November 9, 2017
Toshiba Corporation

FOR IMMEDIATE RELEASE

Toshiba Announces Consolidated Results for the First Six Months and the Second Quarter for Fiscal Year 2017, Ending March 2018

TOKYO--Toshiba Corporation (TOKYO: 6502) (the "Company") today announced its consolidated results for the first six months (April-September) and the second quarter (July-September) 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 Six Months of FY2017 (April-September, 2017)

(Yen in billions)

	First six months of FY2017	Change from first six months of FY2016
Net sales	2,386.2	+115.5
Operating income (loss)	231.8	+138.6
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	275.0	+210.0
Net income (loss) attributable to shareholders of the Company	-49.8	-165.1

During the first half of FY2017 (April-September), the US economy was generally solid, with positive growth in both investment and consumption, and the Eurozone economy saw moderate growth, primarily in Germany, though growth slowed in the UK. The Chinese economy saw slight signs of recovery, including increased investment in infrastructure and exports. Other Asian markets also saw improvement.

The Japanese economy saw a modest recovery, with an uptick in consumer spending and a rise in capital investments. Export levels have showed a gradual increase since the second half of last year.

In these circumstances, Toshiba Group's net sales increased by 115.5 billion yen to 2,386.2 billion yen (US$21,116.9 million). The Company recorded higher sales, as the

Storage & Electronic Devices Solutions continued to see a significant increase, primarily in Memories, and other business units also reported positive results. Energy Systems & Solutions saw lower sales due to deconsolidation of Landis+Gyr Group through the sale of shares by an IPO in July.

The Group recorded consolidated operating income of 231.8 billion yen (US$2,051.0 million), an improvement of 138.6 billion yen. Although there was an impact from mitigation of emergency measures, the Memory business recorded an ROS of 36% due to continued stable prices, which resulted in a significant increase from the year-earlier period as a whole.

Income from continuing operations, before income taxes and noncontrolling interests, improved by 210.0 billion yen to 275.0 billion yen (US$2,443.7 million), including a profit of 66.8 billion yen from the Landis+Gyr Group IPO.

Net income (loss) attributable to shareholders of the Company decreased by 165.1 billion yen on the inclusion of the tax impact from the company split of the Memory business, and stood at -49.8 billion yen (-US$440.6 million).

Consolidated Results for the First Six Months of FY2017, by Segment (April-September, 2017)

(Yen in billions)

	Net sales			Operating income (loss)	
		Change*			Change*
Energy Systems & Solutions	433.0	-19.1	-4%	-4.0	-10.0
Infrastructure Systems & Solutions	552.1	-11.8	-2%	2.7	-8.5
Retail & Printing Solutions	247.8	+0.1	0%	11.3	+4.8
Storage & Electronic Devices Solutions	972.0	+172.3	+22%	235.8	+157.5
Industrial ICT Solutions	118.7	+7.8	+7%	-1.9	-4.7
Others	240.7	-22.0	-8%	-9.1	+3.8
Eliminations	-178.1	-11.8	-	-3.0	-4.3
Total	2,386.2	+115.5	+5%	231.8	+138.6

(*Change from the year-earlier period)

Energy Systems & Solutions: Lower Sales and Deteriorated Operating Income (Loss)
The Energy Systems & Solutions segment saw lower sales. Although Thermal & Hydro Power Systems recorded higher sales, Nuclear Power Systems and Transmission & Distribution Systems both recorded lower sales. There was also the impact of the deconsolidation of Landis+Gyr Group through the July IPO.

The segment as a whole saw deteriorated operating income (loss). Although Transmission & Distribution Systems recorded increased operating income, Nuclear Power Systems, Thermal & Hydro Power Systems recorded deteriorated operating income (loss).

Infrastructure Systems & Solutions: Lower Sales and Lower Operating Income (Loss)
The Infrastructure Systems & Solutions segment saw lower sales as Public Infrastructure and Building and Facilities saw decreased sales, although Industrial Systems recorded higher sales.

The segment as a whole saw lower operating income (loss). Industrial Systems saw improved operating income, however, Public Infrastructure and Building and Facilities both saw deteriorated operating income (loss).

Retail & Printing Solutions: Flat Sales and Higher Operating Income
The Retail & Printing Solutions segment saw flat sales, reflecting the impact of the sale of a Retail business subsidiary, although the Retail business and Printing business both recorded solid performances.

The segment as a whole saw a significant increase in operating income, as both the Retail business and the Printing business saw improved operating income.

Storage & Electronic Devices Solutions: Higher Sales and Higher Operating Income
The Storage & Electronic Devices Solutions segment saw significantly higher sales. Memory sales were notably higher, and HDDs and Devices & Others also recorded higher sales.

The segment as a whole saw a major increase in operating income. Although HDDs recorded flat operating income, Memories reported a notable increase in operating income, and Devices & Others recorded higher operating income.

Industrial ICT Solutions: Increased Sales and Deteriorated Operating Income (Loss)
The Industrial ICT Solutions segment saw increased sales, as the license business for the government sector, system sales and the IoT/ AI business saw positive results.

The segment as a whole saw deteriorated operating income (loss), due to some domestic information system projects and the implementation of 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 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. 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 Six Months of FY2017

- Total assets decreased by 194.6 billion yen from the end of March 2017 to 4,074.9 billion yen (US$36,061.2 million).
- The shareholders’ equity, or equity attributable to the shareholders of the Company, was -619.8 billion yen (-US$5,484.7 million), a decrease of 66.9 billion yen from the end of March 2017.
- Total interest-bearing debt decreased by 223.0 billion yen from the end of March 2017 to 980.8 billion yen (US$8,679.6).
- As a result of the foregoing, the shareholder’s equity ratio at the end of September 2017 stood at -15.2%, a 2.2 point decline from the end of March 2017.
- Free cash flow increased by 236.1 billion yen to 87.6 billion yen (US$775.6 million).

Trend in main indices

	Sep. End 2015	Mar. End 2016	Sep. End 2016	Mar. End 2017	Sep. End 2017
Shareholders’ equity ratio (%)	16.5	6.1	7.5	-13.0	-15.2
Equity ratio based on market value (%)	20.5	17.1	29.3	23.9	32.7
Cash flow to interest-bearing debt ratio	—	—	—	9.9	31.4
Interest coverage ratio (multiples)	—	—	—	6.3	2.8

Notes:

Shareholders’ equity ratio: Shareholders’ equity divided by total assets

Equity ratio based on market value: Market capitalization divided by total assets

Market capitalization is calculated by multiplying the closing stock price at the end of the relevant period by the number of shares issued, excluding shares owned by the Company.

Cash flow to interest-bearing debt ratio: Debt (average of the beginning and end of the term) divided by net cash provided by operating activities

Interest coverage ratio: Cash flow from operating activities divided by interest payments

3. Explanation on Future Estimate Information including Performance Forecast for FY2017

The consolidated forecast for FY2017 is as announced on October 23, 2017, “Notice Regarding Revision of Toshiba Corporation’s Consolidated Business Results Forecast for FY2017”. Though the Company’s net sales and operating income is unchanged, the breakdown of segment net sales and operating income are amended as follows:

(Yen in billions)

		FY2017 Forecast
Energy Systems & Solutions	Net sales	840.0
	Operating income	5.0
Infrastructure Systems & Solutions	Net sales	1,260.0
	Operating income	42.0
Retail & Printing Solutions	Net sales	510.0
	Operating income	22.0
Storage & Electronic Devices Solutions	Net sales	1,980.0
	Operating income	460.0
Industrial ICT Solutions	Net sales	250.0
	Operating income	3.0
Others	Net sales	520.0
	Operating income (loss)	-30.0
Eliminations	Net sales	-390.0
	Operating income (loss)	-72.0
Total	Net sales	4,970.0
	Operating income	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"), Westinghouse'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.. As a result, consolidated equity attributable to shareholders of the Company decreased to -619.8 billion yen (-US$5,484.7 million), with consolidated net assets of -416.8 billion yen (-US$3,688.6 million) as of September 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 222.0 billion yen (US$1,964.6 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 980.8 billion yen (US$8,679.6 million) in consolidated balance sheet as of September 30, 2017. The Company obtained the consensus with the financial institutions that these loans will not be called in until December 25, 2017. However, these loans are callable at any dates from December 26, 2017 by the financial institutions. If these loans are called in, other bonds and certain borrowings would also become callable.

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

In addition to the foregoing, the Company operates the business that require a Special Construction Business License from the Japanese government and need to meet other requirements under Construction Business Act. 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, to renew the license and to fulfill other requirements, 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):
In July 2017, Landis+Gyr Group (changed trade name from Landis+Gyr Holding in July 2017) executed an IPO in the SIX Swiss Exchange market, and the Company sold off its entire shareholding. As a result, Landis+Gyr Group was deconsolidated from Toshiba Group.

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

Income taxes
The interim income tax expense (benefit) is computed by multiplying income (loss) before income taxes and noncontrolling interests for the six months ending September 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 has adopted Accounting Standards Update 2015-17 since 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. The Company did not apply this update retrospectively.

Disclaimer:

This report of business results contains forward-looking statements concerning future plans, strategies and performance of Toshiba Group. 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 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 first six months and the second quarter of fiscal year 2017 results are valued at 113 yen to the dollar.

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Toshiba Group

Consolidated Financial Statements

For the First Six Months and the Second Quarter of Fiscal Year Ending March 2018

1. First Six Months Results

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

	Six Months ended September 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net sales	**¥2,386.2**	¥2,270.7	¥115.5	105%	**$21,116.9**
Operating income	**231.8**	93.2	138.6	249%	**2,051.0**
Income from continuing operations, before income taxes and noncontrolling interests	**275.0**	65.0	210.0	423%	**2,433.7**
Net income (loss) attributable to shareholders of the Company	**(49.8)**	115.3	(165.1)	－	**(440.6)**
Basic earnings (losses) per share attributable to shareholders of the Company	**¥(11.76)**	¥27.23	¥(38.99)		**$(0.10)**

2. Second Quarter Results

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

	Three months ended September 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net sales	**¥1,242.6**	¥1,213.5	¥29.1	102%	**$10,996.2**
Operating income	**135.1**	76.9	58.2	176%	**1,195.4**
Income from continuing operations, before income taxes and noncontrolling interests	**189.9**	61.1	128.8	311%	**1,680.5**
Net income (loss) attributable to shareholders of the Company	**(100.1)**	35.5	(135.6)	－	**(885.9)**
Basic earnings (losses) per share attributable to shareholders of the Company	**¥(23.65)**	¥8.39	¥(32.04)		**$(0.21)**

Notes:
1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
2) The U.S. dollar is valued at ￥113 throughout this statement for convenience only.

Comparative Consolidated Balance Sheets

(¥ in millions, US$ in thousands)

	Sep. 30, 2017 (A)	Mar. 31, 2017 (B)	(A)-(B)	**Sep. 30, 2017**
Assets				
Current assets	**¥2,667,288**	¥2,736,293	¥(69,005)	**$23,604,319**
Cash and cash equivalents	**512,612**	707,693	(195,081)	**4,536,389**
Notes and accounts receivable, trade	**1,027,876**	1,122,236	(94,360)	**9,096,248**
Inventories	**673,436**	624,321	49,115	**5,959,611**
Prepaid expenses and other current assets	**453,364**	282,043	171,321	**4,012,071**
Long-term receivables	**22,286**	15,272	7,014	**197,221**
Investments	**449,884**	386,401	63,483	**3,981,274**
Property, plant and equipment	**649,790**	657,876	(8,086)	**5,750,354**
Other assets	**285,666**	473,671	(188,005)	**2,528,018**
Total assets	**¥4,074,914**	¥4,269,513	¥(194,599)	**$36,061,186**
Liabilities and equity				
Current liabilities	**¥2,846,494**	¥2,718,403	¥128,091	**$25,190,212**
Short-term borrowings and current portion of long-term debt	**559,468**	685,625	(126,157)	**4,951,044**
Notes and accounts payable, trade	**703,248**	730,900	(27,652)	**6,223,434**
Other current liabilities	**1,583,778**	1,301,878	281,900	**14,015,734**
Accrued pension and severance costs	**518,090**	531,164	(13,074)	**4,584,868**
Long-term debt and other liabilities	**1,127,141**	1,295,650	(168,509)	**9,974,699**
Equity	**(416,811)**	(275,704)	(141,107)	**(3,688,593)**
Equity attributable to shareholders of the Company	**(619,767)**	(552,947)	(66,820)	**(5,484,664)**
Common stock	**200,000**	200,000	0	**1,769,912**
Additional paid-in capital	**127,695**	140,144	(12,449)	**1,130,044**
Retained earnings	**(630,181)**	(580,396)	(49,785)	**(5,576,823)**
Accumulated other comprehensive loss	**(315,246)**	(310,750)	(4,496)	**(2,789,788)**
Treasury stock	**(2,035)**	(1,945)	(90)	**(18,009)**
Equity attributable to noncontrolling interests	**202,956**	277,243	(74,287)	**1,796,071**
Total liabilities and equity	**¥4,074,914**	¥4,269,513	¥(194,599)	**$36,061,186**

Breakdown of accumulated other comprehensive loss				
Unrealized gains on securities	**¥33,694**	¥24,537	¥9,157	**$298,177**
Foreign currency translation adjustments	**(78,776)**	(55,468)	(23,308)	**(697,134)**
Pension liability adjustments	**(268,060)**	(277,002)	8,942	**(2,372,212)**
Unrealized losses on derivative instruments	**(2,104)**	(2,817)	713	**(18,619)**
Total interest-bearing debt	**¥980,790**	¥1,203,796	¥(223,006)	**$8,679,558**

Comparative Consolidated Statements of Operations

1.First Six Months ended September 30

(¥ in millions, US$ in thousands)

	Six months ended September 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Sales and other income					
Net sales	**¥2,386,209**	¥2,270,674	¥115,535	105%	**$21,116,894**
Interest	**3,604**	2,334	1,270	154%	**31,894**
Dividends	**1,806**	1,227	579	147%	**15,982**
Other income	**97,135**	21,805	75,330	445%	**859,602**
Costs and expenses					
Cost of sales	**1,659,216**	1,684,596	(25,380)	98%	**14,683,328**
Selling, general and administrative	**495,225**	492,885	2,340	100%	**4,382,522**
Interest	**9,814**	7,208	2,606	136%	**86,849**
Other expense	**49,494**	46,376	3,118	107%	**438,000**
Income from continuing operations, before income taxes and noncontrolling interests	**275,005**	64,975	210,030	423%	**2,433,673**
Income taxes	**320,931**	23,729	297,202	—	**2,840,098**
Income (Loss) from continuing operations, before noncontrolling interests	**(45,926)**	41,246	(87,172)	—	**(406,425)**
Income from discontinued operations, before noncontrolling interests	**10,190**	82,749	(72,559)	12%	**90,177**
Net income (loss) before noncontrolling interests	**(35,736)**	123,995	(159,731)	—	**(316,248)**
Less:Net income attributable to noncontrolling interests	**14,049**	8,686	5,363	162%	**124,327**
Net income (loss) attributable to shareholders of the Company	**¥(49,785)**	¥115,309	¥(165,094)	—	**$(440,575)**

2.Second Quarter ended September 30

(¥ in millions, US$ in thousands)

	Three months ended September 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Sales and other income					
Net sales	**¥1,242,576**	¥1,213,480	¥29,096	102%	**$10,996,248**
Interest	**1,314**	1,136	178	116%	**11,628**
Dividends	**1,120**	669	451	167%	**9,912**
Other income	**90,060**	10,247	79,813	879%	**796,991**
Costs and expenses					
Cost of sales	**850,688**	883,864	(33,176)	96%	**7,528,212**
Selling, general and administrative	**256,810**	252,734	4,076	102%	**2,272,655**
Interest	**5,311**	3,391	1,920	157%	**47,000**
Other expense	**32,359**	24,497	7,862	132%	**286,363**
Income from continuing operations, before income taxes and noncontrolling interests	**189,902**	61,046	128,856	311%	**1,680,549**
Income taxes	**293,102**	23,757	269,345	—	**2,593,823**
Income (Loss) from continuing operations, before noncontrolling interests	**(103,200)**	37,289	(140,489)	—	**(913,274)**
Income from discontinued operations, before noncontrolling interests	**10,190**	3,719	6,471	274%	**90,177**
Net income (loss) before noncontrolling interests	**(93,010)**	41,008	(134,018)	—	**(823,097)**
Less:Net income attributable to noncontrolling interests	**7,101**	5,502	1,599	129%	**62,841**
Net income (loss) attributable to shareholders of the Company	**¥(100,111)**	¥35,506	¥(135,617)	—	**$(885,938)**

Comparative Consolidated Statements of Comprehensive Income

1. First Six Months ended September 30

(¥ in millions, US$ in thousands)

	Six months ended September 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net income (loss) before noncontrolling interests	**¥(35,736)**	¥123,995	¥(159,731)	－	**$(316,248)**
Other comprehensive income (loss), net of tax					
Unrealized gains (losses) on securities	**9,272**	(5,718)	14,990	－	**82,053**
Foreign currency translation adjustments	**(39,623)**	(121,863)	82,240	－	**(350,646)**
Pension liability adjustments	**10,139**	24,631	(14,492)	41%	**89,726**
Unrealized gains (losses) on derivative instruments	**756**	(3,233)	3,989	－	**6,690**
Total other comprehensive loss	**(19,456)**	(106,183)	86,727	－	**(172,177)**
Comprehensive income (loss)	**(55,192)**	17,812	(73,004)	－	**(488,425)**
Less:Comprehensive loss attributable to noncontrolling interests	**(911)**	(18,648)	17,737	－	**(8,062)**
Comprehensive income (loss) attributable to shareholders of the Company	**¥(54,281)**	¥36,460	¥(90,741)	－	**$(480,363)**

2. Second Quarter ended September 30

(¥ in millions, US$ in thousands)

	Three months ended September 30				
	2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net income (loss) before noncontrolling interests	**¥(93,010)**	¥41,008	¥(134,018)	－	**$(823,097)**
Other comprehensive income (loss), net of tax					
Unrealized gains (losses) on securities	**3,033**	(2,317)	5,350	－	**26,841**
Foreign currency translation adjustments	**(45,415)**	(17,360)	(28,055)	－	**(401,903)**
Pension liability adjustments	**6,599**	7,770	(1,171)	85%	**58,398**
Unrealized gains (losses) on derivative instruments	**528**	(811)	1,339	－	**4,673**
Total other comprehensive loss	**(35,255)**	(12,718)	(22,537)	－	**(311,991)**
Comprehensive income (loss)	**(128,265)**	28,290	(156,555)	－	**(1,135,088)**
Less:Comprehensive income (loss) attributable to noncontrolling interests	**(12,831)**	1,044	(13,875)	－	**(113,548)**
Comprehensive income (loss) attributable to shareholders of the Company	**¥(115,434)**	¥27,246	¥(142,680)	－	**$(1,021,540)**

Comparative Consolidated Statements of Cash Flows

First Six Months ended September 30

(¥ in millions, US$ in thousands)

	Six months ended September 30			
	2017(A)	2016(B)	(A)-(B)	2017
Cash flows from operating activities				
Net income (loss) before noncontrolling interests	¥(35,736)	¥123,995	¥(159,731)	$(316,248)
Depreciation and amortization	66,936	77,951	(11,015)	592,354
Equity in (earnings) losses of affiliates, net of dividends	(2,459)	47	(2,506)	(21,761)
Decrease in notes and accounts receivable, trade	68,629	49,268	19,361	607,337
Increase in inventories	(60,910)	(22,264)	(38,646)	(539,027)
Decrease in notes and accounts payable, trade	(15,137)	(66,099)	50,962	(133,956)
Others	13,504	(229,911)	243,415	119,505
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by (used in) operating activities	70,563	(191,008)	261,571	624,452
Net cash provided by (used in) operating activities	34,827	(67,013)	101,840	308,204
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	22,556	18,578	3,978	199,610
Acquisition of property, plant and equipment	(64,600)	(86,617)	22,017	(571,681)
Acquisition of intangible assets	(8,616)	(11,955)	3,339	(76,248)
Purchase of securities	(1,024)	(753)	(271)	(9,062)
Increase in investments in affiliates	(36,044)	(22,121)	(13,923)	(318,973)
Others	140,545	21,359	119,186	1,243,761
Net cash provided by (used in) investing activities	52,817	(81,509)	134,326	467,407
Cash flows from financing activities				
Proceeds from long-term debt	2,048	38,361	(36,313)	18,124
Repayment of long-term debt	(71,880)	(55,430)	(16,450)	(636,106)
Decrease in short-term borrowings, net	(131,626)	(275,794)	144,168	(1,164,832)
Dividends paid	(5,955)	(7,327)	1,372	(52,699)
Others	(77,765)	17,684	(95,449)	(688,186)
Net cash used in financing activities	(285,178)	(282,506)	(2,672)	(2,523,699)
Effect of exchange rate changes on cash and cash equivalents	2,453	(20,008)	22,461	21,707
Net decrease in cash and cash equivalents	(195,081)	(451,036)	255,955	(1,726,381)
Cash and cash equivalents at beginning of the period	707,693	975,529	(267,836)	6,262,770
Cash and cash equivalents at end of the period	512,612	524,493	(11,881)	4,536,389
Less: Cash and cash equivalents of discontinued operations at end of the period	-	16,692	(16,692)	-
Cash and cash equivalents of continuing operations at end of the period	¥512,612	¥507,801	¥4,811	$4,536,389

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 -619,767 million yen (-US$5,484.7 million), with consolidated net assets of -416,811 million yen (-US$3,688.6 million) as of September 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 222,000 million yen (US$1,964.6 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 980,790 million yen (US$8,679.6 million) in consolidated balance sheet as of September 30, 2017. The Company obtained the consensus with the financial institutions that these loans will not be called in until December 25, 2017. However, these loans are callable at any dates from December 26, 2017 by the financial institutions. If these loans are called in, other bonds and certain borrowings would also 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 likely be significantly impacted.

In addition to the foregoing, the Company operates the business that require a Special Construction Business License from the Japanese government and need to meet other requirements under Construction Business Act. 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, to renew the license and to fulfill other requirements, 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, with regard to the Memory Business, the Company received approval of the absorption-type company split agreement relating to the Company split between the Company and Toshiba Memory Corporation ("TMC"), a wholly owned subsidiary of the Company and took over the Memory business (including its SSD business, but excluding its image sensor business), on the effective date of April 1, 2017 in extraordinary shareholder's meeting held on March 30, 2017. 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. The Company decided to sell all shares of TMC to K.K. Pangea ("Pangea"), a special purpose acquisition company formed and controlled by a Bain Capital Private Equity LP (including its affiliates, Bain Capital)-led consortium for 2 trillion yen (US$ 17,699 million) and to enter into a Share Purchase Agreement ("SPA") with Pangea in board of director's meeting held on September 20, 2017. The SPA was signed on September 28, 2017 and approved by Toshiba's shareholders in extraordinary shareholder's meeting held on October 24, 2017. The Company is aiming to sell the stake by the end of March, 2018, after necessary procedures such as the acquisition of the approvals of screening based on competition law by national authorities, the approvals related to securities and the confirmation of permissions to the completion of SPA by governmental institutions (including the arbitral tribunal or other equivalents) who have jurisdiction.

Additionally, Toshiba Group considers its capital policy and will attempt to improve the Company's financial condition by steadily executing a business plan that mainly focus on the social infrastructure business while reviewing significance of the assets without exceptions,. 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 is taking every measure such as absorption-type company split in which the licensed companies take over the business to renew the Special Construction Business License from the Japanese government and to meet other requirements under Construction Business Act in conjunction with the countermeasure mentioned above.

Although Toshiba Group is examining the details of the aforementioned countermeasures, particularly regarding the completion of SPA, it's possible that the timing of the approvals of screening based on competition law by national authorities or the judgment by International Court of Arbitration will be different from the Company's expectation. As a result, 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

1.First Six Months ended September 30

(¥ in millions, US$ in thousands)

		Six months ended September 30				
		2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net sales (Share of total sales)	Energy Systems & Solutions	**¥433,043 (17%)**	¥452,149 (19%)	¥(19,106) (-2%)	96%	**$3,832,239**
	Infrastructure Systems & Solutions	**552,104 (22%)**	563,877 (23%)	(11,773) (-1%)	98%	**4,885,876**
	Retail & Printing Solutions	**247,839 (10%)**	247,724 (10%)	115 (-)	100%	**2,193,265**
	Storage & Electronic Devices Solutions	**972,014 (38%)**	799,692 (33%)	172,322 (5%)	122%	**8,601,894**
	Industrial ICT Solutions	**118,718 (5%)**	110,869 (5%)	7,849 (-)	107%	**1,050,602**
	Others	**240,594 (8%)**	262,735 (10%)	(22,141) (-2%)	92%	**2,129,151**
	Total	**2,564,312 (100%)**	2,437,046 (100%)	127,266	105%	**22,693,027**
	Eliminations	**(178,103)**	(166,372)	(11,731)	―	**(1,576,133)**
	Consolidated	**¥2,386,209**	¥2,270,674	¥115,535	105%	**$21,116,894**
Segment operating income (loss)	Energy Systems & Solutions	**¥(4,023)**	¥6,002	¥(10,025)	―	**$(35,602)**
	Infrastructure Systems & Solutions	**2,733**	11,160	(8,427)	24%	**24,186**
	Retail & Printing Solutions	**11,290**	6,485	4,805	174%	**99,912**
	Storage & Electronic Devices Solutions	**235,772**	78,310	157,462	301%	**2,086,478**
	Industrial ICT Solutions	**(1,903)**	2,843	(4,746)	―	**(16,841)**
	Others	**(9,036)**	(12,867)	3,831	―	**(79,965)**
	Total	**234,833**	91,933	142,900	255%	**2,078,168**
	Eliminations	**(3,065)**	1,260	(4,325)	―	**(27,124)**
	Consolidated	**¥231,768**	¥93,193	¥138,575	249%	**$2,051,044**

2.Second Quarter ended September 30

(¥ in millions, US$ in thousands)

		Three months ended September 30				
		2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Net sales (Share of total sales)	Energy Systems & Solutions	**¥214,492** **(16%)**	¥252,911 (19%)	¥(38,419) (-3%)	85%	**$1,898,159**
	Infrastructure Systems & Solutions	**294,578** **(22%)**	305,156 (23%)	(10,578) (-1%)	97%	**2,606,885**
	Retail & Printing Solutions	**129,953** **(10%)**	125,228 (10%)	4,725 (-)	104%	**1,150,027**
	Storage & Electronic Devices Solutions	**515,654** **(39%)**	428,122 (33%)	87,532 (6%)	120%	**4,563,310**
	Industrial ICT Solutions	**62,119** **(5%)**	61,885 (5%)	234 (-)	100%	**549,726**
	Others	**121,025** **(8%)**	126,996 (10%)	(5,971) (-2%)	95%	**1,071,017**
	Total	**1,337,821** **(100%)**	1,300,298 (100%)	37,523	103%	**11,839,124**
	Eliminations	**(95,245)**	(86,818)	(8,427)	—	**(842,876)**
	Consolidated	**¥1,242,576**	¥1,213,480	¥29,096	102%	**$10,996,248**
Segment operating income (loss)	Energy Systems & Solutions	**¥(2,315)**	¥11,541	¥(13,856)	—	**$(20,487)**
	Infrastructure Systems & Solutions	**4,294**	8,855	(4,561)	48%	**38,000**
	Retail & Printing Solutions	**7,473**	4,714	2,759	159%	**66,133**
	Storage & Electronic Devices Solutions	**131,434**	54,197	77,237	243%	**1,163,133**
	Industrial ICT Solutions	**1,629**	4,386	(2,757)	37%	**14,416**
	Others	**(4,561)**	(7,538)	2,977	—	**(40,363)**
	Total	**137,954**	76,155	61,799	181%	**1,220,832**
	Eliminations	**(2,876)**	727	(3,603)	—	**(25,451)**
	Consolidated	**¥135,078**	¥76,882	¥58,196	176%	**$1,195,381**

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.

Net Sales by Region

1.First Six months ended September 30

(¥ in millions, US$ in thousands)

		Six months ended September 30				
		2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Japan		**¥974,455** **(41%)**	¥1,020,395 (45%)	¥(45,940) (-4%)	95%	**$8,623,496**
Overseas		**1,411,754** **(59%)**	1,250,279 (55%)	161,475 (4%)	113%	**12,493,398**
	Asia	**865,116** **(36%)**	724,278 (32%)	140,838 (4%)	119%	**7,655,894**
	North America	**246,803** **(10%)**	269,227 (12%)	(22,424) (-2%)	92%	**2,184,097**
	Europe	**212,803** **(9%)**	168,786 (7%)	44,017 (2%)	126%	**1,883,212**
	Others	**87,032** **(4%)**	87,988 (4%)	(956) (-)	99%	**770,195**
Net Sales		**¥2,386,209** **(100%)**	¥2,270,674 (100%)	¥115,535	105%	**$21,116,894**

2.Second Quarter ended September 30

(¥ in millions, US$ in thousands)

		Three months ended September 30				
		2017(A)	2016(B)	(A)-(B)	(A)/(B)	**2017**
Japan		**¥514,800** **(41%)**	¥575,613 (47%)	¥(60,813) (-6%)	89%	**$4,555,752**
Overseas		**727,776** **(59%)**	637,867 (53%)	89,909 (6%)	114%	**6,440,496**
	Asia	**467,602** **(38%)**	379,283 (31%)	88,319 (7%)	123%	**4,138,071**
	North America	**99,242** **(8%)**	119,222 (10%)	(19,980) (-2%)	83%	**878,248**
	Europe	**122,446** **(10%)**	89,483 (7%)	32,963 (3%)	137%	**1,083,593**
	Others	**38,486** **(3%)**	49,879 (5%)	(11,393) (-2%)	77%	**340,584**
Net Sales		**¥1,242,576** **(100%)**	¥1,213,480 (100%)	¥29,096	102%	**$10,996,248**

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.