation, Battery Storage System

In power electronics, the invertors and other devices used to control power conversion, we won an order in November 2013, in collaboration with Marubeni Corporation and the East Japan Railway Company (JR East), for the supply of a railway system and maintenance services for the Purple Line, a passenger railway in Bangkok, Thailand. This will be the first time a Japanese consortium including a railway operating company has participated in an overseas maintenance project.



Passenger Railway in Bangkok, Thailand

In industrial systems, we are involved in the manufacture of high-efficiency industrial motors in Vietnam, and we are working to expand sales into new markets, including emerging markets.

In automation systems, in May 2013 we were awarded an about 3.6 billion yen contract for a completely integrated postal automation system from Singapore Post.

In radar systems, in September 2013 we won an order in collaboration with Sumitomo Corporation, NEC Corporation, and other companies, for airport and aviation security infrastructure in Myanmar. While improving aviation safety at Myanmar's major airports, the project is also expected to enhance Myanmar's airports' capacity to handle the burgeoning air traffic in the region by establishing more efficient air routes.

Going forward, we will continue to promote our total solutions business, both in Japan and overseas, in a variety of technology areas, including power electronics technologies and state-of-the-art transmission and distribution technologies.

At a February 2014 briefing in New Delhi, India, we explained how we are strengthening our social infrastructure business in India, and held a technology seminar for our partner companies. In addition to T&D and power systems, the core of our thermal and hydro-power businesses, we are also focusing on areas such as building solutions, including elevators. Toward strengthening cooperation with major local companies, we plan to invest approximately 50 billion yen over the five years from 2013 to 2017, and aim to generate 300 billion yen in net sales in FY2017 by expanding personnel and facilities, and promoting local production, sales and export.



Strengthening cooperation with major Indian corporations

Community Solutions Segment

We are promoting the realization of safe, secure and comfortable communities by providing community solutions, including city infrastructure solutions, building and home solutions, through ICT and cloud computing technologies.



Smart Community demonstration project in France's Lyon Redevelopment Area

LYON 5°

LYON 2°

© Aurélie Leplatre-SPL Lyon Confluence

© Asylum-SPL Lyon Confluence

© Herzog & de Meuron

© Cyril Thomas-Bouygues Immobilier

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This major inner-city redevelopment project aims to achieve zero emissions in the redevelopment area by the visualization of energy usage across the entire project area, including streets, buildings, homes and transportation (EV). Within the overall project, an EV car-sharing pilot project started in October 2013.
(Project term: April 2012 - August 2016)

Community Solutions Company

In an October 2013, reorganization, the Community Solutions Company was established as a new company, bringing together businesses and companies working in related areas under the same umbrella: the Community Solutions Division, handles various wide area energy management systems covering cities, buildings, factories and housing, traffic control systems disaster prevention communications systems; the Water & Environmental Systems Division, handles water supply and sewerage systems and environmental systems; Toshiba Elevator and Building Systems Corporation covers the elevators and escalators systems; Toshiba Lighting & Technology Corporation, handles the lighting systems; and Toshiba Carrier Corporation handles the commercial air-conditioning systems. In January 2014, Community Solutions Group companies were brought together in the Smart Community Center, a new building in Kawasaki, promoting group-wide synergies.

With the Energy & Social Infrastructure business, the group will continue to promote the realization of safe, secure and comfortable communities by providing diverse community solutions through ICT and cloud computing technologies: city infrastructure solutions, such as energy and water management systems; building solutions, such as elevators that carry people smoothly and safely; lighting and air-conditioning offering high energy efficiency and high environmental performance; and home solutions that support comfortable lives.

In FY2013, while sales increased on growth in solar photovoltaic systems and of disaster prevention systems for local governments, and in elevators and commercial air-conditioning in the Chinese and Asian markets, income declined slightly on deterioration in the lighting business in the U.S. and Europe.

A water sewage treatment plant in India constructed by UEM

Community Solutions Business / Water & Environmental Systems Business

We continue to strengthen domestic business, and we are also expanding overseas business. In March 2014, we took an equity stake in UEM India, which has a track record of

delivering water and wastewater management facilities in North America, Central America, and Africa, and through our partnership we have determined to expand the business with a focus on India and markets in neighboring countries. Looking ahead, we will use this capital alliance to expand Toshiba's products and, through synergies for both companies, to increase sales of water treatment plant for power stations, and to continue providing services and solutions to Japanese companies expanding into the region and to local companies with high environmental consciousness.

Toshiba Elevator and Building Systems Corporation

We have built a framework that encompasses all aspects of elevators and escalators business from product and system development to production, installation, adjustment, maintenance and renewals in order to globally offer total solutions for the environment, energy saving and security with the state-of-the-art technologies.

In October 2013, we won an order to provide 111 elevators and escalators, including 420 meter-a-minute high-speed elevators, for the second phase of construction of Galaxy Macau, the largest luxury resort hotel in Macau, China. With the units supplied in the first phase, completed in 2011, we will supply a total of 209 units across the two phases of construction

In November 2013, at the 10th Eco Products Awards, sponsored by the Eco-Products Awards Promotion Council, our energy saving, environmentally-conscious and earthquake-conscious "SPACEL-GR" and "ELCRUISE" elevators received the Minister of Economy, Trade and Industry Award, the highest of the awards, in the "Eco-Products Category". These energy saving products have been certified as Toshiba Group "Excellent ECPs," which means they offer the best environmental performance in the industry.



"ELCRUISE"



"SPACEL-GR"

Toshiba Lighting & Technology Corporation

Our global LED lighting business is creating a new culture of lighting in harmony with people and the environment. In November 2013, we supplied LED lighting to illuminate the five-story pagoda of Toji Temple in Kyoto, at approximately 55 meters the tallest wooden structure in Japan. By replacing HID floodlight, we cut power consumption (CO₂ emissions) by approximately 51%.



The "golden five-story pagoda" of Toji Temple in Kyoto, lit up with LED lighting

We have also developed LED floodlight. As bright as a 1kW metal halide lamp, it consumes about 54% less energy, and is already installed at "Football Center Toyama (Nichi-Iko Sports Academy)" in Namerikawa City, completed in May 2013. Stadium lighting requires maintenance work in high places, but our LED floodlight's approximately 40,000-hour service life promises cost savings and reduced maintenance work. It also delivers instant re-lighting, a problem with HID lamps.

Toshiba Carrier Corporation

Our heat pump technology realizes heat application solutions and systems for air-conditioning and hot water supply equipment offering environmentally-conscious performances, high level efficiency and comfort.

In November 2013, we received the FY2013 Minister of the Environment Award for helping to mitigate global warming with the "development of an air-cooled heat pump-type modular heat source machine." We have developed a group control system to optimize operation of multiple modules with the world's largest capacity inverter twin rotary compressor, and commercialized a heat source machine for a wide variety of energy saving applications. The precise temperature control of this highly praised advance fits applications ranging from temperature control in data centers to heat management in factory production processes.

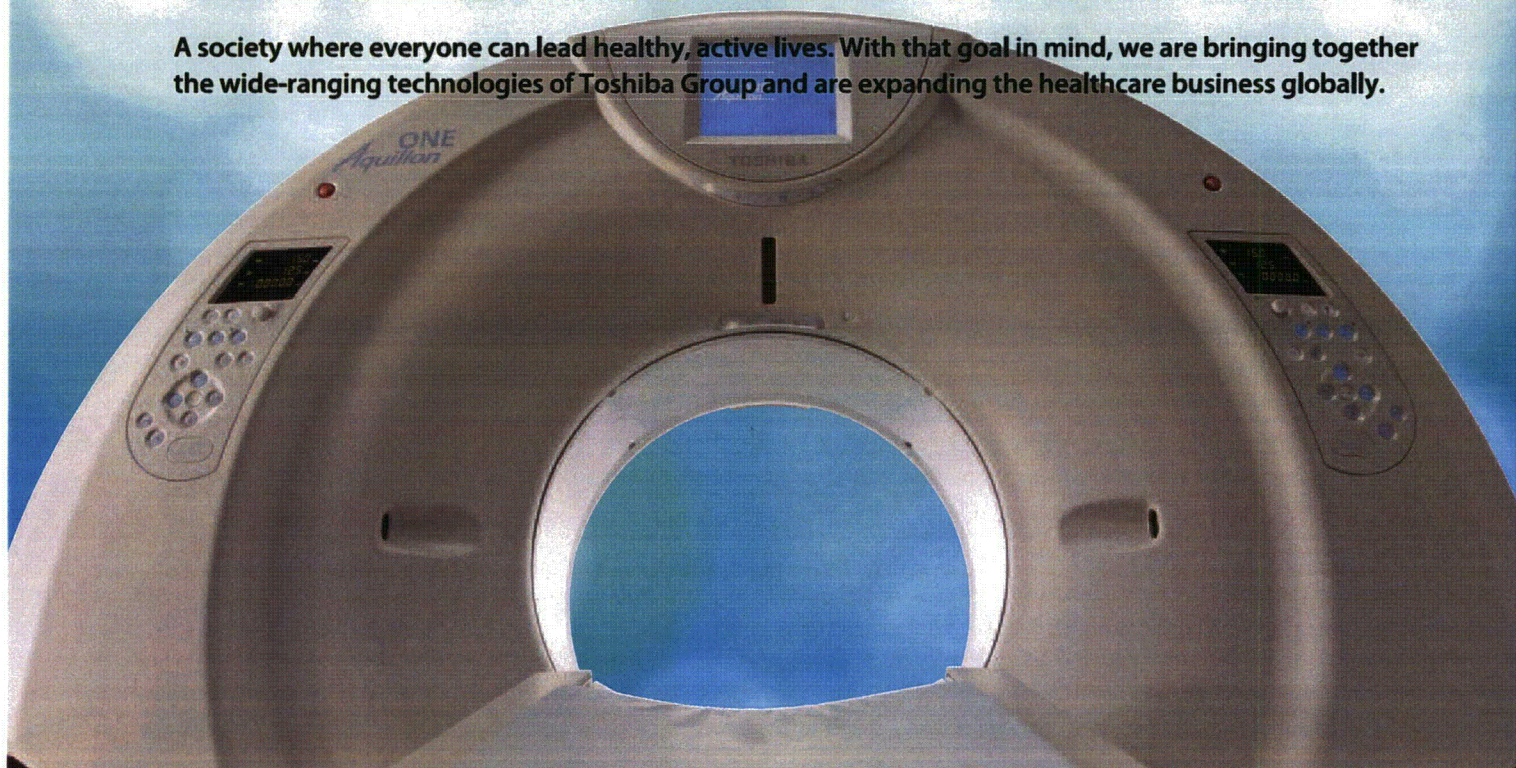
In China, the world's largest commercial air-conditioning market, we are expanding production and rapidly releasing new products. Toshiba Carrier Air Conditioning (China) Co., Ltd., a joint venture between Toshiba Carrier Corporation and Carrier Asia Ltd., opened a commercial air-conditioning equipment factory in January 2014. The reliability and energy efficiency of our multi air-conditioning systems have won high regard and adoption in many buildings. We have responded with a new manufacturing and sales site in the Hangzhou Economic and Technological Development Zone, which has secured quicker delivery to customers. We will continue to promote closer integration of manufacturing, sales and services, further reduce our products' environmental impacts, and contribute to more convenient and comfortable lifestyles.



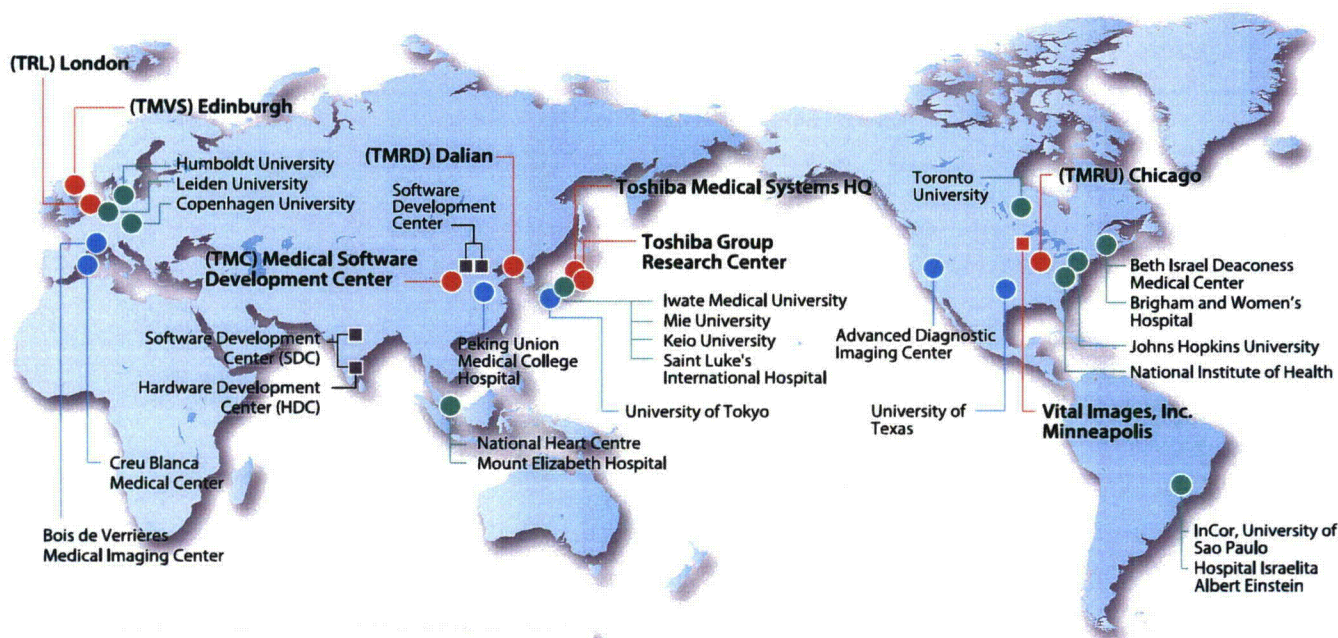
Toshiba Carrier Air Conditioning (China) Co., Ltd., commenced production of commercial air-conditioning equipment.

Healthcare Systems & Services Segment

A society where everyone can lead healthy, active lives. With that goal in mind, we are bringing together the wide-ranging technologies of Toshiba Group and are expanding the healthcare business globally.



Global R&D System



- **Toshiba Group Healthcare R&D site**
- Institutions participating in "CORE 320," an international multi-center trial using the CT Aquilion One™ area detector
- Institutions participating in "REACT," an international multi-center trial to verify the usefulness of non-contrast MR angiography technology

*TMRU: TOSHIBA MEDICAL RESEARCH INSTITUTE, USA
TMRD: Toshiba Medical System R & D (Dalian)
TMC: Toshiba Medical System (China)
TMVS: Toshiba Medical Visualization Systems Europe
TRL: Toshiba Research Europe

Toshiba Medical Systems Corp.

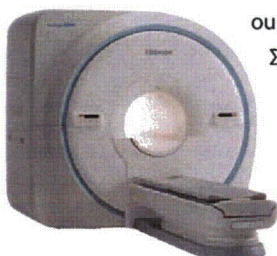
We deliver healthcare solutions in more than 135 countries worldwide, with a product line-up encompassing medical IT systems and diagnostic imaging systems: CT, MRI, X-ray and ultrasound diagnostic systems.

In FY2013, sales of CT systems grew in Japan and overseas, particularly in emerging markets, and the service business also performed strongly, resulting in higher sales and increased income.

In responding to globalization, we are building a worldwide network of development, production and sales sites. In January 2014, we established Toshiba Medical Systems R&D (Dalian) Co., Ltd. in Dalian, China, which integrates our previous R&D function there. The company's work will support us in strengthening business in China and Asia, and the advantage of its location will allow us to participate in upstream development of lab test systems, CT, MRI, X-ray and ultrasound diagnostic systems.

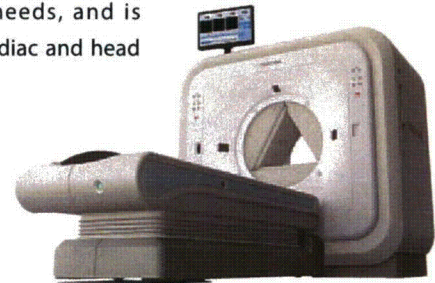
In April 2013, we won a major order from the Republic of Turkey's Ministry of Health for 84 16-row multi-slice CT systems (Alexion™), and installation has now commenced in public hospitals. We began sales and services of diagnostic imaging systems in Turkey in 1997, and have built up a proven track record and strong relations with customers, grounded in trust. Earlier order wins include another from the Ministry of Health in 2012, for 120 high-end ultrasonic diagnostic systems (Aplio™ 500). Going forward we will further enhance the provision of high value-added products and services adapted to local market needs, and continue to contribute to medical care in the region.

In November 2013, in Japan we launched "Vantage Elan™", a next generation 1.5 tesla MRI system that checks all the boxes—high image quality, simple operation, space- and power-saving. Its footprint is 29% smaller than similar models and it cuts maximum energy consumption by as much as 50%. It also inherits our highly regarded capabilities in noise reduction mechanism by integrating our newly developed Pianissimo™ Σ as a standard feature, ensuring even quieter, more patient-friendly MRI scanning.



1.5 tesla MRI system: Vantage Elan™

In September 2013, we launched the "Digital Gamma Camera GCA-9300R™" in Japan. It provides diagnostic imaging by detecting gamma rays emitted from radiopharmaceuticals administered internally, and is the only three-detector digital gamma camera in the Japanese market. Gamma ray detection is growing in importance in diagnosing cardiac and head disease and making decisions on therapy, and also as a means of testing to detect dementia, now becoming a major social problem. The GCA-9300R™ was designed in-house to expressly address these needs, and is optimized for cardiac and head examinations.



3 detector-type gamma camera: GCA-9300R™

Toshiba Medical Systems Corp. is the Official Medical Systems Partner of Manchester United, a leading football team in the English Premier League.

In tandem with this sponsorship, we have installed the latest diagnostic imaging systems, including the Aquilion ONE™ area detector CT, at the medical facility in the team's new AON Training Complex, opened in March 2014. Players who were previously examined and diagnosed at nearby medical centers can now receive high-quality care in the privacy of the team facility. We will continue to support medical care as the team's medical systems partner, and help to ensure that the players can give their best on the field.



Electronic Devices & Components Segment

We are driving forward storage solutions with our world-class NAND Flash Memory, and deploying lineups of discrete and system LSI.



Global Manufacturing and Sales Sites (Semiconductor & Storage Products Company)



NAND Flash Memory
No. 2 global share*

Hard Disk Drives
15% global share*

Power Devices
No. 2 global share*

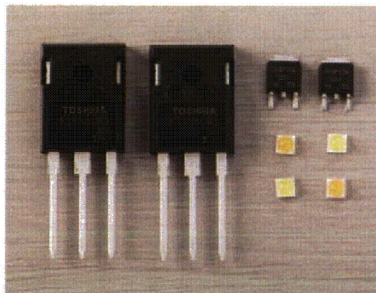
* Net sales basis. Based on Toshiba in-house research (2013)

Semiconductor & Storage Products Company

With a focus on memory, most notably NAND Flash Memory, and storage, including SSD and HDD, the company promotes the semiconductor and storage products business as well as discrete semiconductors, mixed signal IC, logic LSI and CMOS image sensors. We cover a wide range of fields, and in addition to strengthening the technologies at the core of every business, by coordinating these technologies and responding to the big data society, we are providing the ideal solutions for configuring our customers' systems.

Discrete Business

In FY2013, while sales of mainstay power devices and photocouplers, particularly for automotive and industrial applications, remained stable, costs incurred with the start-up of white LED products took their toll, with the result that we recorded increased sales but reduced profit. Going forward we aim to return to stable growth by making steady progress on new product development, increasing our share of the automotive and industrial fields in our core area of power devices, and expanding our lineup of white LEDs.



Discrete semiconductors

In small signal devices and photocouplers, a new back-end process facility to replace that inundated by the 2011 flooding in Thailand was completed in August 2013. The site area of the new facility is about 1.4 times that of the old one, and introduction of the latest production lines is helping us to boost productivity. We will continue to manufacture products for which we expect to see future demand increases, in such areas as industrial equipment, digital consumer electronics and mobile phones.

System LSI business

Sluggish sales in logic LSIs for consumer electronics and digital cameras and CMOS image sensors resulted in lower revenue and reduced profit in FY2013. Regarding the future, in the mixed-signal business we will focus our resources on three areas, motor controls, communications and image recognition, and steadily promote new businesses. In the

logic LSI business we will continue to develop new solutions businesses centered on application processors, including devices for wearable devices. In CMOS image sensors we will emphasize expanding our line-up of general-purpose products, and make new forays into high value-added areas. On the strength of these measures, we aim to expand sales and establish a profitable business constitution.

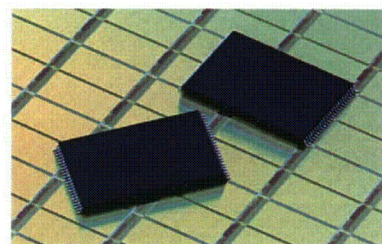


A Japanese print ad for an image recognition processor LSI for automotive applications

Memory business

In FY2013, we recorded a major increase in sales, driven by strong demand, continued achievement of cost reductions through process migration, and the optimization of product sales areas, and achieved record operating income.

The company will continue to make steady progress in process migration, lead the world in technical capabilities, and respond to the continuing growth in demand for storage by introducing new memory products.



NAND Flash memory fabricated with the world's first 15nm process

In new products, in May 2013 we commenced mass production of 64 gigabit (8 gigabyte) NAND Flash Memory using second-generation 19nm process at Yokkaichi Operations (located in Yokkaichi City, Mie Prefecture).

In August 2013, we commenced construction of the second phase of Fab 5 at the same facility, with the objective of securing production space for coming generations of 3D products and for NAND Flash Memory products fabricated with 15nm process technology. Construction was completed in summer 2014.

Sales of wireless communication products for mobile devices

In mobile devices like smart phones, there is increasing demand from users for the capability to quickly and easily exchange images and other data. Our mixed signal IC and memory businesses are collaborating in developing such products. Taking data stored on a memory card as the start point, pictures shot with a digital camera for example, we have launched FlashAir™, an SDHC card fitted with wireless communication functionality that makes possible on-the-spot sharing with smart phones and tablets. Other new products in the same vein are our USB and MicroUSB adapter modules compatible with TransferJet™, which can transmit large quantities of data at high speeds, such as movies or multiple photos, across short distances, simply when users touch their devices displays against each other.



TransferJet™ adapter module and FlashAir™ (32GB Class10 compatible)

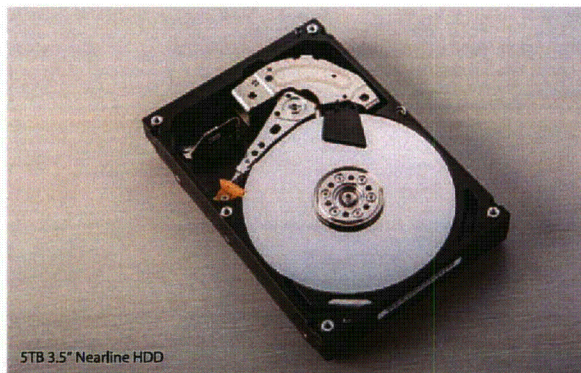
Storage business

Sales grew in FY2013, particularly of 3.5" HDD. In the previous year, the business performed notably well, as the flooding in Thailand resulted in supply shortages that led to persistently high prices. Operating income was lower year on year, but remained stable. In the future, particularly in light of the growth in demand for storage in the enterprise market, we will shift momentum of our business from the traditional mainstay of consumer products to enterprise products, and work to steadily increase our share of products

such as near-line HDD and enterprise SSD. Furthermore, in addition to cooperating with the memory business, we will cooperate with the Cloud & Solutions Company to develop new products and expand into new areas.

With the goal of strengthening the SSD business, in January 2014 we acquired assets in the U.S. firm OCZ Technology, Inc. (OCZ). With this acquisition we plan to further increase the competitiveness of the SSD business by combining our strong NAND Flash Memory technology with SSD for PCs and data centers, areas where OCZ enjoys a good track record.

In new products, at the end of February we started to ship large capacity 5 terabyte HDD for near-line applications in large servers and data centers, drives that realize the industry's largest storage capacity for a non-helium-gas-filled HDD. Going forward we will continue to strengthen our enterprise HDD products.



*1: Solid State Drive
*2: Nanometer (1 billionth of a meter)

ODD Business

On March 26, 2014, the company signed an agreement on the transfer of the Optical Disk Drive business with Samsung Electronics Co., Ltd. and OPTIS Co., Ltd. As a result of this agreement, the business has been discontinued.

In March 2014, Toshiba brought a civil suit against SK Hynix Inc. at the Tokyo District Court, under Japan's Unfair Competition Prevention Act. The suit seeks damages for the wrongful acquisition and use of Toshiba's proprietary technical information related to NAND flash memory. Moving forward, Toshiba will construct a more robust system for protecting its intellectual property and preventing its loss, and respond resolutely to unfair competition, in order to maintain the advanced technical competence, including those for semiconductors, that is the source of its global competitive strength.

Lifestyle Products & Services Segment

We are enhancing the environmental performance of our TVs and home appliances and developing products that meet regional characteristics, with a particular focus on Asia's emerging markets. In PCs, we are expanding our presence in the corporate sector.



Developing local-fit products with a focus on emerging markets in Asia



LCD TVs "Pro Theatre L4300 Series"

(For the ASEAN, Middle East and African markets)

Pro Theatre L4300 with Android™ OS allows viewers to enjoy a wide variety of Apps on large screens. The "Football Mode" image setting delivers true action details of football game matches by minimizing loss of details and correcting over exposed scenes, making the L4300 ideal for watching football.



Refrigerator "T-Series"

(For the Thai market)

In March, 2014, we launched a refrigerator in Thailand that offers the high energy-saving performance of inverter control and increased storage space for beverages. This feature is based on the result of local lifestyle surveys.



Fully Automatic Washing Machine "AW-DC1700W"

(For the Thai, Vietnamese and Malaysian markets)

Since the end of 2013, we have been selling inverter-controlled, fully automatic washing machines featuring a "fragrance course" which leaves laundry with the fresh scent of fabric softeners. The function is based on local preferences.

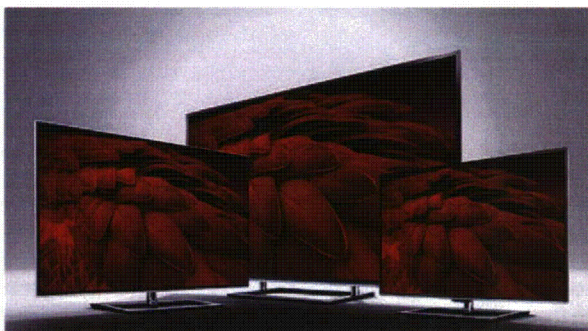
Lifestyle Products & Services

The lifestyle business delivers products offering superior environmental performance and features that meet local characteristics: digital products that include TVs, Blu-ray recorders, PCs, tablets and others; and refrigerators, washer-dryers and other home appliances.

The market environment in which Lifestyle Products & Services operates is very tough and we are feeling its strong impacts. In TVs, we are experiencing a shrinking domestic market following completion of the transition from terrestrial to digital broadcasting, and we must contend with lower pricing and reduced demand caused by economic sluggishness in Europe; in PCs, we face a demand fall-off resulting from competition with tablets and smartphones; and in home appliances the effects of the weaker yen. Given this business environment, and with the goals of improving profitability and strengthening the business structure, we have defined "Implementation of Selection and Concentration to Generate Profit" and "Rebuilding With a Lean Management Structure" as the pillars of structural reform.

In promoting "Implementation of Selection and Concentration to Generate Profit" in the TV business, we will select and concentrate our attention on focus markets, with an emphasis on emerging markets, most notably those of Southeast Asia, where continued growth is expected. Alongside this, we are aggressively promoting the global expansion of large-screen-type, value-added products, such as high resolution 4K ultra HD TVs, and are strengthening the release of local-fit products that match regional characteristics.

In FY2013, we launched the "Pro Theatre Series" TVs featuring "Football Mode" for emerging markets. This realizes image quality that is almost as good as watching the game in the stadium, and ensures an enjoyable viewing experience even when watching fast moving scenes. These products



REGZA Z8X Series

were expressly developed for emerging markets, where football and other sports are very popular with viewers.

In the domestic market, we launched the "REGZA Z8X Series" as large screen type, high value-added products, in June 2013. These large screen TVs feature high-resolution 4K panels that boast four times the pixels of a Full HD TV, plus a newly developed video processing engine, allowing enjoyable viewing of even higher quality images.

Beyond this, we are also applying our advanced visual imaging technology in the healthcare field. In September 2013, the technology developed for REGZA LCD TVs was employed by Toshiba Medical Systems Corporation and introduced in the world's first "Glasses-free 3D Display for Medical Use".

In the PC business, our focus is on promoting business expansion in the corporate sector. Here our proposals to companies include the introduction of models with enhanced mobility and security, power savings achieved with "Toshiba Smart Client Manager" cloud solutions, and enterprise asset management. In addition, by developing proposals that combine hardware and services, we are working to cultivate new markets in education and healthcare. In the solutions business we are promoting cooperation with other business groups and making every effort to cultivate large customers.



dynabook KIRA V832

In the consumer PC business, we are promoting the "Toshiba Direct" online shopping site and taking measures to improve our sales channels, as well as working to expand our range of strategic products offering high added value. In April 2013, we moved ahead of our competitors with the release of "dynabook KIRA," the world's first Ultrabook™ fitted with a high-definition WQHD LCD touch panel. This employs our thin and light technology and PC-related technologies, such as high-density packaging technology. It also utilizes know-how cultivated for our "REGZA" LCD TVs that really brings out the beauty and natural colors of photos and video and makes them much more enjoyable.

In Home Appliances, we are strengthening sales in Southeast Asia.

In March 2014, we launched a refrigerator in Thailand that offers the high energy-saving performance of inverter control and increased storage space for beverages. Since the end of 2013 in the Thai, Vietnamese and Malaysian markets, we have been selling inverter-controlled, fully automatic washing machines featuring a "fragrance course," which leaves laundry with a fresh scent of softeners. All of these products have earned warm receptions for functions integrated on the basis of local needs.

In the Japanese market we are selling high value added products. For instance, in November 2013 we launched a new drum-type washer-dryer product, the TW-Z96X1 "Heat Pump Drum ZABOON." This employs a "Magic Drum" that uses a dirt adhesion prevention process* on the outside of the stainless steel tub to prevent the built up of detergent residue, the cause of black mold. This washer-dryer received The Energy Conservation Center Chairman's Award for not only cutting energy consumption during operation, but also for saving energy by reducing maintenance work required to clean the washing tub.



"Heat Pump Drum Zaboön" TW-Z96X1

In promoting measures to rebuild with a "Lean Management Structure," we ended production at Dalian Toshiba Television Company in December 2013, a TV production site that mainly served the Japanese market. In February 2014, Toshiba Television Central Europe, Sp.zo.o., which served as an LCD TV production base for the European market, was sold to Taiwan's Compal Electronics, Inc. We are promoting reductions in fixed costs through the realignment of our production sites, with the aim of realizing profitability.

We have also restructured our organization. The Digital Products & Services Company has handled our Visual Products business, and a Toshiba Group company, Toshiba Consumer Electronics Holdings Corporation and its subsidiaries, have handled the home appliances, lighting and air-conditioning businesses. In April 2014, we established Toshiba Lifestyle Products & Services Corporation as an integrated entity to operate the Visual Products and Home Appliance businesses. The company aims for efficient operations grounded in sharing management resources, such as personnel and logistics, and promoting cost optimization. Going forward, in addition to strengthening overseas sales, with an emphasis on Southeast Asia and the Near and Middle East, the company will also focus on new areas, particularly B2B, and on smart appliances and cloud services that allow users to link TVs and home appliances with networks.

* "Anti-Stain Coating" that removes dirt and soiling. Based on in-house research.

Others Segment

Cloud & Solutions Company

We are actively promoting a storage services business that integrates technology solutions, using storage devices and IT to solve problems. As part of this effort, we started the "Toshiba Cloud Storage Array Service" in March 2014. This allows cloud business operators to store data of individual users on the internet without any need of a large-scale capital investment.



Cloud & Solutions Company, Data Center Image