August 10, 2017
Toshiba Corporation

FOR IMMEDIATE RELEASE

Toshiba Announces Consolidated Results for the First Quarter of the Fiscal Year 2017, Ending March 2018

TOKYO--Toshiba Corporation (TOKYO: 6502) (the "Company") today announced its consolidated results for the first quarter (April-June) of fiscal year (FY) 2017, ending March 31, 2018. All comparisons in the following are based on the same period a year earlier, unless otherwise stated.

1. Overview of Consolidated Results for the First Quarter of FY2017 (April – June 2017)

(Yen in billions)

	1Q of FY2017	Change from 1Q of FY2016
Net sales	1,143.6	+86.4
Operating income (loss)	96.7	+80.4
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	85.1	+81.2
Net income (loss) attributable to shareholders of the Company	50.3	-29.5

During the first quarter (April-June) of FY2017, the US economy generally saw solid growth. With monetary easing, the Eurozone economy saw moderate growth, primarily in Germany. Growth slowed in the UK. The Chinese economy saw a recovery on investments in infrastructure and increased exports, though consumer spending was flat. Oil prices remained weak from the beginning of the year.

In Japan, the overall economy moved toward a slow recovery. Consumer spending patterns improved, and capital investment trended toward recovery. Exports recovered gradually from late last year.

In these circumstances, Toshiba Group's net sales increased by 86.4 billion yen to 1,143.6 billion yen (US$10,211.0 million). Storage & Devices Solutions recorded higher sales, the result of a significant sales increase in the Memory business and increases in other business, and of increased sales in Energy Systems & Solutions.

The Group recorded consolidated operating income of 96.7 billion yen (US$863.3 million), an increase of 80.4 billion yen, significantly higher than for the same period last year, as the Memory business recorded an ROS of 35% due to stable prices. Income (Loss) from continuing operations, before income taxes and noncontrolling interests, improved by 81.2 billion yen to 85.1 billion yen (US$759.8 million).

Net income (loss) attributable to shareholders of the Company stood at 50.3 billion yen (US$449.3 million), a decrease of 29.5 billion yen, as the previous term included profit from discontinued operations; a gain of 83.9 billion yen from the sale of Home Appliances business.

Consolidated Results for the First Quarter of FY2017, by Segment
(April – June 2017)

(Yen in billions)

	Net Sales			Operating Income (Loss)	
		Change*			Change*
Energy Systems & Solutions	218.6	+19.4	+10%	-1.7	+3.8
Infrastructure Systems & Solutions	257.5	-1.2	0%	-1.6	-3.9
Retail & Printing Solutions	117.9	-4.6	-4%	3.8	+2.0
Storage & Electronic Devices Solutions	456.4	+84.8	+23%	104.3	+80.2
Industrial ICT Solutions	56.2	+7.5	+15%	-2.8	-1.9
Others	117.9	-16.8	-12%	-5.2	+0.9
Eliminations	-80.9	-2.7	-	-0.1	-0.7
Total	1,143.6	+86.4	+8%	96.7	+80.4

(* Change from the year-earlier period)

Energy Systems & Solutions: Higher Sales and Improved Operating Income (Loss)
The Energy Systems & Solutions segment saw higher sales. Although Transmission & Distribution Systems and other businesses saw lower sales, the Nuclear Power Systems and Thermal & Hydro Power Systems businesses saw significantly higher sales, and Landys + Gyr 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: Same Level of Sales, Deteriorated Operating Income (Loss)
The Infrastructure Systems & Solutions segment saw the same level of sales. While Public Infrastructure and Buildings and Facilities recorded lower sales, Industrial Systems saw flat sales.

The segment as a whole saw deteriorated operating income, as Public Infrastructure and Buildings and Facilities businesses recorded deteriorated operating income.

Retail & Printing Solutions: Lower Sales and Higher Operating Income
The Retail & Printing Solutions segment recorded lower sales. The Retail business and Printing business saw firm sales, though with a decline resulting from the sale of a subsidiary of the retail business.

The segment as a whole saw higher operating income, reflecting higher operating income in the Retail business and Printing business.

Storage & Electronic Devices Solutions: Higher Sales and Higher Operating Income
The Storage & Electronic Devices Solutions segment saw much higher sales. Memory and the Devices & Others businesses saw significantly higher sales, and the HDD business also recorded higher sales.

The segment as a whole recorded notably higher operating income, as all businesses recorded major improvements in operating income.

Industrial ICT Solutions: Higher Sales and Deteriorated Operating Income (Loss)
The Industrial ICT Solutions segment saw higher sales, on contributions from licensing services and systems business for government, and systems for the private sector.

The segment as a whole saw a decrease in operating income (loss), due to some domestic information system projects and by implementing structural reform in the unified communications systems business.

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, Home Appliances business and Westinghouse’s Nuclear Power business are classified as discontinued operations in accordance with Accounting Standards Codification 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 consolidated segment information is presented in conformity with the current organizational classification.

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

2. Financial Position and Cash Flows for the First Quarter of FY2017

Total assets decreased by 84.8 billion yen from the end of March 2017 to 4,184.7 billion yen (US$37,363.8 million).

Shareholders' equity, or equity attributable to the shareholders of the Company, was -504.3 billion yen (-US$4,502.2 million), an increase of 48.6 billion yen from the end of March 2017.

Total interest-bearing debt decreased by 101.6 billion yen from the end of March 2017 to 1,102.2 billion yen (US$9,840.6 million).

As a result of the foregoing, the shareholders' equity ratio at the end of June 2017 was -12.0%, a 1.0-point increase from the end of March 2017.

Free cash flow increased by 85.8 billion yen to 0.9 billion yen (US$8.1 million).

3. Performance Forecast for FY2017

The consolidated business forecast for the first six months (April-September) of FY2017

(Yen in billions)

Segment		First six months of FY 2017 Forecast	FY 2017 Forecast
Energy Systems & Solutions	Net Sales	430.0	920.0
	Operating income (loss)	-4.0	18.0
Infrastructure Systems & Solutions	Net Sales	540.0	1,250.0
	Operating income (loss)	1.0	42.0
Retail & Printing Solutions	Net Sales	240.0	500.0
	Operating income (loss)	6.0	17.0
Storage & Electronic Devices Solutions	Net Sales	980.0	1,920.0
	Operating income (loss)	230.0	415.0
Industrial ICT Solutions	Net Sales	120.0	250.0
	Operating income (loss)	0	5.0
Others	Net Sales	230.0	520.0
	Operating income (loss)	-21.0	-22.0
Eliminations	Net Sales	-160.0	-390.0
	Operating income (loss)	-2.0	-45.0
Total	Net Sales	2,380.0	4,970.0
	Operating income (loss)	210.0	430.0

4. Important Factors as a Going Concern

Toshiba Group recorded a negative net worth, due to extraordinary loss generated in Westinghouse Electric Company (Westinghouse), its U.S. subsidiaries and affiliates, and Toshiba Nuclear Energy Holdings(UK) Limited (TNEH(UK)), a holding company for Westinghouse Group operating companies outside the U.S. (collectively, the "Filing Companies"). As a result, consolidated equity attributable to shareholders of the Company decreased to -504.3 billion yen (-US$4,502.2 million), with consolidated net assets of -223.4 billion yen (-US$1,994.6 million) as of June 30, 2017.

In connection with this, on December 28, 2016, the rating agencies downgraded Toshiba(the Company)'s credit rating causing a breach of financial covenants in outstanding syndicated loans of 257.1 billion yen (US$2,295.3 million) arranged by the Company's main financial institutions (include in "the Short-term borrowings and current portion of long-term debt" in the consolidated balance sheet). The total syndicated loans is recorded as a part of Toshiba Group's total short-term and long-term borrowings of 1,102.2 billion yen (US$9,840.6 million) in consolidated balance sheet as of June 30, 2017. These loans are callable at any dates by the financial institutions as of the filing date. If these loans are called in, other bonds and certain borrowings would become callable.

Taking into consideration of the expenditures which the Company may pay related to nuclear power construction by Westinghouse, its U.S. subsidiaries and affiliates, the Company's liquidity will be significantly impacted.

In addition to the foregoing, the Company operates the business that require a Special Construction Business License from the Japanese government. The Company is required to meet a certain financial criteria in order to renew this license. The Company's current Special Construction Business License expires in December 2017. If the Company does not take any counter action to improve financial condition, and if the Company is unable to meet the criteria and to renew the license, there will be extremely negative impact on business execution.

For the reasons stated above, there are material events and conditions that raise the substantial doubt about the Company's ability to continue as a going concern.

For measures Toshiba proposes to implement toward resolving this situation, please refer to "Notes Relating to Assumptions for the Going Concern."

5. 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, 2017 by a reasonably estimated annual effective tax rate after applying the effect of deferred taxes for FY2017, ending March 31, 2018.

(3) Change in accounting policies:
The Company adopted Accounting Standards Update 2015-17, starting from the First Quarter of FY2017. To reflect this adoption, all deferred tax assets and liabilities have been classified as noncurrent in the consolidated balance sheets and subsequently, deferred tax assets and liabilities in the same tax-paying component or tax jurisdiction were offset. And the Company didn’t apply this update retrospectively.

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 2017 first quarter results are valued at 112 yen to the dollar.

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Toshiba Group

Consolidated Financial Statements

For the First Quarter ended June 30, 2017

First Quarter Results

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

	Three months ended June 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net sales	**¥1,143.6**	¥1,057.2	¥86.4	108%	**$10,211.0**
Operating income	**96.7**	16.3	80.4	593%	**863.3**
Income from continuing operations, before income taxes and noncontrolling interests	**85.1**	3.9	81.2	—	**759.8**
Net income attributable to shareholders of the Company	**50.3**	79.8	(29.5)	63%	**449.3**
Basic earnings per share attributable to shareholders of the Company	**¥11.89**	¥18.85	¥(6.96)		**$0.11**

Notes:
1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
2) The U.S. dollar is valued at ￥112 throughout this statement for convenience only.

Comparative Consolidated Balance Sheets

(¥ in millions, US$ in thousands)

	Three months ended June 30			
	2017(A)	2016(B)	(A)-(B)	**2017**
Assets				
Current assets	**¥2,587,406**	¥2,736,293	¥(148,887)	**$23,101,839**
Cash and cash equivalents	**515,819**	707,693	(191,874)	**4,605,527**
Notes and accounts receivable, trade	**982,214**	1,122,236	(140,022)	**8,769,767**
Inventories	**682,617**	624,321	58,296	**6,094,795**
Prepaid expenses and other current assets	**406,756**	282,043	124,713	**3,631,750**
Long-term receivables	**14,417**	15,272	(855)	**128,723**
Investments	**439,964**	386,401	53,563	**3,928,250**
Property, plant and equipment	**656,955**	657,876	(921)	**5,865,670**
Other assets	**486,004**	473,671	12,333	**4,339,322**
Total assets	**¥4,184,746**	¥4,269,513	¥(84,767)	**$37,363,804**
Liabilities and equity				
Current liabilities	**¥2,653,684**	¥2,718,403	¥(64,719)	**$23,693,607**
Short-term borrowings and current portion of long-term debt	**643,693**	685,625	(41,932)	**5,747,259**
Notes and accounts payable, trade	**674,274**	730,900	(56,626)	**6,020,303**
Other current liabilities	**1,335,717**	1,301,878	33,839	**11,926,045**
Accrued pension and severance costs	**528,750**	531,164	(2,414)	**4,720,983**
Long-term debt and other liabilities	**1,225,703**	1,295,650	(69,947)	**10,943,777**
Equity	**(223,391)**	(275,704)	52,313	**(1,994,563)**
Equity attributable to shareholders of the Company	**(504,251)**	(552,947)	48,696	**(4,502,241)**
Common stock	**200,000**	200,000	0	**1,785,714**
Additional paid-in capital	**127,748**	140,144	(12,396)	**1,140,607**
Retained earnings	**(530,070)**	(580,396)	50,326	**(4,732,767)**
Accumulated other comprehensive loss	**(299,923)**	(310,750)	10,827	**(2,677,884)**
Treasury stock	**(2,006)**	(1,945)	(61)	**(17,911)**
Equity attributable to noncontrolling interests	**280,860**	277,243	3,617	**2,507,678**
Total liabilities and equity	**¥4,184,746**	¥4,269,513	¥(84,767)	**$37,363,804**

Breakdown of accumulated other comprehensive loss				
Unrealized gains on securities	**¥30,612**	¥24,537	¥6,075	**$273,321**
Foreign currency translation adjustments	**(54,487)**	(55,468)	981	**(486,491)**
Pension liability adjustments	**(273,457)**	(277,002)	3,545	**(2,441,580)**
Unrealized losses on derivative instruments	**(2,591)**	(2,817)	226	**(23,134)**
Total interest-bearing debt	**¥1,102,151**	¥1,203,796	¥(101,645)	**$9,840,634**

Consolidated

Comparative Consolidated Statements of Operations

First Quarter ended June 30

(¥ in millions, US$ in thousands)

	Three months ended June 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Sales and other income					
Net sales	**¥1,143,633**	¥1,057,194	¥86,439	108%	**$10,211,009**
Interest	**2,290**	1,198	1,092	191%	**20,446**
Dividends	**686**	558	128	123%	**6,125**
Other income	**8,354**	11,558	(3,204)	72%	**74,589**
Costs and expenses					
Cost of sales	**808,528**	800,732	7,796	101%	**7,219,000**
Selling, general and administrative	**238,415**	240,151	(1,736)	99%	**2,128,705**
Interest	**4,503**	3,817	686	118%	**40,205**
Other expense	**18,414**	21,879	(3,465)	84%	**164,411**
Income from continuing operations, before income taxes and noncontrolling interests	**85,103**	3,929	81,174	—	**759,848**
Income taxes	**27,829**	(28)	27,857	—	**248,473**
Income from continuing operations, before noncontrolling interests	**57,274**	3,957	53,317	—	**511,375**
Income from discontinued operations, before noncontrolling interests	**—**	79,030	(79,030)	—	**—**
Net loss before noncontrolling interests	**57,274**	82,987	(25,713)	69%	**511,375**
Less:Net loss attributable to noncontrolling interests	**6,948**	3,184	3,764	218%	**62,036**
Net loss attributable to shareholders of the Company	**¥50,326**	¥79,803	¥(29,477)	63%	**$449,339**

Comparative Consolidated Statements of Comprehensive Income

First Quarter ended June 30

(¥ in millions, US$ in thousands)

	Three months ended June 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net income before noncontrolling interests	**¥57,274**	¥82,987	¥(25,713)	69%	**$511,375**
Other comprehensive income (loss), net of tax					
Unrealized gains (losses) on securities	**6,239**	(3,401)	9,640	―	**55,706**
Foreign currency translation adjustments	**5,792**	(104,503)	110,295	―	**51,714**
Pension liability adjustments	**3,540**	16,861	(13,321)	21%	**31,607**
Unrealized gains (losses) on derivative instruments	**228**	(2,422)	2,650	―	**2,036**
Total other comprehensive income (loss)	**15,799**	(93,465)	109,264	―	**141,063**
Comprehensive income (loss)	**73,073**	(10,478)	83,551	―	**652,438**
Less:Comprehensive income (loss) attributable to noncontrolling interests	**11,920**	(19,692)	31,612	―	**106,429**
Comprehensive income attributable to shareholders of the Company	**¥61,153**	¥9,214	¥51,939	664%	**$546,009**

Comparative Consolidated Statements of Cash Flows

First Quarter ended June 30

(¥ in millions, US$ in thousands)

	Three months ended June 30			
	2017(A)	2016(B)	(A)-(B)	**2017**
Cash flows from operating activities				
Net income before noncontrolling interests	**¥57,274**	¥82,987	¥(25,713)	**$511,375**
Depreciation and amortization	**34,443**	39,867	(5,424)	**307,527**
Equity in earnings of affiliates, net of dividends	**(131)**	(623)	492	**(1,170)**
Decrease in notes and accounts receivable, trade	**144,410**	146,272	(1,862)	**1,289,375**
Increase in inventories	**(57,131)**	(45,878)	(11,253)	**(510,098)**
Decrease in notes and accounts payable, trade	**(57,531)**	(82,811)	25,280	**(513,670)**
Others	**(84,698)**	(186,931)	102,233	**(756,232)**
Adjustments to reconcile net income before noncontrolling interests to net cash provided by (used in) operating activities	**(20,638)**	(130,104)	109,466	**(184,268)**
Net cash provided by (used in) operating activities	**36,636**	(47,117)	83,753	**327,107**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	**2,462**	6,524	(4,062)	**21,982**
Acquisition of property, plant and equipment	**(23,228)**	(41,630)	18,402	**(207,393)**
Acquisition of intangible assets	**(4,871)**	(7,743)	2,872	**(43,491)**
Purchase of securities	**(5)**	(712)	707	**(44)**
Increase in investments in affiliates	**(6,107)**	(18,846)	12,739	**(54,527)**
Others	**(3,975)**	24,578	(28,553)	**(35,491)**
Net cash used in investing activities	**(35,724)**	(37,829)	2,105	**(318,964)**
Cash flows from financing activities				
Proceeds from long-term debt	**1,196**	24,092	(22,896)	**10,678**
Repayment of long-term debt	**(4,258)**	(28,769)	24,511	**(38,018)**
Decrease in short-term borrowings, net	**(99,987)**	(285,906)	185,919	**(892,741)**
Dividends paid	**(2,671)**	(4,052)	1,381	**(23,848)**
Others	**(88,587)**	2,841	(91,428)	**(790,955)**
Net cash used in financing activities	**(194,307)**	(291,794)	97,487	**(1,734,884)**
Effect of exchange rate changes on cash and cash equivalents	**1,521**	(16,812)	18,333	**13,580**
Net decrease in cash and cash equivalents	**(191,874)**	(393,552)	201,678	**(1,713,161)**
Cash and cash equivalents at beginning of the period	**707,693**	975,529	(267,836)	**6,318,688**
Cash and cash equivalents at end of the period	**515,819**	581,977	(66,158)	**4,605,527**
Less: Cash and cash equivalents of discontinued operations at end of the period	**-**	18,998	(18,998)	**-**
Cash and cash equivalents of continuing operations at end of the period	**¥515,819**	¥562,979	¥(47,160)	**$4,605,527**

Notes Relating to Assumptions for the Going Concern

Toshiba Group recorded a negative net worth, due to extraordinary loss generated in Westinghouse Electric Company (WEC), WEC's U.S. subsidiaries and affiliates, and Toshiba Nuclear Energy Holdings(UK) Limited (TNEH(UK)), a holding company for Westinghouse Group operating companies outside the U.S. (collectively, the "Filing Companies"). As a result, consolidated equity attributable to shareholders of the Company decreased to -504,251 million yen (-US$4,502.2 million), with consolidated net assets of -223,391 million yen (-US$1,994.6 million) as of June 30, 2017.

In connection with this, on December 28, 2016, the rating agencies downgraded Toshiba(the Company)'s credit rating causing a breach of financial covenants in outstanding syndicated loans of 257,075 million yen (US$2,295.3 million) arranged by the Company's main financial institutions (include in "the Short-term borrowings and current portion of long-term debt" in the consolidated balance sheet). The total syndicated loans is recorded as a part of Toshiba Group's total short-term and long-term borrowings of 1,102,151 million yen (US$9,840.6 million) in consolidated balance sheet as of June 30, 2017. These loans are callable at any dates by the financial institutions as of the filing date. If these loans are called in, other bonds and certain borrowings would become callable.

Taking into consideration of the expenditures which the Company may pay related to nuclear power construction by WEC, WEC's U.S. subsidiaries and affiliates, the Company's liquidity will be significantly impacted.

In addition to the foregoing, the Company operates the business that require a Special Construction Business License from the Japanese government. The Company is required to meet a certain financial criteria in order to renew this license. The Company's current Special Construction Business License expires in December 2017. If the Company does not take any counter action to improve financial condition, and if the Company is unable to meet the criteria and to renew the license, there will be extremely negative impact on business execution.

For the reasons stated above, there are material events and conditions that raise the substantial doubt about the Company's ability to continue as a going concern.

As part of the Company's plan to offset the negative impact of the ongoing situation, the Company has been reviewing a restructuring plan of Westinghouse Group including deconsolidation by a potential sale of a majority stake in order to eliminate risk in the

overseas nuclear power business. Then, the Filing Companies have filed for a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code on March 29, 2017(U.S. time) with the U.S. Bankruptcy Court of New York. In order to rebuild Westinghouse Group, the Company recognizes that it is essential that the Filing Companies and its customers, including the power utility companies, should be provided with appropriate coordination, under the guidance of the court. In addition, deconsolidation of Westinghouse Group(WEC Group) as a result of the Chapter 11 filing on March 29, 2017 would meet Toshiba Group’s objective to eliminate risks in the overseas nuclear power business.
Relating to the above, the Company and the owners of a project in Georgia, U.S.A., for the construction of two nuclear power plants with Westinghouse AP1000 reactors reached an agreement that sets the limit of Toshiba’ parent company guarantee obligation at US$3.68 billion(412.9 billion yen) (“maximum limit”), and that specifies that payments to Southern Company(the parent company of Georgia Power Company) are to be made in installments during the period from October 2017 to January 2021. This agreement was signed in the United States on June 9, 2017. The Company and the owners of a project in South Carolina, U.S.A., for the construction of two nuclear power plants with Westinghouse AP1000 reactors reached an agreement that sets the limit of Toshiba’ parent company guarantee obligation at US$2.168 billion(243.2 billion yen) (“maximum limit”). The agreement, which was signed in the U.S. on July 27, 2017, also specifies that payments to SCANA Corporation(the parent company of South Carolina Electric & Gas Company) are to be made in installments during the period from October 2017 to September 2022. The maximum limit of Toshiba’s guarantees for all four nuclear power reactors of the U.S. nuclear power construction projects have been definitively determined, and Toshiba has now eliminated the risk of additional payment related to its parent company guarantee. These agreements specify that the agreed maximum limit shall not be subject to any subsequent increase or to any further claims against Toshiba, even in the event of future increases in construction costs.

Moreover, the Company is contemplating actions that include, but are not limited to, a potential sale of all or a majority stake in the Memory Business (the Transferred business). The Company was in the progress of transferring the assets and liabilities of this business into a newly formed company to create a more agile structure, that will allow for speedy management decisions in the Transferred business. It is anticipated that the result of this transaction will allow the Company to secure repayment of borrowing to the financial institutions, rebuild capital and recover consolidated equity attributable to shareholders of the Company. To implement the sale smoothly, the Company received approval of the absorption-type company split agreement relating to the Company split between the Company and Toshiba Memory Corporation, which took over the Transferred business, on the effective date of April 1, 2017 in extraordinary shareholder's meeting held on March 30, 2017. The Company decided to give a preferred negotiation right to Innovation Network Corporation of Japan, Bain Capital Private Equity LP, and Development Bank of Japan("the Consortium") in board of director's meeting held on June 21, 2017. The Company is aiming to sell the stake by the end of March, 2018, after necessary procedures like final agreement with potential candidate and screening based on competition law.

Additionally, while reviewing significance of the assets without exceptions, Toshiba Group will attempt to improve the Company's financial condition by steadily executing a business plan that mainly focus on the social infrastructure business. The Company will also provide explanations to the financial institutions faithfully and will ask sincerely for them to forfeit profits at due date and a renewal or enlarged access of the commitment line agreement (680 billion yen). In addition, the Company will take every measures such as absorption-type company split which the licensed companies take over the business to renew the Special Construction Business License from the Japanese government in conjunction with the countermeasure mentioned above.

Although Toshiba Group is examining the details of the aforementioned countermeasures at the present time, substantial doubt about the Company's ability to continue as a going concern exists as of the filing date.

The consolidated financial statements are prepared with an assumption of a going concern and do not reflect the impact of material uncertainty concerning the assumption of a going concern in the consolidated financial statements.

Industry Segment Information

First Quarter ended June 30

(¥ in millions, US$ in thousands)

		Three months ended June 30				
		2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net sales (Share of total sales)	Energy Systems & Solutions	**¥218,551**	¥199,238	¥19,313	110%	**$1,951,348**
		(18%)	(18%)	(-)		
	Infrastructure Systems & Solutions	**257,526**	258,721	(1,195)	100%	**2,299,339**
		(21%)	(23%)	(-2%)		
	Retail & Printing Solutions	**117,886**	122,496	(4,610)	96%	**1,052,554**
		(10%)	(11%)	(-1%)		
	Storage & Electronic Devices Solutions	**456,360**	371,570	84,790	123%	**4,074,643**
		(37%)	(33%)	(4%)		
	Industrial ICT Solutions	**56,244**	48,737	7,507	115%	**502,179**
		(5%)	(4%)	(1%)		
	Others	**117,925**	134,686	(16,761)	88%	**1,052,902**
		(9%)	(11%)	(-2%)		
	Total	**1,224,492**	1,135,448	89,044	108%	**10,932,965**
		(100%)	(100%)			
	Eliminations	**(80,859)**	(78,254)	(2,605)	–	**(721,956)**
	Consolidated	**¥1,143,633**	¥1,057,194	¥86,439	108%	**$10,211,009**
Segment operating income (loss)	Energy Systems & Solutions	**¥(1,708)**	¥(5,539)	¥3,831	–	**$(15,250)**
	Infrastructure Systems & Solutions	**(1,561)**	2,305	(3,866)	–	**(13,938)**
	Retail & Printing Solutions	**3,817**	1,771	2,046	216%	**34,080**
	Storage & Electronic Devices Solutions	**104,338**	24,113	80,225	433%	**931,589**
	Industrial ICT Solutions	**(2,801)**	(875)	(1,926)	–	**(25,009)**
	Others	**(5,251)**	(6,048)	797	–	**(46,884)**
	Total	**96,834**	15,727	81,107	616%	**864,588**
	Eliminations	**(144)**	584	(728)	–	**(1,284)**
	Consolidated	**¥96,690**	¥16,311	¥80,379	593%	**$863,304**

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 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) Prior-period data relating to the consolidated segment information has been reclassified to conform with the current classification.

Consolidated

Net Sales by Region

First Quarter ended June 30

(¥ in millions, US$ in thousands)

		Three months ended June 30				
		2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Japan		**¥459,655**	¥444,782	¥14,873	103%	**$4,104,063**
		(40%)	(42%)	(-2%)		
Overseas		**683,978**	612,412	71,566	112%	**6,106,946**
		(60%)	(58%)	(2%)		
	Asia	**397,514**	344,995	52,519	115%	**3,549,232**
		(35%)	(33%)	(2%)		
	North America	**147,561**	150,005	(2,444)	98%	**1,317,509**
		(13%)	(14%)	(-1%)		
	Europe	**90,357**	79,303	11,054	114%	**806,759**
		(8%)	(8%)	(-)		
	Others	**48,546**	38,109	10,437	127%	**433,446**
		(4%)	(3%)	(1%)		
Net Sales		**¥1,143,633**	¥1,057,194	¥86,439	108%	**$10,211,009**
		(100%)	(100%)			

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.