

TOSHIBA

Leading Innovation >>>

FY2017 Third Quarter Consolidated Business Results (First Nine Months Cumulative)

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**Representative Executive Officer and
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TOSHIBA CORPORATION

February 14, 2018

Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group.
- These forward-looking statements are not historical facts, rather they are based on management's assumptions and beliefs in light of the economic, financial and other data currently available.
- Since Toshiba Group promotes business in various market environments in many countries and regions, its activities are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations.
- Toshiba's fiscal year (FY) runs from April 1 to March 31. 1H refers to the first six months (April-September); 2H refers to the latter six months (October-March); 1Q refers to the first quarter (April-June); 2Q refers to the second quarter (July-September); 3Q refers to the third quarter (October-December); and 4Q refers to the fourth quarter (January-March).
- All figures are consolidated totals for the first nine months of fiscal year 2017, unless otherwise stated.
- Results in segments have been reclassified to reflect the current organization, unless otherwise stated.
- The Memory Business and Westinghouse Group are classified as discontinued operations, in accordance with Accounting Standards Codification (ASC) 205-20 "Presentation of Financial Statements – Discontinued Operations". The results of these businesses have been excluded from net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Results for the past fiscal years have been revised to reflect this change, unless otherwise stated.



1. Overall Business Results

Reclassification of Memory Business as Discontinued Operation and about Going Concern

- The global settlement with Western Digital of litigation and arbitration, along with the progress of anti-trust law procedures in key jurisdictions, has increased the certainty that the sale of the Memory business will be completed, and the results of the Memory business have been classified as a discontinued operation for the third quarter of FY2017, in accordance with U.S. generally accepted accounting principles.
 - ➔ **The results for the Memory business are excluded from net sales, operating income, income before income taxes and noncontrolling interests; profit after-tax is recorded as net income from discontinued operations**
 - At this point, the substantial doubts about the Company's ability to continue as a going concern has been sufficiently addressed.
 - ✓ **As of February 14, 2018, the Company expects to resolve its financing and negative shareholders' equity status**
as a result of the following three factors.
 1. An increased certainty that the transaction for the sale of the Memory business will be completed within a year.
 2. A new share issue by third-party allotments, of approx. 600.0 billion yen.
 3. Closing of the sales of Westinghouse-related claims to third parties
 - ✓ In addition, major group companies **have acquired Special Construction Business License required under the construction contractors law of Japan**
- * The sales of claims against Westinghouse Group was completed on January 22, 2018 (EST), however it will be reflected in the going concern note for the third quarter business results. The tax impact from the sales will be recorded in the fourth quarter business results.

FY2017/1-3Q Consolidated Business Results Overall

(Yen in billions, except
Earnings (Loss) per share)

	16/1-3Q	17/1-3Q	Difference
Net sales	2,835.4	2,800.3	-35.1
Operating income (loss) %	76.1 2.7%	49.6 1.8%	-26.5 -0.9%
Non operating income (loss)	-11.8	38.3	50.1
Income (Loss) before income taxes and noncontrolling interests %	64.3 2.3%	87.9 3.1%	23.6 0.8%
Tax expenses	-47.6	-1.7	45.9
Net income (loss) from continuing operation before noncontrolling interests	16.7	86.2	69.5
Net income (loss) from discontinued operation before noncontrolling interests	-644.6	-27.3	617.3
Net income (loss) attributable to noncontrolling interests	95.4	-31.9	-127.3
Net income (loss) %	-532.5 -18.8%	27.0 1.0%	559.5 19.8%
Earnings (Loss) per share attributable to shareholders of the Company	-¥125.77	¥6.06	¥131.83
Free cash flows	-54.7	-446.2	-391.5

Key Points of FY2017/1-3Q

● Net Sales:

The Company saw sales decrease by 1.2% as Energy Systems & Solutions recorded lower sales due to the impact of the IPO* and deconsolidation of Landis+Gyr. Infrastructure System & Solutions saw lower sales, even though the Storage & Electronic Devices recorded higher sales. The total impact of yen depreciation was +57.0 billion yen.(excl. Memory business)

*IPO: Initial Public Offering

● Income (Loss):

Income (Loss) before income taxes and noncontrolling interests was 87.9 billion yen, including 49.6 billion yen operating income, and nonoperating income of 38.3 billion yen mainly from 66.8 billion yen in profit from the Landis+Gyr IPO in the 2Q.

Net income from continuing operations was 86.2 billion yen, as the total impact of tax from continuing operations was 1.7 billion yen after the reversal of a part of valuation allowance for deferred tax assets.

The Memory business achieved margin equivalent to an ROS of 37%. Net income (loss) from discontinued operations was negative and stood at -27.3 billion yen due to the tax impact from the company split of the Memory business.

● Cash Flows:

Cash flows from operating activities were -383.7 billion yen, mainly due to payment of WEC parent company guarantees of 436.8 billion yen and deterioration in working capital due to deterioration in the financial base and financial credibility. Cash flows from investing activities recorded -62.5 billion yen, while investment of Memory but there were sales of Landis+Gyr shares. Free cash flows recorded -446.2 billion yen.

FY2017/1-3Q Consolidated Business Results Overall

(Yen in billions)	17/3E	17/12E	Difference
Equity attributable to shareholders of the Company	-552.9	-3.9	549.0
Shareholders' equity ratio	-13.0%	-0.1%	12.9%
Net assets	-275.7	220.9	496.6
Net interest-bearing debt	682.9	484.0	-198.9
Net debt-to-equity ratio	-	-	-
Exchange rate (US\$) as of the end date of the term	¥112	¥113	¥1

● Financial Structure:

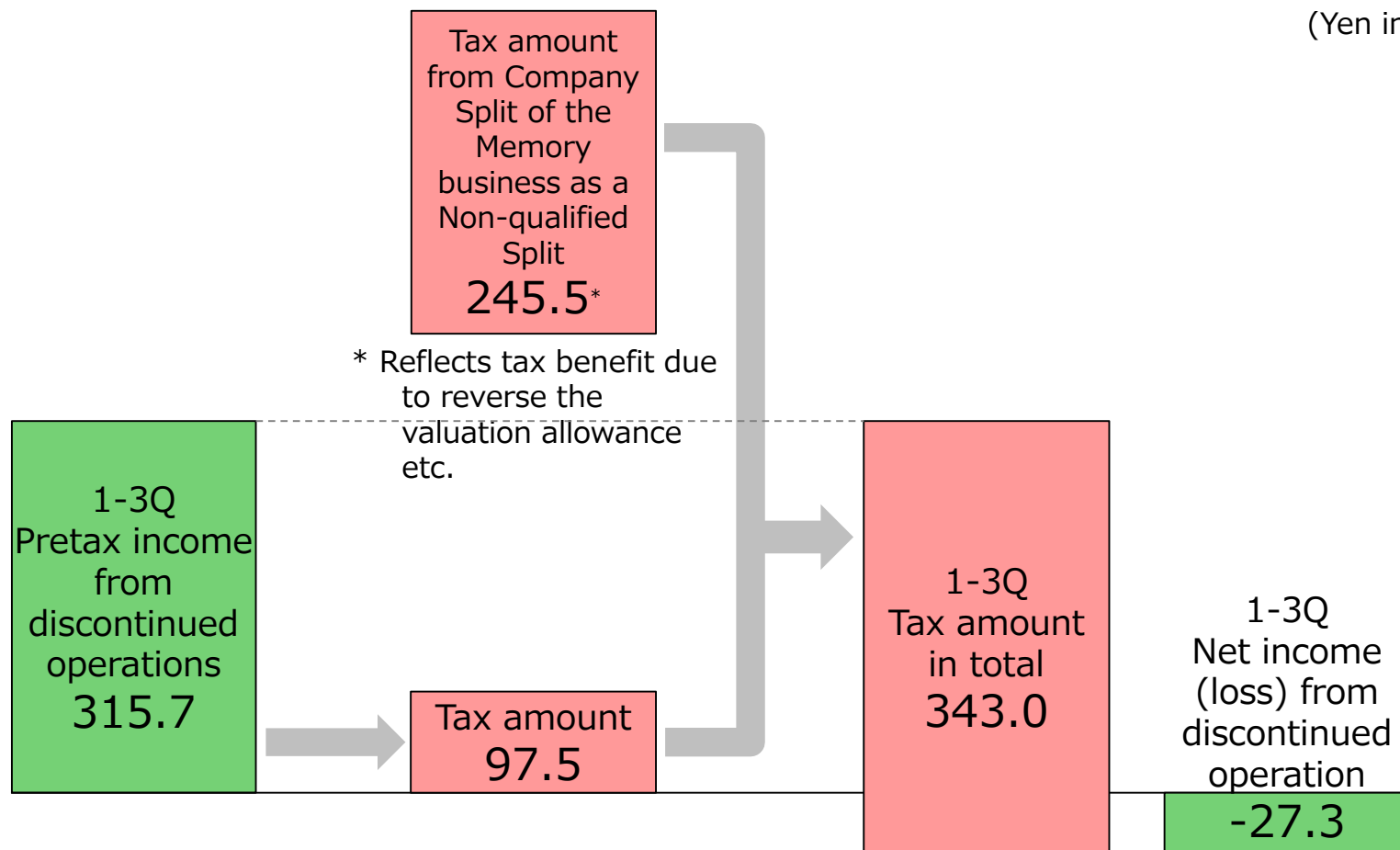
Shareholder's equity was -3.9 billion yen, an improvement of 549.0 billion yen against March end 2017. It was led by a share issue by third-party allotments that raised approximately 600.0 billion yen, increase in net income (loss) attributable to the Company, and a reduction of -49.5* billion yen (direct impact on equity) due to the execution of a put option for WEC shares by Kazatomprom. Net assets including noncontrolling interests were 220.9 billion yen.

* The amount is only the impact of directly in equity. Besides this, -15.2 billion yen is recorded as income (loss) from discontinued operations.

Tax Impact from Company Split of the Memory Business as a Non-qualified Split

- As the Memory has been reclassified as a discontinued operation, the tax impact calculation changed, and the full amount of tax expense has been recorded as a non-qualified split in 3Q 2017.

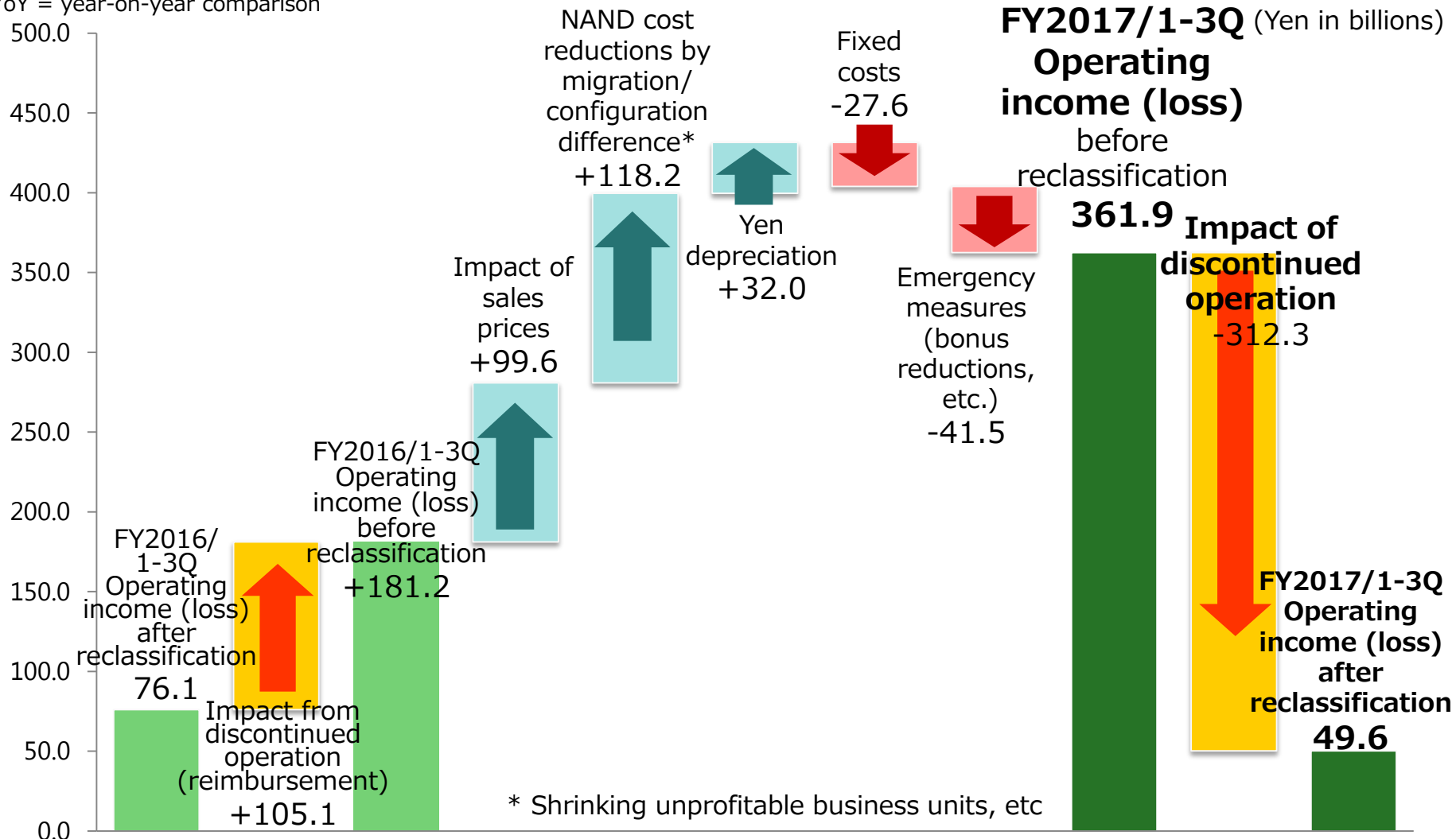
(Yen in billions)



Operating Income (Loss), YoY Analysis

Before its reclassification of discontinued operations, higher sales prices, volumes and cost reductions in the Memory realized a significant increase

*YoY = year-on-year comparison



Non-operating Income (Loss) and Expenses

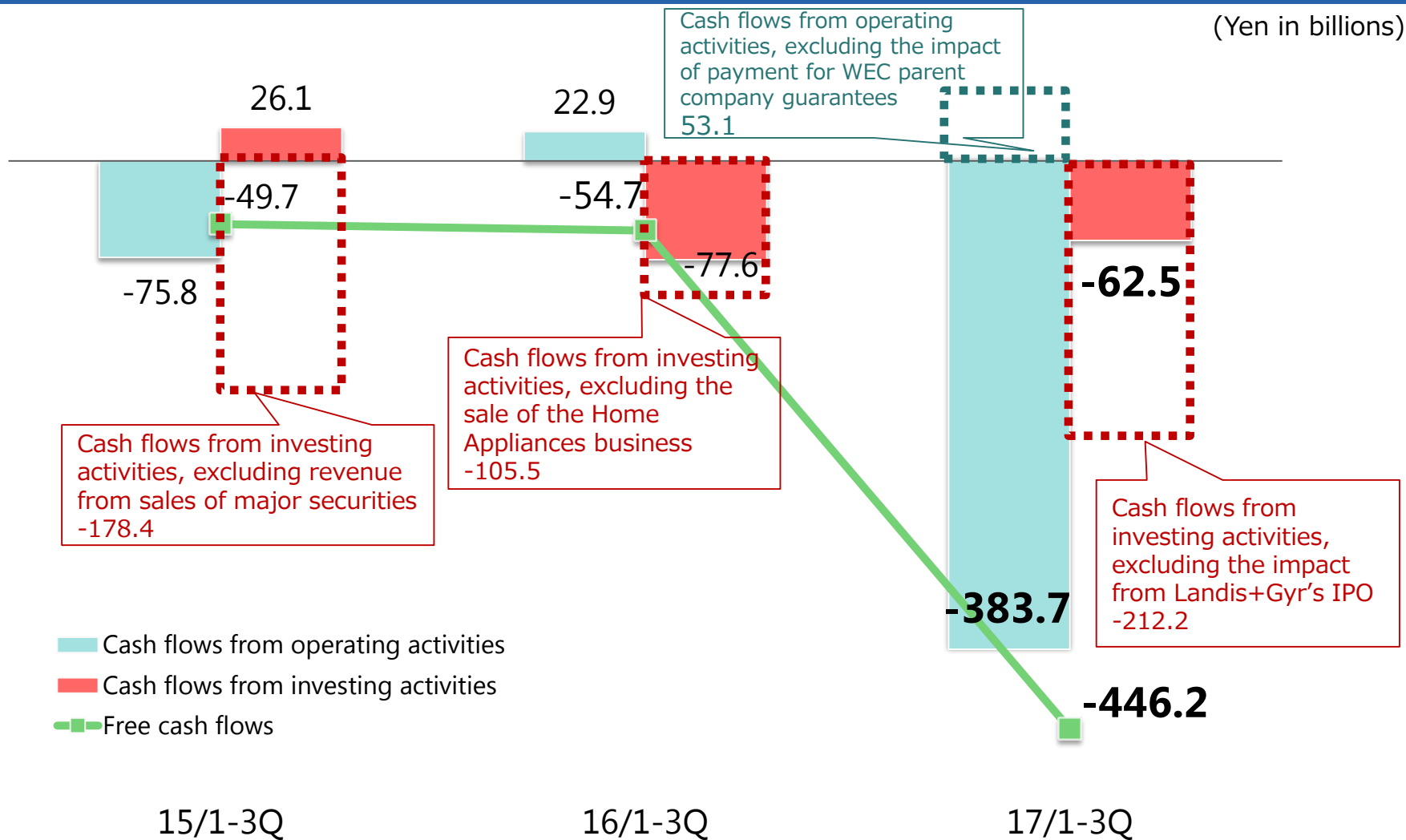
Improvement mainly due to profit from the sale of Landis+Gyr

(Yen in billions)

	FY2016/ 1-3Q	FY2017/ 1-3Q	Difference	Main items in FY2017 3Q
Net financial income (loss)	-7.1	-15.8	-8.7	-
Foreign exchange income (loss)	-1.8	-1.5	0.3	-
Income (Loss) on sales or disposal of fixed assets	15.6	14.7	-0.9	-
Income (Loss) on sales of securities	4.0	69.2	65.2	-
Settlement costs of lawsuits	-19.6	-7.3	12.3	-
Others	-2.9	-21.0	-18.1	-
Total	-11.8	38.3	50.1	

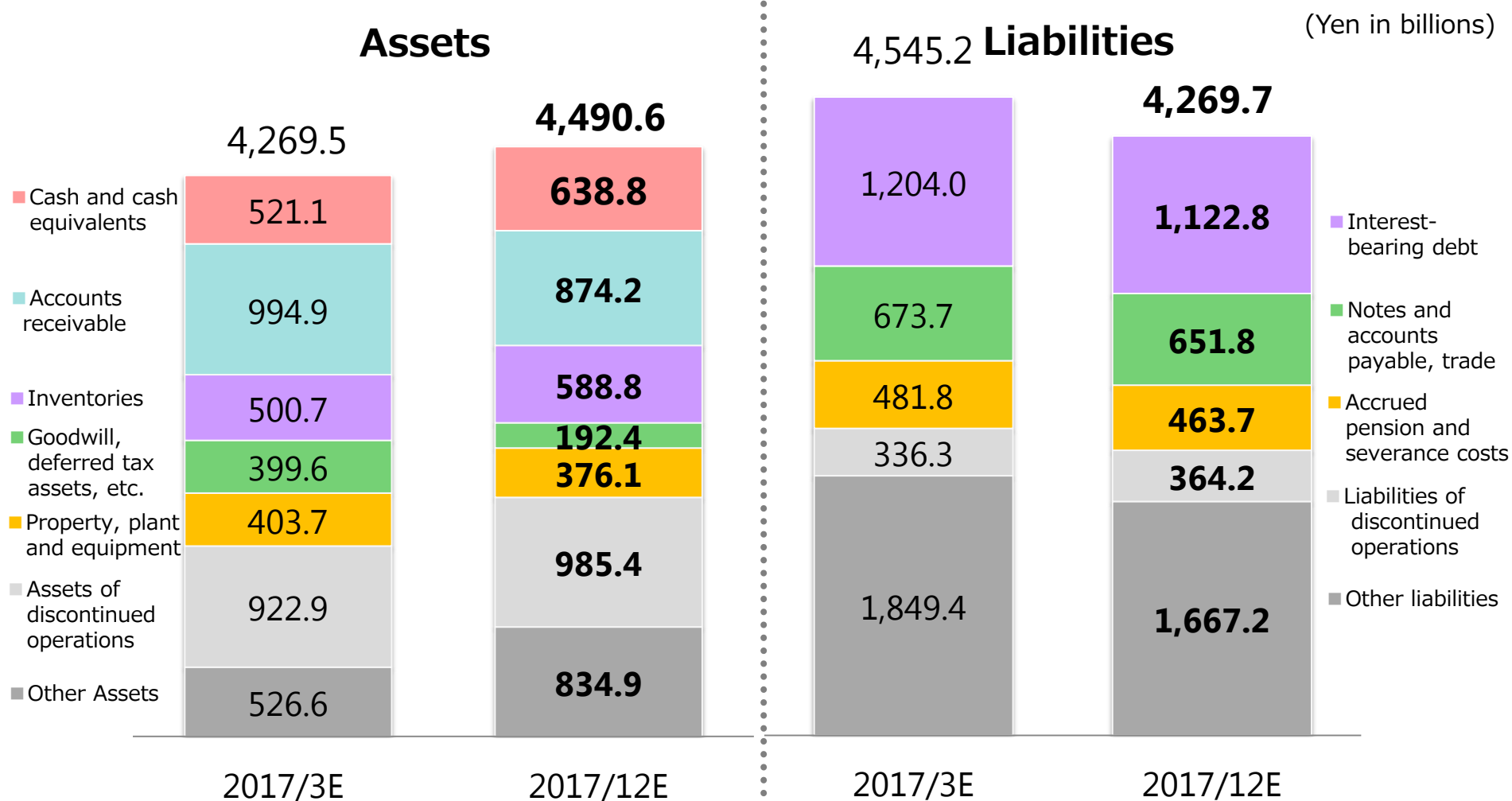
Cash Flows

Cash flows from operating activities were negative due to payment of WEC parent company guarantees



Balance Sheets

Utilized part of the capital raised by share issue
for early payment of parent company guarantees





2. Business Results by Segment

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By Segment

After reclassification of the Memory business as a discontinued operation

(Yen in billions)		16/1-3Q	17/1-3Q	Difference (growth rate)	
Energy Systems & Solutions	Net sales	660.0	611.5	-48.5	(-7%)
	Operating income (loss)	-2.4	-12.1	-9.7	
	ROS	-0.4%	-2.0%	-1.6%	
Infrastructure Systems & Solutions	Net sales	838.5	830.6	-7.9	(-1%)
	Operating income (loss)	21.5	11.3	-10.2	
	ROS	2.6%	1.4%	-1.2%	
Retail & Printing Solutions	Net sales	371.8	379.3	7.5	(+2%)
	Operating income (loss)	11.1	18.8	7.7	
	ROS	3.0%	4.9%	1.9%	
Storage & Electronic Devices Solutions	Net sales	630.4	661.0	30.6	(+5%)
	Operating income (loss)	49.3	48.9	-0.4	
	ROS	7.8%	7.4%	-0.4%	
Industrial ICT Solutions	Net sales	162.5	176.9	14.4	(+9%)
	Operating income (loss)	4.4	-2.6	-7.0	
	ROS	2.7%	-1.5%	-4.2%	
Others	Net sales	393.1	379.4	-13.7	(-3%)
	Operating income (loss)	-9.1	-18.6	-9.5	
Eliminations	Net sales	-220.9	-238.4	-17.5	
	Operating income (loss)	1.3	3.9	2.6	
Total After reclassification	Net sales	2,835.4	2,800.3	-35.1	(-1%)
	Operating income (loss)	76.1	49.6	-26.5	
	ROS	2.7%	1.8%	-0.9%	

By Segment

Before reclassification of the Memory business as a discontinued operation

(Yen in billions)		16/1-3Q	17/1-3Q	Difference (growth rate)	
Energy Systems & Solutions	Net sales	660.0	611.5	-48.5	(-7%)
	Operating income (loss)	-2.4	-12.1	-9.7	
	ROS	-0.4%	-2.0%	-1.6%	
Infrastructure Systems & Solutions	Net sales	838.5	830.6	-7.9	(-1%)
	Operating income (loss)	21.5	11.3	-10.2	
	ROS	2.6%	1.4%	-1.2%	
Retail & Printing Solutions	Net sales	371.8	379.3	7.5	(+2%)
	Operating income (loss)	11.1	18.8	7.7	
	ROS	3.0%	4.9%	1.9%	
Storage & Electronic Devices Solutions *	Net sales	1,242.3	1,489.5	247.2	(+20%)
	Operating income (loss)	154.6	368.0	213.4	
	ROS	12.4%	24.7%	12.3%	
Industrial ICT Solutions	Net sales	162.5	176.9	14.4	(+9%)
	Operating income (loss)	4.4	-2.6	-7.0	
	ROS	2.7%	-1.5%	-4.2%	
Others	Net sales	393.1	379.4	-13.7	(-3%)
	Operating income (loss)	-9.1	-18.6	-9.5	
Eliminations	Net sales	-246.8	-284.9	-38.1	
	Operating income (loss)	1.1	-2.9	-4.0	
Total Before reclassification	Net sales	3,421.4	3,582.3	160.9	(+5%)
	Operating income (loss)	181.2	361.9	180.7	
	ROS	5.3%	10.1%	4.8%	

* The Memory business has been reclassified as a discontinued operation.
This breakdown of segment sales and income is for reference only, and shows the figures prior to the reclassification.

Energy Systems & Solutions Results Breakdown

(Yen in billions)

		FY2016/ 1-3Q	FY2017/ 1-3Q	Difference (growth rate)	
Energy Systems & Solutions	Net sales	660.0	611.5	-48.5	(-7%)
	Operating income (loss)	-2.4	-12.1	-9.7	
	ROS	-0.4%	-2.0%	-1.6%	
FCF by segment			-487.8		
Nuclear Power Systems	Net sales	99.2	91.7	-7.5	(-8%)
	Operating income (loss)	-4.8	-8.9	-4.1	
	ROS	-4.8%	-9.7%	-4.9%	
Thermal & Hydro Power Systems	Net sales	241.8	263.7	21.9	(+9%)
	Operating income (loss)	4.6	-0.3	-4.9	
	ROS	1.9%	-0.1%	-2.0%	
Transmission & Distribution Systems	Net sales	206.1	207.3	1.2	(+1%)
	Operating income (loss)	-0.5	1.2	1.7	
	ROS	-0.2%	0.6%	0.8%	
Landis+Gyr	Net sales	129.4	65.8	-63.6	
	Operating income (loss)	6.5	3.4	-3.1	
Others	Net sales	-16.5	-17.0	-0.5	
	Operating income (loss)	-8.2	-7.5	0.7	

Exchange rate impact +17.1

Exchange rate impact -0.1
Emergency measures -6.7

Lower income and lower sales in a shrinking domestic market and from profit decrease in some projects.

Higher sales on progress in projects using the percentage of completion method, mainly plant projects in Japan. Lower income due to provision for additional costs for construction projects.

Higher sales and income from projects using the percentage of completion in the domestic T&D market.

FY2017 results are for the period up to the IPO.

Includes eliminations within the segment, and R&D cost for hydrogen related business.

* FCF (free cash flows) by segment is an index for in-house management only, and treatment of effects of exchange rate changes, etc., is different from free cash flows in the Consolidated Statements of Cash Flows.

Energy Systems & Solutions Order Backlog

(Yen in billions)

[]=year-on-year comparison

*Power Generation and Transmission & Distribution Systems
(excluding Solar Photovoltaic Systems and Landis+Gyr)



- Nuclear Power Systems received orders related to plant restarts; the backlog increased slightly.
- Thermal & Hydro Power Systems' backlog decreased, despite orders for major thermal plant projects received overseas, but the sales for construction increased.
- Transmission & Distribution Systems orders outside Japan is delayed than expected, and the backlog decreased slightly.

* Figures for Westinghouse Group have been excluded

Infrastructure Systems & Solutions Results Breakdown

(Yen in billions)		FY2016/ 1-3Q	FY2017/ 1-3Q	Difference (growth rate)	
Infrastructure Systems & Solutions	Net sales	838.5	830.6	-7.9	(-1%)
	Operating income (loss)	21.5	11.3	-10.2	
	ROS	2.6%	1.4%	-1.2%	
	FCF by segment		13.0		
Public Infrastructure	Net sales	237.8	223.2	-14.6	(-6%)
	Operating income (loss)	1.8	-0.9	-2.7	
	ROS	0.8%	-0.4%	-1.2%	
Building and Facilities	Net sales	414.2	400.2	-14.0	(-3%)
	Operating income (loss)	20.0	11.2	-8.8	
	ROS	4.8%	2.8%	-2.0%	
Industrial Systems	Net sales	217.4	236.2	18.8	(+9%)
	Operating income (loss)	-0.3	1.0	1.3	
	ROS	-0.1%	0.4%	0.5%	

Exchange rate impact +9.1

Exchange rate impact ±0.0
Emergency measures -13.0

Lower sales due to lower orders.
Lower operating income also reflected a scaling back of emergency measures.

Lower sales due to lower orders.
Lower operating income also reflected a scaling back of emergency measures.

Higher sales on higher order in industrial components. Operating income improved.

* FCF (free cash flows) by segment is an index for in-house management only, and treatment of effects of exchange rate changes, etc., is different from free cash flows in the Consolidated Statements of Cash Flows.

Storage & Electronic Devices Solutions Results Breakdown

(Before Reclassification of the Memory business)

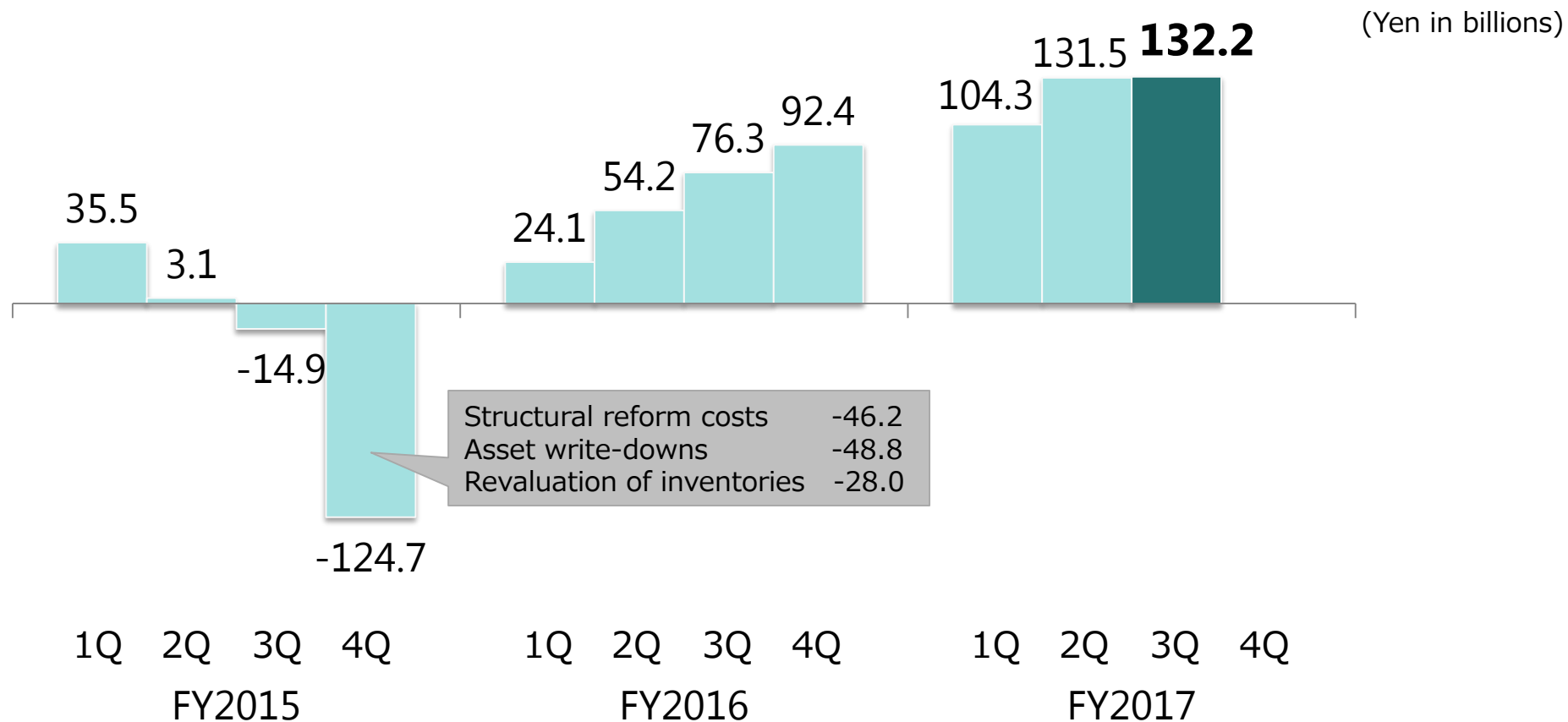
(Yen in billions)			FY2016/ 1-3Q	FY2017/ 1-3Q	Difference (growth rate)		
Storage & Electronic Devices Solutions			Net sales	1,242.3	1,489.5	247.2 (+20%)	Exchange rate impact +51.8
			Operating income (loss)	154.6	368.0	213.4	
			ROS	12.4%	24.7%	12.3%	
			FCF by segment			159.3	
Storage	Memories	Net sales	635.1	875.6	240.5 (+38%)	Stable prices supported by strong demand for smart phones and SSD. Both net sales and operating income were higher than for the same period last year.	
		Operating income (loss)	102.2	322.7	220.5		
		ROS	16.1%	36.9%	20.8%		
	HDDs	Net sales	345.8	337.1	-8.7 (-3%)	Higher sales supported by growth in enterprise market. However, lower overall sales and lower operating income as shrinkg in the PC market.	
		Operating income (loss)	27.2	20.3	-6.9		
		ROS	7.9%	6.0%	-1.9%		
Devices & Others		Net sales	261.4	276.8	15.4 (+6%)	Higher income on higher sales in Discretes supported by positive performance in industrial market. Overall sales and income was flat as System LSI income declined.	
		Operating income (loss)	25.2	25.0	-0.2		
		ROS	9.6%	9.0%	-0.6%		

* FCF (free cash flows) by segment is an index for in-house management only, and treatment of effects of exchange rate changes, etc., is different from free cash flows in the Consolidated Statements of Cash Flows.

Storage & Electronic Devices Solutions

Quarterly Trend in Operating Income (Loss) – Before Reclassification

Compared to FY2017/2Q: Continued to see improved operating income by maintaining a positive performance in Memories



*FY2015 figures are for the Semiconductor & Storage Products Company, the previous organization, and were calculated before the change to segment-based calculation of operating income (loss).

Retail & Printing Solutions

Industrial ICT Solutions

(Yen in billions)		FY2016/ 1-3Q	FY2017/ 1-3Q	Difference (growth rate)	
Retail & Printing Solutions	Net sales	371.8	379.3	7.5	(+2%)
	Operating income (loss)	11.1	18.8	7.7	
	ROS	3.0%	4.9%	1.9%	
	FCF by segment		9.2		

Exchange rate impact +11.0

Exchange rate impact +0.8
Emergency measures - 0.9

- Both the Retail and Printing businesses maintained stable performances. Sales increased due to exchange rate impact.
- Significantly increased income in the Retail and Printing businesses.

		FY2016/ 1-3Q	FY2017/ 1-3Q	Difference (growth rate)	
Industrial ICT Solutions	Net sales	162.5	176.9	14.4	(+9%)
	Operating income (loss)	4.4	-2.6	-7.0	
	ROS	2.7%	-1.5%	-4.2%	
	FCF by segment		4.6		

Exchange rate impact ±0.0

Exchange rate impact ±0.0
Emergency measures -6.7

- Higher sales due to good performances in systems business for government, and IoT/AI business.
- Lower income from impacts from some of domestic information system projects, and the cost of structural reform of the unified communications systems business and scaling back of emergency measures.

* FCF (free cash flows) by segment is an index for in-house management only, and treatment of effects of exchange rate changes, etc., are different from free cash flows in the Consolidated Statements of Cash Flows.

Others

(Yen in billions)		FY2016/ 1-3Q	FY2017/ 1-3Q	Difference (growth rate)	
PC	Net sales	140.5	119.6	-20.9	(-15%)
	Operating income (loss)	0.0	-6.6	-6.6	
	ROS	0.0%	-5.5%	-5.5%	
Visual Products	Net sales	46.3	36.5	-9.8	(-21%)
	Operating income (loss)	-8.9	-6.4	2.5	
	ROS	-19.2%	-17.5%	1.7%	



3. FY2017 Forecast

Overall

* Before reclassification of the Memory business

Operating Income (loss)*: Memory is expected to increase, and Nuclear, Thermal and Hydro are expected to decline, but the overall forecast is an increase against the previous forecast.

Non Operating Income (loss)*: An improvement of 50.0 billion yen against the previous forecast, due to recording profit from the sale of the Visual Products, and hedging currency risk by early payment of parent company guarantees

Net Income: A 630.0 billion yen improvement against previous forecast, due to the sale of claims against WEC (sales profit recorded under net income (loss) from discontinued operations) related tax reduction.

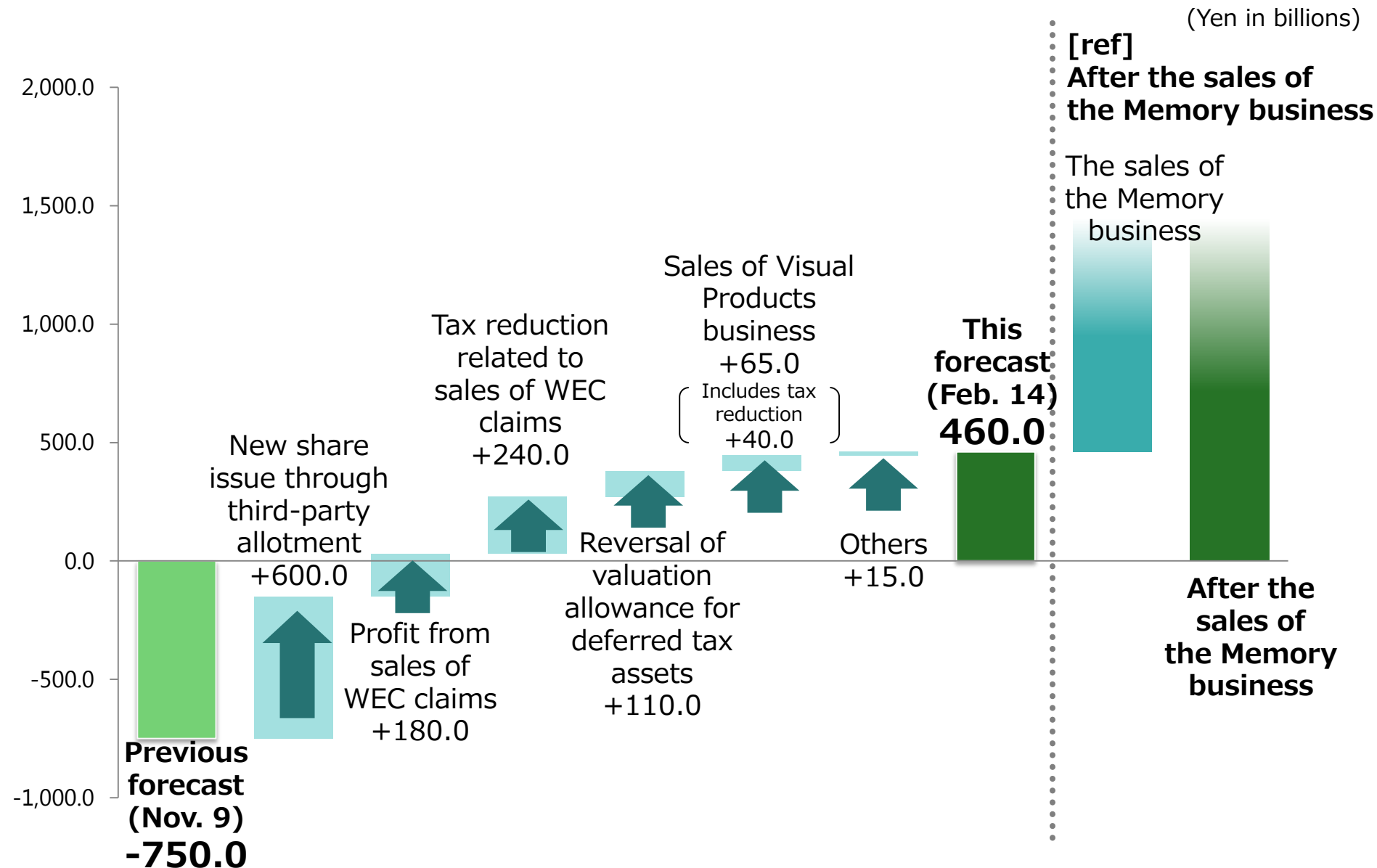
➔ As shareholder's equity was enhanced by a new share issue, the shareholder's equity **is expected to be positive at March 31, 2018**

(Yen in billions)	Previous Forecast (Nov. 9) Before Memory reclassification	FY17 Forecast (Feb. 14) Before Memory reclassification	difference	Impact from reclassification of the Memory business	FY17 Forecast (Feb. 14) After Memory reclassification
Net sales	4,970.0	4,990.0	20.0	-1,090.0	3,900.0
Operating income (loss)	430.0	440.0	10.0	-440.0	0.0
Income (loss) before income taxes and noncontrolling interests	400.0	460.0	60.0	-440.0	20.0
Net income (loss)	-110.0	520.0	630.0	0.0	520.0
Free cash flows	-380.0	-550.0	-170.0	0.0	-550.0

	Previous forecast (Nov.9)		2018/ 3E forecast	difference
Equity attributable to shareholders of the Company	-750.0		460.0	1,210.0
Shareholder's equity ratio	-19.2%		11.2%	30.4%
Net assets	-530.0		690.0	1,220.0
Net interest-bearing debt	940.0		600.0	-340.0
Exchange rate (US\$) of the end date of the term	¥110		¥110	¥0

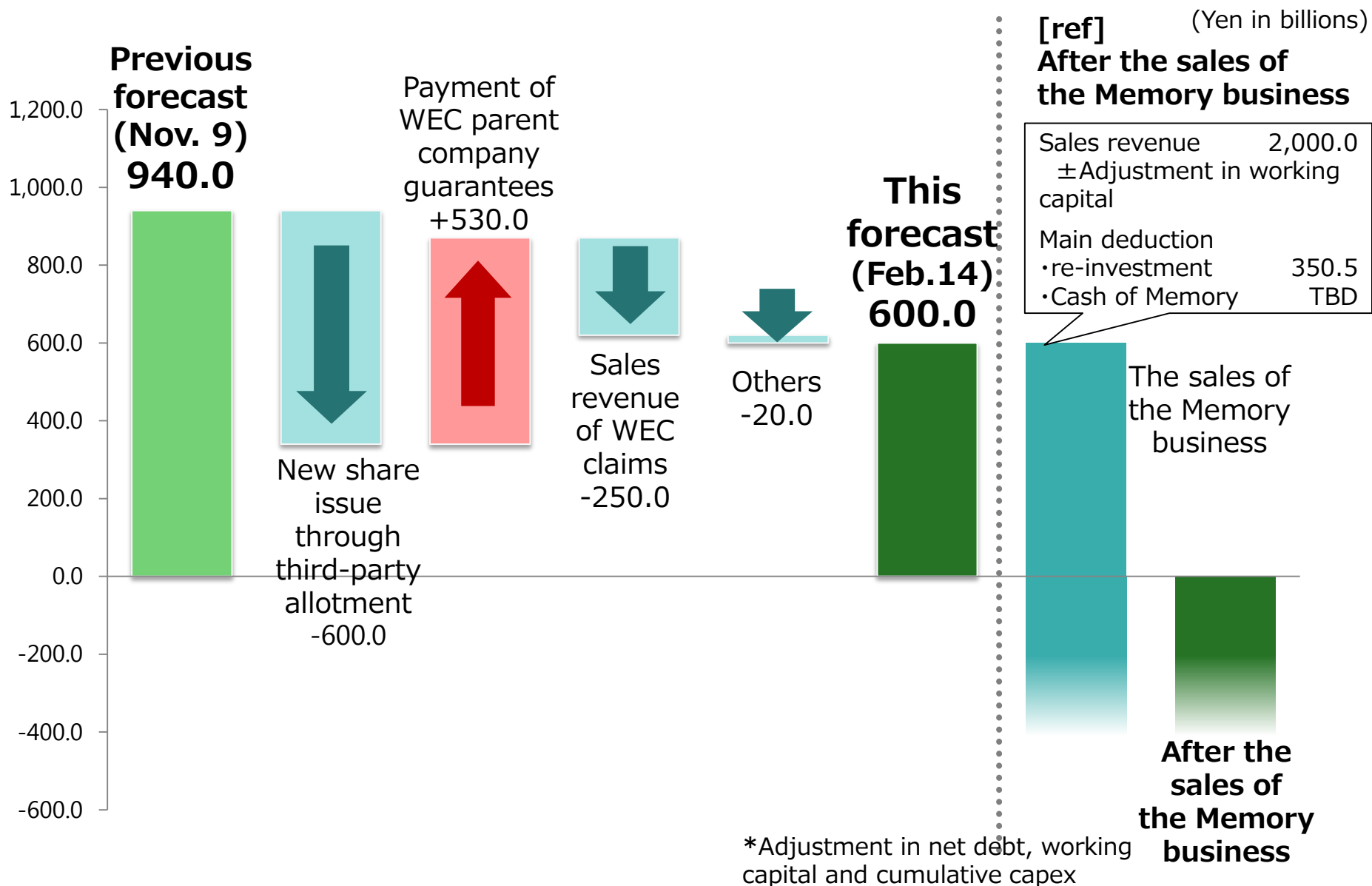
Equity attributable shareholders of the Company

- against previous forecast



Net interest-bearing debt

- against previous forecast



By Segment

After reclassification of the Memory business as a discontinued operation

(Yen in billions)

		FY2016 Actual	FY2017 Forecast on Feb.14	Difference	(growth rate)
Energy Systems & Solutions	Net sales	974.9	840.0	-134.9	(-14%)
	Operating income (loss)	-41.7	-5.0	36.7	
	ROS	-4.3%	-0.6%	3.7%	
Infrastructure Systems & Solutions	Net sales	1,262.4	1,260.0	-2.4	(-0%)
	Operating income (loss)	58.4	42.0	-16.4	
	ROS	4.6%	3.3%	-1.3%	
Retail & Printing Solutions	Net sales	507.7	510.0	2.3	(+0%)
	Operating income (loss)	16.3	22.0	5.7	
	ROS	3.2%	4.3%	1.1%	
Storage & Electronic Devices Solutions	Net sales	837.1	850.0	12.9	(+2%)
	Operating income (loss)	57.6	45.0	-12.6	
	ROS	6.9%	5.3%	-1.6%	
Industrial ICT Solutions	Net sales	239.6	250.0	10.4	(+4%)
	Operating income (loss)	7.1	3.0	-4.1	
	ROS	2.9%	1.2%	-1.7%	
Others	Net sales	535.6	510.0	-25.6	(-5%)
	Operating income (loss)	-17.1	-40.0	-22.9	
Eliminations	Net sales	-313.6	-320.0	-6.4	
	Operating income (loss)	1.4	* -67.0	-68.4	
Total After reclassification	Net sales	4,043.7	3,900.0	-143.7	(-4%)
	Operating income (loss)	82.0	0.0	-82.0	
	ROS	2.0%	0.0%	-2.0%	

* Including restructuring costs of 60.0 billion yen

* The FY16 actual figure for discontinued operations is before auditing, and may be subject to change.
The Company will report the confirmed figure.

By Segment

Before reclassification of the Memory business as a discontinued operation

(Yen in billions)		FY2016 Actual	FY2017 Forecast on Feb.14	Difference (growth rate)		vs. previous forecast on Nov.9 base
Energy Systems & Solutions	Net sales	974.9	840.0	-134.9	(-14%)	0.0
	Operating income (loss)	-41.7	-5.0	36.7		-10.0
	ROS	-4.3%	-0.6%	3.7%		-1.2%
Infrastructure Systems & Solutions	Net sales	1,262.4	1,260.0	-2.4	(-0%)	0.0
	Operating income (loss)	58.4	42.0	-16.4		0.0
	ROS	4.6%	3.3%	-1.3%		0.0%
Retail & Printing Solutions	Net sales	507.7	510.0	2.3	(+0%)	0.0
	Operating income (loss)	16.3	22.0	5.7		0.0
	ROS	3.2%	4.3%	1.1%		0.0%
Storage & Electronic Devices Solutions ^{*1}	Net sales	1,700.2	2,010.0	309.8	(+18%)	30.0
	Operating income (loss)	247.0	490.0	243.0		30.0
	ROS	14.5%	24.4%	9.9%		1.2%
Industrial ICT Solutions	Net sales	239.6	250.0	10.4	(+4%)	0.0
	Operating income (loss)	7.1	3.0	-4.1		0.0
	ROS	2.9%	1.2%	-1.7%		0.0%
Others	Net sales	535.6	510.0	-25.6	(-5%)	-10.0
	Operating income (loss)	-17.1	-40.0	-22.9		-10.0
Eliminations	Net sales	-349.6	-390.0	-40.4		0.0
	Operating income (loss)	0.8	^{*2} -72.0	-72.8		0.0
Total Before reclassification	Net sales	4,870.8	4,990.0	119.2	(+2%)	20.0
	Operating income (loss)	270.8	440.0	169.2		10.0
	ROS	5.6%	8.8%	3.2%		0.1%

^{*1}
The Memory business has been reclassified as a discontinued operation. This breakdown of segment sales and income is for reference only, and shows the figures prior to the reclassification.

^{*2}
Including restructuring costs of 60.0 billion yen



Appendix

Capital Expenditure (Commitment Basis)

(Yen in billions)

Capital Expenditure (Commitment Basis)	FY2016 Actual	FY2017 Forecast	vs. previous Forecast on Nov.9	FY2017/ 1-3Q Actual	FY2017/ 3Q Actual	Major Items in FY2017/3Q
Energy Systems & Solutions	14.4	13.0	0.0	4.7	0.9	–
Infrastructure Systems & Solutions	26.6	40.0	0.0	19.1	3.3	–
Retail & Printing Solutions	7.0	10.0	0.0	6.3	1.5	–
Storage & Electronics Devices Solutions	9.2	20.0	* -580.0	18.2	6.6	–
Industrial ICT Solutions	2.2	2.0	0.0	0.9	0.2	–
Others	11.1	15.0	0.0	8.0	3.0	–
Total	70.5	100.0	-580.0	57.2	15.5	

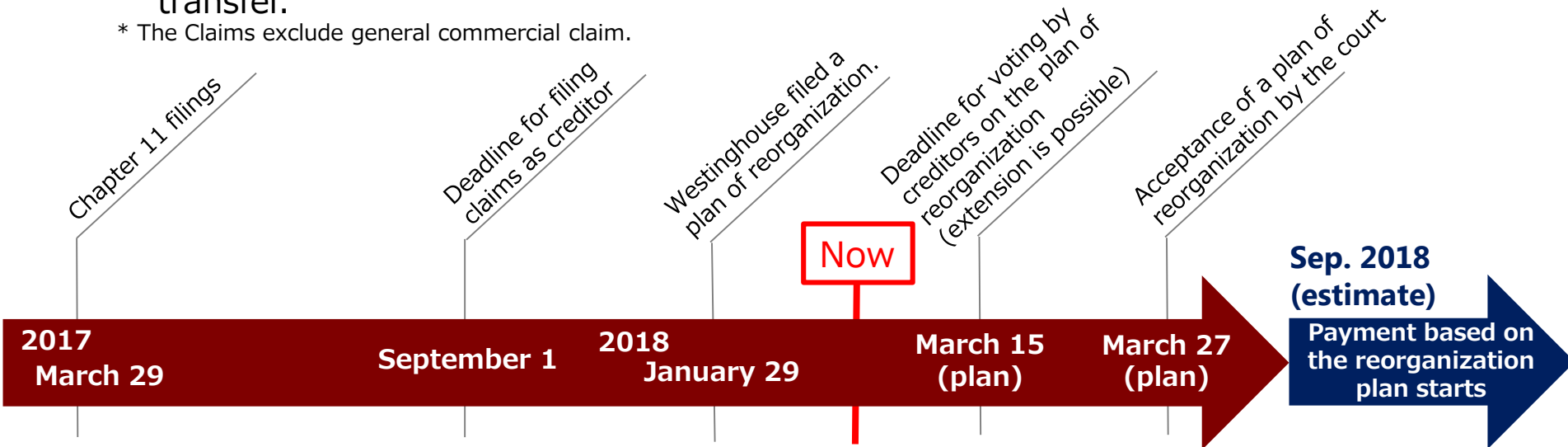
Investments and Loans	5.6	100.0	0.0
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* The previous forecast, announced on Nov. 9, was issued prior to the reclassification of the Memory business, and included capital investments by Toshiba in affiliated companies accounted for by the equity-method, such as Flash Forward, Ltd.

Timeline of Westinghouse's Chapter 11 Filing

- Optimized allocation of management resource by reaching an early settlement of Westinghouse-related obligations.
 - Contract for sale of Westinghouse claims* signed, and the transaction completed with full payment on Jan. 22.
 - Aim to further eliminate uncertainty by early closing of Westinghouse related equity transfer.

* The Claims exclude general commercial claim.

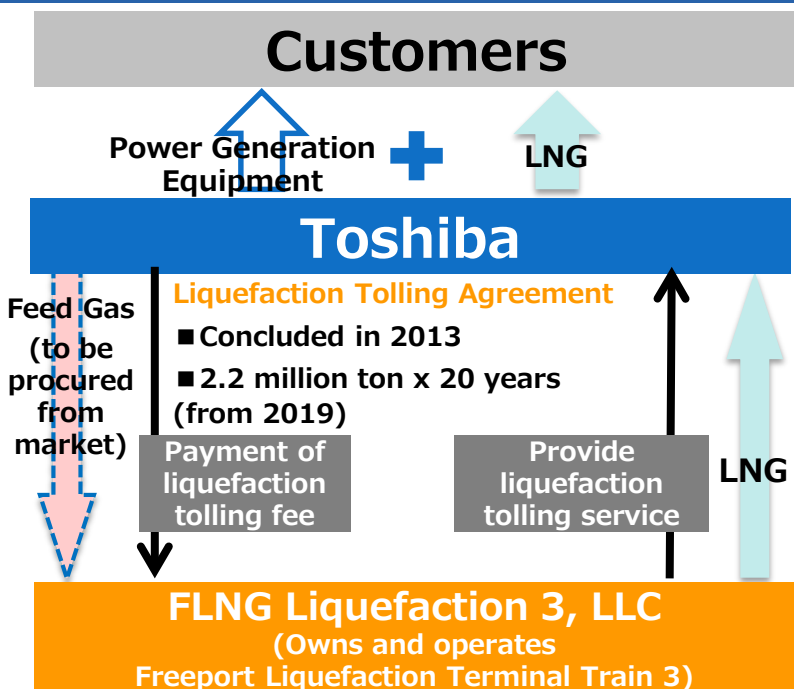


Note on Chapter 11 process

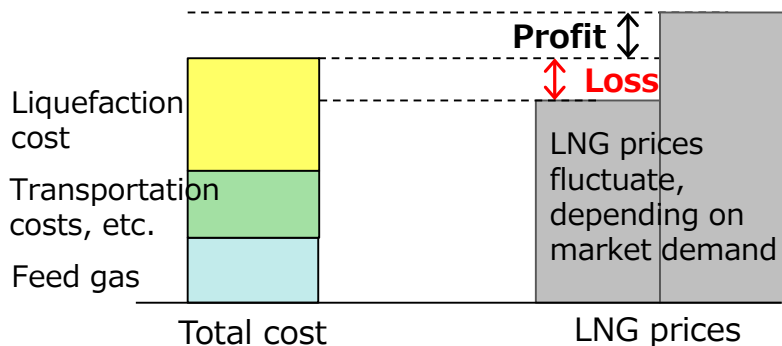
- The plan of reorganization states how Westinghouse will make payment to its creditors, using capital or rights (payment resources) acquired in the reorganization process.
- After the voting confirms the plan of reorganization, the court will confirm it, and payment to creditors will start. However, there are various conditions for the start of payment, e.g. regulatory approvals of WEC acquisition by Brookfield Group.

LNG Business (Freeport)

Continuing sales activities and measures to establish a structure to sell and supply LNG



Income or loss at Toshiba



Status of Orders Received

- Basic agreements for a part of the Toshiba's liquefaction service (total of 2.2 million tons per year) have already been concluded (volume, price and contract terms) with multiple customers, though certain conditions must be met before they become effective.
- Currently in negotiations with multiple customers (total over 2.2 million tons, including the capacity of the above basic agreements).

Concrete Progress of Activities

- In preparation for starting to supply customers with LNG from September 2019, Toshiba registered a U.S. subsidiary, Toshiba America LNG Inc., which will procure gas and supply LNG (February 2017). The company started operation in July 2017.

Treatment in Accounting

- In 2017/3Q, no special accounting treatment was applied to LNG, based on the status of current progress on basic agreements and negotiations with customers.
- Toshiba continues to evaluate an appropriate method on making provision for a loss from the point one year prior to starting operation, and for each subsequent delivery year, on the premise that, given the time necessary for arranging vessels and determining destinations, the uncommitted sales quantity of LNG in any given year is sold in the spot market at a price lower than the cost of production.
- Toshiba's liquefaction tolling service is not subject to impairment, as it is not an investment in resource interests.
- Toshiba intends to enter into long-term contracts, in the main, for all the LNG for which it has contracted. However, it is possible that losses will be incurred if sales prices fall below the purchase cost, or if expected conditions change.

Balance Sheet - Memory business

- The following details the balance of assets and liabilities held by the Memory business in respect of consolidated group companies, including Toshiba Corporation and Toshiba Memory Corporation. This does not match assets and liabilities of discontinued operations of consolidated balance sheet, as some of these numbers are eliminated through consolidation.

	(Yen in billions)	
Assets	2017/3E	2017/12E
Cash and cash equivalents	186.6	19.4
Notes and accounts receivable, trade	150.4	226.6
Inventories	124.3	146.3
Short-term loans receivable	1.7	* 373.1
Property, plant and equipment	254.8	312.4
Equity method investments in affiliates	149.4	227.0
Other assets	86.6	185.3
Total assets	953.8	1,490.1
Liabilities	2017/3E	2017/12E
Short-term borrowings	1.2	7.6
Notes and accounts payable, trade	73.0	86.9
Accounts payable, other and accrued expenses	160.4	264.6
Accrued income and other taxes payables	49.6	* 430.4
Accrued pension and severance costs	49.3	49.5
Other liabilities	32.5	24.8
Total liabilities	366.0	863.8

* Includes Group deposits

* Includes tax impact of a Non-qualified Split

Energy Systems & Solutions Results Breakdown

(Yen in billions)		FY2016 Actual	FY2017 Forecast	Difference (growth rate)	
Energy Systems & Solutions	Net sales	974.9	840.0	-134.9	(-14%)
	Operating income (loss)	-41.7	-5.0	36.7	
	ROS	-4.3%	-0.6%	3.7%	
	Nuclear Power Systems	Net sales	161.8	-20.3	(-11%)
		Operating income (loss)	-2.0	43.1	
		ROS	-1.2%	23.6%	
	Thermal & Hydro Power Systems	Net sales	347.6	8.5	(+3%)
		Operating income (loss)	0.7	-3.2	
		ROS	0.2%	-1.0%	
	Transmission & Distribution Systems	Net sales	283.8	-13.9	(-5%)
		Operating income (loss)	1.1	-1.6	
		ROS	0.4%	-0.5%	
	Landis+Gyr	Net sales	* 65.8	-115.4	
		Operating income (loss)	3.4	-4.0	
	Others	Net sales	-19.0	6.2	
		Operating income (loss)	-8.2	2.4	

*FY2017 figures for Landis+Gyr are for the period up to the July 25 IPO

Infrastructure Systems & Solutions Results Breakdown

(Yen in billions)		FY2016 Actual	FY2017 Forecast	Difference (growth rate)	
Infrastructure Systems & Solutions	Net sales	1,262.4	1,260.0	-2.4	(-0%)
	Operating income (loss)	58.4	42.0	-16.4	
	ROS	4.6%	3.3%	-1.3%	
	Public Infrastructure	Net sales	395.7	-26.2	(-6%)
		Operating income (loss)	18.4	-10.4	
		ROS	4.6%	-2.2%	
	Building and Facilities	Net sales	559.4	-11.2	(-2%)
		Operating income (loss)	16.9	-8.4	
		ROS	3.0%	-1.4%	
	Industrial Systems	Net sales	341.7	31.8	(+10%)
		Operating income (loss)	6.7	2.4	
		ROS	2.0%	0.6%	

Storage & Electronic Devices Solutions Results Breakdown (Before reclassification of the Memory business)

(Yen in billions)			FY2016 Actual	FY2017 Forecast	Difference	(growth rate)
Storage & Electronic Devices Solutions			Net sales	1,700.2	2,010.0	309.8 (+18%)
			Operating income (loss)	247.0	490.0	243.0
			ROS	14.5%	24.4%	9.9%
Storage	Memories	Net sales	897.2	1,225.8	328.6 (+37%)	
		Operating income (loss)	186.6	449.7	263.1	
		ROS	20.8%	36.7%	15.9%	
	HDDs	Net sales	461.3	438.6	-22.7 (-5%)	
		Operating income (loss)	36.0	23.0	-13.0	
		ROS	7.8%	5.2%	-2.6%	
Devices & Others			Net sales	341.7	345.6	3.9 (+1%)
			Operating income (loss)	24.4	17.3	-7.1
			ROS	7.1%	5.0%	-2.1%

Others

(Yen in billions)		FY2016 Actual	FY2017 Forecast	Difference (growth rate)	
PC	Net sales	191.8	170.0	-21.8	(-11%)
	Operating income (loss)	-0.5	-9.0	-8.5	
	ROS	-0.3%	-5.3%	-5.0%	
Visual Products	Net sales	61.6	50.0	-11.6	(-19%)
	Operating income (loss)	-12.9	-9.0	3.9	
	ROS	-20.9%	-18.0%	2.9%	

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