

FOR IMMEDIATE RELEASE

August 12, 2016

Toshiba Announces Consolidated Results
for the First Quarter of the Fiscal Year 2016, Ending March 2017

TOKYO--Toshiba Corporation (TOKYO: 6502) (the “Company”) today announced its consolidated results for the first quarter (April-June) of fiscal year (FY) 2016, ending March 31, 2017. All comparisons in the following are based on the same period a year earlier, unless otherwise stated.

Overview

	1Q of FY2016	(Yen in billions) Change from 1Q of FY2015
Net sales	1,207.4	-22.9
Operating income (loss)	20.1	+26.6
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	7.2	+19.6
Net income (loss) attributable to shareholders of the Company	79.8	+92.1

During the first quarter of FY2016, the US economy generally saw solid growth. With monetary easing, the Eurozone economy saw moderate growth, primarily in Germany. The Chinese economy slowed, reflecting adjustments in production and investments. In the international financial market, there was sharp decline in the UK pound and temporary surge in the yen, against the background of the result of the UK’s Brexit referendum at the end of June.

In Japan, as employment prospects and personal income continued to improve, consumer spending patterns generally remained firm, and capital investment trended toward recovery.

In these circumstances, Toshiba Group’s net sales decreased by 22.9 billion yen to 1,207.4 billion yen (US\$11,722.4 million). Although Energy Systems & Solutions segment recorded higher sales, primarily because of consolidation of a nuclear construction and integrated service business provider, shrinkage of the PC and TV businesses had an impact.

The Group recorded consolidated operating income of 20.1 billion yen (US\$194.8 million), an improvement of 26.6 billion yen, reflecting a significant reduction of fixed costs through structural reform and continued emergency measures, including bonus reductions. Income (Loss) from continuing operations, before income taxes and noncontrolling interests, improved by 19.6 billion yen to 7.2 billion yen (US\$69.7 million).

Net income (loss) attributable to shareholders of the Company improved by 92.1 billion yen on the inclusion of profit from discontinued operations, including a gain of 83.9 billion yen from sale of Home Appliances business, and stood at 79.8 billion yen (US\$774.8 million).

Consolidated Results for the First Quarter of FY2016, by Segment

(Yen in billions)

	Net Sales			Operating Income (Loss)	
		Change*			Change*
Energy Systems & Solutions	349.5	+49.6	+17%	-1.8	+5.6
Infrastructure Systems & Solutions	258.7	-8.2	-3%	2.3	+13.0
Retail & Printing Solutions	122.5	-7.5	-6%	1.8	+1.8
Storage & Electronic Devices Solutions	371.6	-5.8	-2%	24.1	-10.2
Industrial ICT Solutions	48.7	-1.3	-3%	-0.9	+0.9
Others	134.8	-70.2	-34%	-6.0	+16.1
Eliminations	-78.4	+20.5	-	0.6	-0.6
Total	1,207.4	-22.9	-2%	20.1	+26.6

(* Change from the year-earlier period)

Energy Systems & Solutions: Higher Sales and Improved Operating Income (Loss)

The Energy Systems & Solutions segment saw significantly higher sales. Although the Transmission & Distribution Systems and the Solar Photovoltaic Systems businesses saw lower sales, the Nuclear Power Systems business saw significantly higher sales and the Thermal & Hydro Power Systems business also recorded higher sales.

The segment as a whole saw improved operating income (loss) as all businesses recorded either higher or improved operating income (loss).

Infrastructure Systems & Solutions: Lower Sales and Higher Operating Income

The Infrastructure Systems & Solutions segment saw lower sales. While the Public Infrastructure business recorded higher sales, the Buildings and Facilities and the

Industrial Systems businesses saw lower sales.

The segment as a whole saw higher operating income as all businesses recorded either higher or improved operating income.

Retail & Printing Solutions: Lower Sales and Higher Operating Income

The Retail & Printing Solutions segment saw lower sales resulting from lower sales in the Printing business.

The segment as a whole saw higher operating income reflecting higher operating income in the domestic Retail business and higher operating income in the overseas Retail business, the result of reductions in fixed cost.

Storage & Electronic Devices Solutions: Lower Sales and Lower Operating Income

The Storage & Electronic Devices Solutions segment saw lower sales. Although the HDD business recorded higher sales, the Memory and the Devices & Others businesses saw lower sales.

The segment as a whole saw lower operating income. Although the HDD business recorded higher operating income and Discretes and System LSIs saw improved operating income, Memories recorded lower operating income.

Industrial ICT Solutions: Lower Sales and Improved Operating Income (Loss)

The Industrial ICT Solutions segment saw lower sales, as there were no large scale orders like that received for a manufacturing business in the same period a year earlier, and which contributed to sales in that term.

The segment as a whole saw improved operating income (loss), due to the implementation of emergency measures.

Others: Lower Sales and Improved Operating Income (Loss)

Notes:

Toshiba Group's Quarterly Consolidated Financial Statements are based on U.S. generally accepted accounting principles ("GAAP").

Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges, litigation settlement and other costs are not included in it.

The Healthcare Systems & Services segment and Home Appliances business are classified as discontinued operations in accordance with 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. Net

income of Toshiba Group is calculated by reflecting results of these businesses to income (loss) from continuing operations, before income taxes and noncontrolling interests. In addition, these businesses are also classified as discontinued operations for the Group's consolidated balance sheets and are indicated separately. Results of the previous fiscal year have been revised to reflect these changes.

The data relating to the consolidated segment information is presented in conformity with the classification from April 1, 2016.

From this fiscal year, expenses such as basic R&D expenses previously allocated to "Corporate and Eliminations," and partial profit and loss previously allocated to each segment, are now included in the "Others" segment.

Qualitative data herein are compared with the same period of the previous year, unless otherwise noted.

Financial Position and Cash Flows for the First Quarter of FY2016

Total assets decreased by 641.2 billion yen from the end of March 2016 to 4,792.1 billion yen (US\$46,525.0 million).

Shareholders' equity, or equity attributable to the shareholders of the Company, was 336.1 billion yen (US\$3,262.9 million), an increase of 7.2 billion yen from the end of March 2016.

Total interest-bearing debt decreased by 268.7 billion yen from the end of March 2016 to 1,182.2 billion yen (US\$11,477.4 million).

As a result of the foregoing, the shareholders' equity ratio at the end of June 2016 was 7.0%, a 0.9-point increase from the end of March 2016, and the debt-to-equity ratio was 179%, a 33-point deterioration from the end of March 2016.

Free cash flow decreased by 2.0 billion yen to -84.9 billion yen (-US\$824.7 million).

Performance Forecast for FY2016

Revised business results forecast for the first six months (April-September) of FY2016

(Yen in billions)

	(A) Previous Forecast	(B) Revised Forecast	(B) – (A)	(B)/(A)
Net sales	2,350.0	2,470.0	+120.0	105.1%
Operating income (loss)	-20.0	30.0	+50.0	-
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	-30.0	0	+30.0	-

Although the Memory business recorded slightly lower sales and lower operating income

due to yen appreciation, the price decline trend slowed in the first quarter of FY2016 on high demand. In addition, the HDD business recorded higher sales and higher operating income thanks to structural reform and reductions in parts costs. As a result of the foregoing, the Company's first quarter results exceeded expectations, and the Company has revised its business results forecast for the first six months (April-September) of FY2016.

The Company will not change its full-year business results forecast for the FY2016. Although the Company's results for the first six months are expected to exceed the original forecast, the Company must carefully examine the business environment, including the facts that it has revised the assumed exchange rate for the second half (October-March) to USD1 = JPY100, and that it must also consider economic uncertainties both in Japan and in overseas.

Others

- (1) Changes in significant subsidiaries during the period (changes in Specified Subsidiaries ("Tokutei Kogaisha") involving changes in the scope of consolidation):
None

- (2) Use of simplified accounting procedures, and particular accounting procedures in preparation of quarterly consolidated financial statements:

Income taxes

Interim income tax expense (benefit) is computed by multiplying income (loss) before income taxes and noncontrolling interests for the three months ending June 30, 2016 by a reasonably estimated annual effective tax rate after applying the effect of deferred taxes for FY2016, ending March 31, 2017.

- (3) Change in accounting policies:
None

Disclaimer:

This report of business results contains forward-looking statements concerning future plans, strategies and forecasts of Toshiba Group business results. These statements are based on management's assumptions and beliefs in light of the economic, financial and other data currently available. Since Toshiba Group is promoting business under various market environments in many countries and regions, they are subject to a number of their risks and uncertainties. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations. Major risk factors that may have a material influence on results are indicated below, though this list is not necessarily exhaustive.

- Major disasters, including earthquakes and typhoons;
- Disputes, including lawsuits, in Japan and other countries;
- Success or failure of alliances or joint ventures promoted in collaboration with other companies;
- Success or failure of new businesses or R&D investment;
- Changes in political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Rapid changes in the supply and demand situation in major markets and intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.

Note:

For convenience only, all dollar figures used in reporting fiscal year 2016 first quarter results are valued at 103 yen to the dollar.

###

Toshiba Group

Consolidated Financial Statements

For the First Quarter ended June 30, 2016

First Quarter Results

(¥ in billions, US\$ in millions, except for earnings per share)

	Three months ended June 30				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Net sales	¥1,207.4	¥1,230.3	¥(22.9)	98%	\$11,722.4
Operating income (loss)	20.1	(6.5)	26.6	—	194.8
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	7.2	(12.4)	19.6	—	69.7
Net income (loss) attributable to shareholders of the Company	79.8	(12.3)	92.1	—	774.8
Basic earnings (losses) per share attributable to shareholders of the Company	¥18.85	¥(2.90)	¥21.75		\$0.18

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The U.S. dollar is valued at ¥103 throughout this statement for convenience only.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Jun. 30, 2016 (A)	Mar. 31, 2016 (B)	(A)-(B)	Jun. 30, 2016
Assets				
Current assets	¥2,906,073	¥3,458,585	¥(552,512)	\$28,214,301
Cash and cash equivalents	580,683	969,715	(389,032)	5,637,699
Notes and accounts receivable, trade	1,026,594	1,156,559	(129,965)	9,966,932
Inventories	748,843	729,123	19,720	7,270,320
Prepaid expenses and other current assets	540,480	534,818	5,662	5,247,379
Assets of discontinued operations - current	9,473	68,370	(58,897)	91,971
Long-term receivables	10,952	10,039	913	106,330
Investments	366,558	353,507	13,051	3,558,815
Property, plant and equipment	765,918	794,304	(28,386)	7,436,097
Other assets	742,576	816,906	(74,330)	7,209,476
Total assets	¥4,792,077	¥5,433,341	¥(641,264)	\$46,525,019
Liabilities and equity				
Current liabilities	¥2,463,687	¥3,072,009	¥(608,322)	\$23,919,291
Short-term borrowings and current portion of long-term debt	346,999	619,612	(272,613)	3,368,922
Notes and accounts payable, trade	766,680	877,061	(110,381)	7,443,495
Other current liabilities	1,342,844	1,480,030	(137,186)	13,037,321
Liabilities of discontinued operations - current	7,164	95,306	(88,142)	69,553
Accrued pension and severance costs	628,926	629,402	(476)	6,106,078
Long-term debt and other liabilities	1,040,666	1,059,672	(19,006)	10,103,553
Equity	658,798	672,258	(13,460)	6,396,097
Equity attributable to shareholders of the Company	336,079	328,874	7,205	3,262,903
Common stock	439,901	439,901	0	4,270,883
Additional paid-in capital	397,468	399,470	(2,002)	3,858,913
Retained earnings	3,021	(76,782)	79,803	29,330
Accumulated other comprehensive loss	(502,417)	(431,828)	(70,589)	(4,877,835)
Treasury stock	(1,894)	(1,887)	(7)	(18,388)
Equity attributable to noncontrolling interests	322,719	343,384	(20,665)	3,133,194
Total liabilities and equity	¥4,792,077	¥5,433,341	¥(641,264)	\$46,525,019

Breakdown of accumulated other comprehensive loss

Unrealized gains on securities	¥20,322	¥23,655	¥(3,333)	\$197,301
Foreign currency translation adjustments	(173,124)	(91,906)	(81,218)	(1,680,816)
Pension liability adjustments	(341,712)	(357,962)	16,250	(3,317,592)
Unrealized losses on derivative instruments	(7,903)	(5,615)	(2,288)	(76,728)
Total interest-bearing debt	¥1,182,173	¥1,450,912	¥(268,739)	\$11,477,408

Comparative Consolidated Statements of Operations

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Sales and other income					
Net sales	¥1,207,412	¥1,230,261	¥(22,849)	98%	\$11,722,447
Interest	1,246	1,186	60	105%	12,097
Dividends	558	918	(360)	61%	5,417
Other income	11,874	21,096	(9,222)	56%	115,281
Costs and expenses					
Cost of sales	929,666	938,124	(8,458)	99%	9,025,884
Selling, general and administrative	257,684	298,682	(40,998)	86%	2,501,786
Interest	4,575	5,329	(754)	86%	44,417
Other expense	21,983	23,732	(1,749)	93%	213,427
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	7,182	(12,406)	19,588	—	69,728
Income taxes	948	(4,044)	4,992	—	9,204
Income (Loss) from continuing operations, before noncontrolling interests	6,234	(8,362)	14,596	—	60,524
Income (Loss) from discontinued operations, before noncontrolling interests	76,753	(3,169)	79,922	—	745,175
Net income (loss) before noncontrolling interests	82,987	(11,531)	94,518	—	805,699
Less: Net income attributable to noncontrolling interests	3,184	740	2,444	430%	30,913
Net income (loss) attributable to shareholders of the Company	¥79,803	¥(12,271)	¥92,074	—	\$774,786

Comparative Consolidated Statements of Comprehensive Income

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Net income (loss) before noncontrolling interests	¥82,987	¥(11,531)	¥94,518	—	\$805,699
Other comprehensive income (loss), net of tax					
Unrealized losses on securities	(3,401)	(10,445)	7,044	—	(33,019)
Foreign currency translation adjustments	(104,503)	43,781	(148,284)	—	(1,014,592)
Pension liability adjustments	16,861	1,880	14,981	897%	163,699
Unrealized gains (losses) on derivative instruments	(2,422)	1	(2,423)	—	(23,515)
Total other comprehensive income (loss)	(93,465)	35,217	(128,682)	—	(907,427)
Comprehensive income (loss)	(10,478)	23,686	(34,164)	—	(101,728)
Less: Comprehensive income (loss) attributable to noncontrolling interests	(19,692)	8,188	(27,880)	—	(191,184)
Comprehensive income attributable to shareholders of the Company	¥9,214	¥15,498	¥(6,284)	59%	\$89,456

Comparative Consolidated Statements of Cash Flows

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30			
	2016(A)	2015(B)	(A)-(B)	2016
Cash flows from operating activities				
Net income (loss) before noncontrolling interests	¥82,987	¥(11,531)	¥94,518	\$805,699
Depreciation and amortization	39,867	49,961	(10,094)	387,058
Equity in (earnings) losses of affiliates, net of dividends	(623)	64	(687)	(6,049)
Decrease in notes and accounts receivable, trade	146,272	260,990	(114,718)	1,420,116
Increase in inventories	(45,878)	(137,000)	91,122	(445,417)
Decrease in notes and accounts payable, trade	(82,811)	(159,906)	77,095	(803,990)
Others	(186,931)	(41,670)	(145,261)	(1,814,864)
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash used in operating activities	(130,104)	(27,561)	(102,543)	(1,263,146)
Net cash used in operating activities	(47,117)	(39,092)	(8,025)	(457,447)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	6,524	9,132	(2,608)	63,340
Acquisition of property, plant and equipment	(41,630)	(48,050)	6,420	(404,175)
Acquisition of intangible assets	(7,743)	(8,463)	720	(75,175)
Purchase of securities	(712)	(739)	27	(6,912)
(Increase) decrease in investments in affiliates	(18,846)	2,114	(20,960)	(182,971)
Others	24,578	2,182	22,396	238,621
Net cash used in investing activities	(37,829)	(43,824)	5,995	(367,272)
Cash flows from financing activities				
Proceeds from long-term debt	24,092	252	23,840	233,903
Repayment of long-term debt	(28,769)	(3,317)	(25,452)	(279,311)
Increase (decrease) in short-term borrowings, net	(285,906)	83,774	(369,680)	(2,775,786)
Dividends paid	(4,052)	(2,295)	(1,757)	(39,340)
Others	2,841	8,054	(5,213)	27,583
Net cash provided by (used in) financing activities	(291,794)	86,468	(378,262)	(2,832,951)
Effect of exchange rate changes on cash and cash equivalents	(16,812)	2,553	(19,365)	(163,223)
Net increase (decrease) in cash and cash equivalents	(393,552)	6,105	(399,657)	(3,820,893)
Cash and cash equivalents at beginning of the period	975,529	199,366	776,163	9,471,155
Cash and cash equivalents at end of the period	581,977	205,471	376,506	5,650,262
Less: Cash and cash equivalents of discontinued operations at end of the period	1,294	11,082	(9,788)	12,563
Cash and cash equivalents of continuing operations at end of the period	¥580,683	¥194,389	¥386,294	\$5,637,699

Industry Segment Information

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30				
		2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Net sales (Share of total sales)	Energy Systems & Solutions	¥349,545 (27%)	¥299,913 (23%)	¥49,632 (4%)	117%	\$3,393,641
	Infrastructure Systems & Solutions	258,721 (20%)	266,904 (20%)	(8,183) (-)	97%	2,511,854
	Retail & Printing Solutions	122,496 (10%)	130,035 (10%)	(7,539) (-)	94%	1,189,282
	Storage & Electronic Devices Solutions	371,570 (29%)	377,411 (28%)	(5,841) (1%)	98%	3,607,476
	Industrial ICT Solutions	48,737 (4%)	50,048 (4%)	(1,311) (-)	97%	473,174
	Others	134,686 (10%)	204,905 (15%)	(70,219) (-5%)	66%	1,307,631
	Total	1,285,755 (100%)	1,329,216 (100%)	(43,461)	97%	12,483,058
	Eliminations	(78,343)	(98,955)	20,612	—	(760,611)
Consolidated		¥1,207,412	¥1,230,261	¥(22,849)	98%	\$11,722,447
Segment operating income (loss)	Energy Systems & Solutions	¥(1,788)	¥(7,448)	¥5,660	—	\$(17,360)
	Infrastructure Systems & Solutions	2,305	(10,688)	12,993	—	22,379
	Retail & Printing Solutions	1,771	(46)	1,817	—	17,194
	Storage & Electronic Devices Solutions	24,113	34,298	(10,185)	70%	234,107
	Industrial ICT Solutions	(875)	(1,833)	958	—	(8,495)
	Others	(6,048)	(21,996)	15,948	—	(58,718)
	Total	19,478	(7,713)	27,191	—	189,107
	Eliminations	584	1,168	(584)	—	5,670
Consolidated		¥20,062	¥(6,545)	¥26,607	—	\$194,777

Notes:

- 1) Segment sales total includes intersegment transactions.
- 2) Segment operating income (loss) is derived by deducting the segment's cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges and legal settlement costs have been excluded from segment operating income (loss) presentation herein.
- 3) Prior-period data relating to the discontinued operation has been deducted.
- 4) The data relating to the consolidated segment information is presented in conformity with the classification from April 1, 2016.
- 5) From this fiscal year, expenses such as basic R&D expenses previously allocated to "Corporate and Eliminations," and partial profit and loss previously allocated to each segment, are now included in the "Others" segment.

Net Sales by Region

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30				2016
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	
Japan	¥445,619 (37%)	¥448,414 (36%)	¥(2,795) (1%)	99%	\$4,326,398
Overseas	761,793 (63%)	781,847 (64%)	(20,054) (-1%)	97%	7,396,049
Asia	361,858 (30%)	350,795 (29%)	11,063 (1%)	103%	3,513,185
North America	251,421 (21%)	235,266 (19%)	16,155 (2%)	107%	2,440,981
Europe	108,297 (9%)	130,558 (11%)	(22,261) (-2%)	83%	1,051,427
Others	40,217 (3%)	65,228 (5%)	(25,011) (-2%)	62%	390,456
Net Sales	¥1,207,412 (100%)	¥1,230,261 (100%)	¥(22,849)	98%	\$11,722,447

Notes:

- 1) Net sales by region is determined based upon the locations of the customers.
- 2) Prior-period data relating to the discontinued operation has been deducted.