FOR IMMEDIATE RELEASE

May 15, 2018
Toshiba Corporation

Toshiba Announces Consolidated Results for Fiscal Year 2017, to March 31, 2018

TOKYO--Toshiba Corporation (TOKYO: 6502) (hereinafter “Company”) today announced its consolidated results for fiscal year (FY) 2017, to 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 FY2017 (April 2017 – March 2018)

(Yen in billions)

	FY2017	Change from FY2016
Net sales	3,947.6	-96.1
Operating income (loss)	64.1	-17.9
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	82.4	+37.5
Net income (loss) attributable to shareholders of the Company	804.0	+1,769.7

During FY2017 (April 2017-March 2018), the US economy was generally solid, with positive growth in consumption, investment and exports. The Eurozone economy saw moderate growth, primarily in Germany, though growth slowed in the UK. The Chinese economy saw recovery, including increased investment in infrastructure and exports. Other Asian markets also saw a modest recovery. There was a modest rise in energy prices.

The Japanese economy continued to see a modest recovery, with an uptick in consumer spending and a moderate rise in capital investment. Export levels continued to show a gradual increase.

In FY2018 (April 2018-March 2019), the overall global economy is expected to see favorable growth, as the US economy is expected to continue to expand on the strength of the recent tax reduction, and the Eurozone economy is expected to see moderate growth. China’s economy is expected to see a slight slowdown due to a policy targeting the quality of growth. Forecasts for the Japanese economy indicate moderate growth.

In these circumstances, the Company has implemented various actions in this fiscal year toward mitigating the financial crisis, and to strengthen the base for transforming the Company. Toward enhancing its financial soundness, the Company has entered into a transaction for the Memory business, issued shares through third-party allotments that raised approximately 600.0 billion yen, and settled in full its company guarantee obligations for Westinghouse Electric Company ("Westinghouse") in respect of the extraordinary loss generated by Westinghouse for nuclear-power-plant-project related costs, and also closed the sale of Westinghouse-related claims to third parties. In reevaluating its portfolio, the Company liquidated its holding in Landis+Gyr and deconsolidated it through an IPO, disposed of the Visual Products business, and implemented other measures to improve profitability and increase asset efficiency. The results of the Memory business have been reclassified as a discontinued operation in the Company's consolidated statements of operations from the third quarter of FY2017, in accordance with U.S. generally accepted accounting principles.

Taking into account the aforementioned items, Toshiba Group's net sales decreased by 96.1 billion yen to 3,947.6 billion yen (US$37,241.5 million). Although the Company recorded higher sales in Storage & Devices Solutions, Energy Systems & Solutions saw lower sales due to the deconsolidation of Landis+Gyr through an IPO, and Infrastructure Systems & Solution saw lower sales.

As a result of minimizing emergency measures, including bonus reductions, the Group recorded consolidated operating income of 64.1 billion yen (US$604.4 million), a decrease of 17.9 billion yen.

Income (loss) from continuing operations, before income taxes and noncontrolling interests, increased by 37.5 billion yen to 82.4 billion yen (US$777.2 million), due to a profit of 66.8 billion yen from the Landis+Gyr IPO.

Income (loss) from discontinued operations, before noncontrolling interests was 696.1 billion yen (US$6,566.7 million), due to the Memory business recording a profit rate of 40%, the surplus from the sale of Westinghouse-related claims to third parties, and the effect of a significant tax reduction, as the Westinghouse-related claims and investments in shares were recognized as a loss.

Net income (loss) attributable to shareholders of the Company increased by 1,769.7 billion yen to 804.0 billion yen (US$7,585.0 million).

Consolidated Results for FY2017, by Segment

(Yen in billions)

	Net sales			Operating income (loss)	
		Change*			Change*
Energy Systems & Solutions	844.7	-130.2	-13%	-14.8	+26.9
Infrastructure Systems & Solutions	1,246.8	-15.6	-1%	48.0	-10.4
Retail & Printing Solutions	522.8	+15.1	+3%	27.0	+10.7
Storage & Electronic Devices Solutions	879.6	+42.5	+5%	47.3	-10.3
Industrial ICT Solutions	258.9	+19.3	+8%	1.3	-5.8
Others	525.6	-10.0	-2%	-48.6	-31.5
Eliminations	-330.8	-17.2	-	3.9	+2.5
Total	3,947.6	-96.1	-2%	64.1	-17.9

(*Change from the year-earlier period)

Energy Systems & Solutions: Lower Sales and Improved Operating Income (Loss)
The Energy Systems & Solutions segment saw lower sales. Although Thermal & Hydro Power Systems recorded higher sales, Nuclear Power Systems, Transmission & Distribution Systems recorded lower sales, and Landis+Gyr was deconsolidated.

The segment as a whole saw improved operating income (loss). Although Thermal & Hydro Power Systems, Transmission & Distribution Systems all saw deteriorated operating income (loss), and Landis+Gyr was deconsolidated through an IPO, Nuclear Power Systems recorded an increase.

Infrastructure Systems & Solutions: Lower Sales and Lower Operating Income
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. Industrial Systems saw an increase in operating income, however, Public Infrastructure and Building and Facilities saw lower operating income.

Retail & Printing Solutions: Higher Sales and Higher Operating Income
The Retail & Printing Solutions segment saw higher sales, as both businesses recorded stable performances.

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

Storage & Electronic Devices Solutions: Higher Sales and Lower Operating Income
The Storage & Electronic Devices Solutions segment saw higher sales. Although HDDs saw decreased sales, Devices & Others saw increased sales.

The segment as a whole saw lower operating income, as HDD and Devices & Others both saw lower operating income.

Industrial ICT Solutions: Higher Sales and Lower Operating Income
The Industrial ICT Solutions segment saw increased sales, on positive results in the license business for the government sector, systems for manufacturing, and the IoT/ AI business.

The segment as a whole saw lower operating income, due to the impact from some domestic information system projects, and the implementation of structural reform in the unified communications systems business.

Others: Lower Sales and Deteriorated Operating Income (Loss)

Notes:
Toshiba Group's 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, Westinghouse Group (*) and Memory 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 (loss) attributable to shareholders of the Company 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.

Performance Forecast for FY2018 and Explanation on Future Estimate Information

The consolidated forecast for FY2018 is shown below.

(Yen in billions)

	FY2018 Forecast
Net sales	3,600.0
Operating income (loss)	70.0
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	90.0
Net income (loss) attributable to shareholders of the Company	1,070.0

* The forecast reclassifies the Memory business as a discontinued operation for the first quarter, and as equity in earnings (losses) of affiliates in the second quarter onwards. This assumption is based for convenience in calculating the consolidated forecast for FY2018, but it does not indicate the timing of the closing of the Memory business transaction.

2. Financial Position of FY2017

i. Assets, Liabilities and Net Assets

- Total assets increased by 188.7 billion yen from the end of March 2017, to 4,458.2 billion yen (US$42,058.6 million).
- The Company recorded equity attributable to shareholders of the Company of 783.1 billion yen (US$7,388.1 million), an increase of 1,336.0 billion yen from the end of March 2017, as a result of a share issue by third-party allotments, and secured net income attributable to shareholders of the Company of 804.0 billion yen (US$7,585.0 million).
- Total interest-bearing debt decreased by 511.6 billion yen from the end of March 2017 to 692.4 billion yen (US$6,532.2 million).
- As a result of the foregoing, the shareholders' equity ratio at the end of March 2018 was 17.6%, a 30.6 point increase from the end of March 2017.
- Free cash flow decreased by 64.5 billion yen to -109.3 billion yen (-US$1,031.6 million).

ii. Trend in main indices

	Mar. End 2015	Mar. End 2016	Mar. End 2017	Mar. End 2018
Shareholders' equity ratio (%)	17.1	6.1	-13.0	17.6
Equity ratio based on market value (%)	33.7	17.1	23.9	45.0
Cash flow to interest-bearing debt ratio (multiples)	4.1	—	9.9	23.4
Interest coverage ratio (multiples)	11.7	—	6.3	1.8

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. Basic dividend policy, dividend for FY2017 and outlook for FY2018

Toshiba, while giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, seeks to achieve continuous increases in its actual dividend payments, in line with a payout ratio in the region of 30%, on a consolidated basis.

The Company recovered from negative shareholders' equity through a share issue by third-party allotments in December 2017 and other measures, for both its consolidated and non-consolidated statements, however, as the distributable amount based on non-consolidated financial statement as of the end of March 2018 stood at -757.8 billion yen, it is not possible to pay a dividend under the terms specified in the Companies Act.

Given the situation, Toshiba has decided, with regret, not to pay a full-year dividend for FY2017.

Moving forward, Toshiba will continue to work to close the Memory business transaction as soon as possible. The Company will work toward early finalization of "Toshiba Next Plan", the overall business plan that aims to transform Toshiba and its business in the four areas of Social Infrastructure, Energy, Electronic Devices and Digital Solutions. The Company will consider appropriate allocations of resources in areas such as investment in growth, structural reform, building a solid financial base, securing strong credit ratings, and, after closing the Memory business transaction, returns to shareholders, including share buybacks.

The Company will announce the dividend for FY2018 as soon as it is determined.

Basic Policy for the Selection of an Accounting Standard

Toshiba Group began preparing consolidated financial statements based on US GAAP before the consolidated financial statement system was introduced into Japan, and has continued to use US GAAP for its financial statements. Toshiba Group plans to voluntarily implement International Financial Reporting Standards (IFRS) for the purpose of strengthening financial governance; however, the timing of this implementation is under consideration.

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 fiscal year 2017 results are valued at 106 yen to the dollar.

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Toshiba Group

Consolidated Financial Statements

For Fiscal Year 2017 (April 1, 2017 to March 31, 2018)

Outline

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

	Years ended March 31				
	2018(A)	2017(B)	(A)-(B)	(A)/(B)	**2018**
Net sales	**¥3,947.6**	¥4,043.7	¥(96.1)	98%	**$37,241.5**
Operating income	**64.1**	82.0	(17.9)	78%	**604.4**
Income from continuing operations, before income taxes and noncontrolling interests	**82.4**	44.9	37.5	183%	**777.2**
Net income (loss) attributable to shareholders of the Company	**804.0**	(965.7)	1,769.7	―	**7,585.0**
Basic earnings (losses) per share attributable to shareholders of the Company	**¥162.89**	¥(228.08)	¥390.97		**$1.54**

Notes:
1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
2) The U.S. dollar is valued at ￥106 throughout this statement for convenience only.

Comparative Consolidated Balance Sheets

(¥ in millions, US$ in thousands)

	Years ended March 31			
	2018(A)	2017(B)	(A)-(B)	**2018**
Assets				
Current assets	**¥3,579,096**	¥2,736,293	¥842,803	**$33,765,057**
Cash and cash equivalents	**500,820**	521,097	(20,277)	**4,724,717**
Notes and accounts receivable, trade	**968,146**	994,894	(26,748)	**9,133,453**
Inventories	**469,767**	500,686	(30,919)	**4,431,764**
Prepaid expenses and other current assets	**343,882**	249,798	94,084	**3,244,170**
Assets of discontinued operations - current	**1,296,481**	469,818	826,663	**12,230,953**
Long-term receivables	**7,862**	15,272	(7,410)	**74,170**
Investments	**237,978**	210,562	27,416	**2,245,075**
Property, plant and equipment	**365,635**	403,733	(38,098)	**3,449,387**
Other assets	**267,640**	450,572	(182,932)	**2,524,905**
Assets of discontinued operations - non current	**-**	453,081	(453,081)	**-**
Total assets	**¥4,458,211**	¥4,269,513	¥188,698	**$42,058,594**
Liabilities and equity				
Current liabilities	**¥2,430,940**	¥2,718,403	¥(287,463)	**$22,933,396**
Short-term borrowings and current portion of long-term debt	**301,558**	685,801	(384,243)	**2,844,887**
Notes and accounts payable, trade	**684,687**	673,679	11,008	**6,459,311**
Other current liabilities	**1,095,087**	1,088,962	6,125	**10,331,009**
Liabilities of discontinued operations - current	**349,608**	269,961	79,647	**3,298,189**
Accrued pension and severance costs	**443,092**	481,833	(38,741)	**4,180,113**
Long-term debt and other liabilities	**573,445**	1,278,658	(705,213)	**5,409,859**
Liabilities of discontinued operations - non current	**-**	66,323	(66,323)	**-**
Equity	**1,010,734**	(275,704)	1,286,438	**9,535,226**
Equity attributable to shareholders of the Company	**783,135**	(552,947)	1,336,082	**7,388,066**
Common stock	**499,999**	200,000	299,999	**4,716,972**
Additional paid-in capital	**357,153**	140,144	217,009	**3,369,368**
Retained earnings	**223,615**	(580,396)	804,011	**2,109,575**
Accumulated other comprehensive loss	**(295,572)**	(310,750)	15,178	**(2,788,415)**
Treasury stock	**(2,060)**	(1,945)	(115)	**(19,434)**
Equity attributable to noncontrolling interests	**227,599**	277,243	(49,644)	**2,147,160**
Total liabilities and equity	**¥4,458,211**	¥4,269,513	¥188,698	**$42,058,594**

Breakdown of accumulated other comprehensive loss				
Unrealized gains on securities	**¥37,147**	¥24,537	¥12,610	**$350,443**
Foreign currency translation adjustments	**(82,514)**	(55,468)	(27,046)	**(778,433)**
Pension liability adjustments	**(248,874)**	(277,002)	28,128	**(2,347,868)**
Unrealized losses on derivative instruments	**(1,331)**	(2,817)	1,486	**(12,557)**
Total interest-bearing debt	**¥692,418**	¥1,203,972	¥(511,554)	**$6,532,245**

Comparative Consolidated Statements of Operations

Fiscal Year ended March 31

(¥ in millions, US$ in thousands)

	Years ended March 31				
	2018(A)	2017(B)	(A)-(B)	(A)/(B)	**2018**
Sales and other income					
Net sales	**¥3,947,596**	¥4,043,736	¥(96,140)	98%	**$37,241,472**
Interest	**6,853**	6,191	662	111%	**64,651**
Dividends	**946**	824	122	115%	**8,925**
Other income	**194,849**	74,680	120,169	261%	**1,838,198**
Costs and expenses					
Cost of sales	**2,986,840**	3,032,110	(45,270)	99%	**28,177,736**
Selling, general and administrative	**896,686**	929,611	(32,925)	96%	**8,459,302**
Interest	**29,364**	18,539	10,825	158%	**277,019**
Other expense	**154,976**	100,226	54,750	155%	**1,462,038**
Income from continuing operations, before income taxes and noncontrolling interests	**82,378**	44,945	37,433	183%	**777,151**
Income taxes	**(61,938)**	57,966	(119,904)	―	**(584,321)**
Income (Loss) from continuing operations, before noncontrolling interests	**144,316**	(13,021)	157,337	―	**1,361,472**
Income (Loss) from discontinued operations, before noncontrolling interests	**696,068**	(1,147,180)	1,843,248	―	**6,566,679**
Net income (loss) before noncontrolling interests	**840,384**	(1,160,201)	2,000,585	―	**7,928,151**
Less:Net income (loss) attributable to noncontrolling interests	**36,373**	(194,538)	230,911	―	**343,142**
Net income (loss) attributable to shareholders of the Company	**¥804,011**	¥(965,663)	¥1,769,674	―	**$7,585,009**

Comparative Consolidated Statements of Comprehensive Income

Fiscal Year ended March 31

(¥ in millions, US$ in thousands)

	Years ended March 31				
	2018(A)	2017(B)	(A)-(B)	(A)/(B)	**2018**
Net income (loss) before noncontrolling interests	**¥840,384**	¥(1,160,201)	¥2,000,585	—	**$7,928,151**
Other comprehensive income (loss), net of tax					
Unrealized gains on securities	**12,928**	974	11,954	—	**121,962**
Foreign currency translation adjustments	**(39,210)**	43,010	(82,220)	—	**(369,906)**
Pension liability adjustments	**29,799**	84,116	(54,317)	35%	**281,123**
Unrealized gains on derivative instruments	**1,512**	2,727	(1,215)	55%	**14,264**
Total other comprehensive income	**5,029**	130,827	(125,798)	4%	**47,443**
Comprehensive income (loss)	**845,413**	(1,029,374)	1,874,787	—	**7,975,594**
Less:Comprehensive income (loss) attributable to noncontrolling interests	**26,224**	(184,789)	211,013	—	**247,396**
Comprehensive income (loss) attributable to shareholders of the Company	**¥819,189**	¥(844,585)	¥1,663,774	—	**$7,728,198**

Comparative Consolidated Statements of Cash Flows

(¥ in millions, US$ in thousands)

	Years ended March 31			
	2018(A)	2017(B)	(A)-(B)	**2018**
Cash flows from operating activities				
Net income (loss) before noncontrolling interests	**¥840,384**	¥(1,160,201)	¥2,000,585	**$7,928,151**
Depreciation and amortization	**118,070**	162,975	(44,905)	**1,113,868**
Equity in (earnings) losses of affiliates, net of dividends	**(8,167)**	2,963	(11,130)	**(77,047)**
(Increase) decrease in notes and accounts receivable, trade	**(74,367)**	17,419	(91,786)	**(701,575)**
(Increase) decrease in inventories	**(30,156)**	31,563	(61,719)	**(284,491)**
Increase (decrease) in notes and accounts payable, trade	**31,256**	(26,594)	57,850	**294,868**
Others	**(835,379)**	1,106,038	(1,941,417)	**(7,880,934)**
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by operating activities	**(798,743)**	1,294,364	(2,093,107)	**(7,535,311)**
Net cash provided by operating activities	**41,641**	134,163	(92,522)	**392,840**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	**28,570**	52,089	(23,519)	**269,528**
Acquisition of property, plant and equipment	**(179,027)**	(158,756)	(20,271)	**(1,688,934)**
Acquisition of intangible assets	**(20,881)**	(21,979)	1,098	**(196,991)**
Purchase of securities	**(16,737)**	(1,265)	(15,472)	**(157,896)**
Increase in investments in affiliates	**(117,214)**	(27,753)	(89,461)	**(1,105,792)**
Others	**154,302**	(21,265)	175,567	**1,455,679**
Net cash used in investing activities	**(150,987)**	(178,929)	27,942	**(1,424,406)**
Cash flows from financing activities				
Proceeds from long-term debt	**2,826**	45,870	(43,044)	**26,660**
Repayment of long-term debt	**(256,333)**	(218,366)	(37,967)	**(2,418,236)**
Decrease in short-term borrowings, net	**(239,271)**	(37,421)	(201,850)	**(2,257,274)**
Dividends paid	**(10,940)**	(12,754)	1,814	**(103,207)**
Proceeds from stock offering	**573,447**	-	573,447	**5,409,877**
Others	**(133,342)**	2,913	(136,255)	**(1,257,943)**
Net cash used in financing activities	**(63,613)**	(219,758)	156,145	**(600,123)**
Effect of exchange rate changes on cash and cash equivalents	**(1,615)**	(3,312)	1,697	**(15,236)**
Net decrease in cash and cash equivalents	**(174,574)**	(267,836)	93,262	**(1,646,925)**
Cash and cash equivalents at beginning of the year	**707,693**	975,529	(267,836)	**6,676,350**
Cash and cash equivalents at end of the year	**533,119**	707,693	(174,574)	**5,029,425**
Less: Cash and cash equivalents of discontinued operations at end of the year	**32,299**	186,596	(154,297)	**304,708**
Cash and cash equivalents of continuing operations at end of the year	**¥500,820**	¥521,097	¥(20,277)	**$4,724,717**

Notes Relating to Assumptions for the Going Concern

Toshiba Group recorded negative equity, due to an extraordinary loss related to nuclear power plant construction projects by 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. As a result, consolidated equity attributable to shareholders of the Company decreased to -552,947 million yen, with consolidated net assets of -275,704 million yen, as of March 31, 2017. Therefore, taking into consideration of the expenditures which the Company was going to pay as Toshiba's parent company guarantee obligation, substantial doubt about the Company's ability to continue as a going concern existed.

The Company, as approved at its Board of Directors on November 19, 2017, decided to proceed with a financing transaction of a share issue by third-party allotment (the "Financing") to offset the negative impact. The total amount of the newly issued shares was about 600,000 million yen (US$5,660.4 million) (the issued amount per share is 262.8 yen (US$2.48) and the total number of the newly issued shares was 2,283,105,000 shares) and the Financing was successfully closed on December 5, 2017.

The Company reached an agreement with Georgia Power, a wholly-owned subsidiary of Southern Company, in its role as agent for the owners of the project: Georgia Power; Oglethorpe Power Corporation; Municipal Electrical Authority of Georgia; and Dalton Utilities, for the Company to make a payment of US$3,225 million (361.4 billion yen) as the remaining outstanding amount, following an earlier payment of US$455 million (51.2 billion yen) from the maximum limit of US$3,680 million (412.6 billion yen), of the Company's guarantee obligation. The payment was completed on December 14, 2017 with funds gained thorough the Financing. In addition, the Company also entered into an agreement with the two owners of the V.C. Summer project (Units 2 and 3), South Carolina Electric & Gas Company, the principal and wholly-owned subsidiary of SCANA Corporation and Santee Cooper, and subsequently with Citigroup Financial Products Inc. ("Citigroup"), now the holder of the rights to the claim of parent company guarantee payment after purchasing them from the two owners of the project, that determined to pay in full amount of the remaining outstanding balance of the Company's parent company guarantee obligations of which the maximum limit was set at US$2,168 million (244.8 billion yen). On January 12, 2018, the Company made a payment to Citigroup in the amount of US$1,860.5 million (210.2 billion yen). This constituted the outstanding amount of the parent company guarantee obligation reflecting the previously paid amount of US$247.5 million (27.9 billion yen), adjusted to deduct US$60 million (6.7 billion yen) related to the mechanic's lien, a guarantee of payment to builders, contractors and construction firms for their work. As a result, the Company's financing environment was improved by reductions of future expenditures. In addition, by settling the aforementioned obligations to creditors, the Company obtained the right to pursue claims against WEC for the amount paid by the Company. The Company entered into agreements with Nucleus Acquisition LLC ("Nucleus"), consortium controlled by The Baupost Group, L.L.C., to sell the aforementioned claims, and with the Brookfield WEC Holdings LLC to sell WEC related shares. The Company sold these claims on January 23, 2018, and the Company recorded a gain of 241.6 billion yen (US$2,279.2 million) (Net income attributable to shareholders of the Company 166.9 billion yen (US$1,574.5 million)). Furthermore, the Company mitigated 244.5 billion yen (US$2,306.6 million) of the tax impact recognized as a non-qualified company split for tax purpose in the Memory business, resulting in further improvement of the Company's consolidated equity attributable to shareholders of the Company. Consequently the Company resolved its negative equity in consolidated equity attributable to shareholders of the Company as of March 31, 2018. As a result, consolidated equity attributable to shareholders of the Company was 783,135 million yen (US$7,388.1 million), with consolidated net assets of 1,010,734 million yen (US$9,535.2 million), as of March 31, 2018.

The Company entered into an agreement under which it would sell all shares of Toshiba Memory Corporation ("TMC") to K.K. Pangea ("Pangea"), a special purpose acquisition company formed by the consortium led by a Bain Capital Private Equity LP (including its affiliates, Bain Capital) for 2 trillion yen (US$18,867.9 million) on September 28, 2017. With respect to the Company's sale of TMC to Pangea (the "Sale"), SanDisk LLC ("SanDisk"), a subsidiary acquired by Western Digital Corporation, had alleged to International Court of Arbitration that the Company violated the contract between the Company and SanDisk by taking over the shares of the joint ventures with SanDisk to TMC without the agreement of SanDisk when the Company split its Memory business into TMC. SanDisk also had alleged that exercising the Sale was a violation of the agreement. However, the Company entered into a global settlement agreement with Western Digital Corporation to resolve these disputes and all related litigation and arbitration on December 13, 2017. As a result, concerns for the incompletion of the Sale with the mediation of the International Court of Arbitration was resolved. The conditions required for the closing of the sale, such as the necessary acquisition of antitrust approvals in the key jurisdictions, have progressed. Since the certainty of the completion of the Sale has increased, the Company classified TMC, its subsidiaries and affiliates as held for sale assets as of December 31, 2017, and the classification has not changed as of March 31, 2018.

The Company has Commitment lines contracts for 400.0 billion yen (US$3,773.6 million) with the Company's main financial institutions in order to keep sufficient liquidity until the completion of the Sale. The terms of the current contracts are effective until May 31, 2018, and are collateralized by TMC shares. Taking into account the fact that these contracts been renewed several times since April 2017, when the substantial doubt about the Company's ability to continue as a going concern emerged, as well as the expectation that the Company will be in a net cash position with the completion of the Sale, the Company considers it probable that the Company will be able to meet the obligation as these contracts become due.

The deterioration of the Company's financial structure at the end of March 2017, and the downgrading of the Company's credit rating by the rating agencies on December 28, 2016 caused a breach of financial covenants in outstanding syndicated loans of 80,000 million yen (US$754.7 million) lent by the Company's main financial institutions. The total for syndicated loans is recorded as a part of Toshiba Group's short-term and long-term borrowings in the total of 692,418 million yen (US$6,532.2 million) in the consolidated balance sheet as of March 31, 2018. The Company obtained a consent with its financial institutions that these loans will not be called in until June 29, 2018. If these loans are called in, other bonds and certain borrowings might also become callable. The Company will continue to sincerely request the financial institutions to waive the right to call in these loans on and after June 30, 2018.

In addition to the foregoing, the Company operates businesses that require a Special Construction Business License from the Japanese government under Construction Business Act. The Company is required to meet certain financial criteria in order to renew this license. As the expiration date of the license was in December 2017, the Company has taken measures such as absorption-type company splits in which the licensed companies took over the business. As a result, any concerns for the negative impacts on the business derived from the failure to renew the license were eliminated.

By taking the above-referenced actions, material events and conditions that raised substantial doubts about the Company's ability to continue as a going concern have been sufficiently addressed as of May 15, 2018.

Industry Segment Information

Fiscal Year ended March 31

(¥ in millions, US$ in thousands)

		Years ended March 31				
		2018(A)	2017(B)	(A)-(B)	(A)/(B)	**2018**
Net sales (Share of total sales)	Energy Systems & Solutions	**¥844,706** **(20%)**	¥974,913 (22%)	¥(130,207) (-2%)	87%	**$7,968,925**
	Infrastructure Systems & Solutions	**1,246,776** **(29%)**	1,262,412 (29%)	(15,636) (-)	99%	**11,762,038**
	Retail & Printing Solutions	**522,762** **(12%)**	507,694 (12%)	15,068 (-)	103%	**4,931,717**
	Storage & Electronic Devices Solutions	**879,602** **(21%)**	837,136 (19%)	42,466 (2%)	105%	**8,298,132**
	Industrial ICT Solutions	**258,870** **(6%)**	239,618 (5%)	19,252 (1%)	108%	**2,442,170**
	Others	**525,654** **(12%)**	535,507 (13%)	(9,853) (-1%)	98%	**4,958,999**
	Total	**4,278,370** **(100%)**	4,357,280 (100%)	(78,910)	98%	**40,361,981**
	Eliminations	**(330,774)**	(313,544)	(17,230)	―	**(3,120,509)**
	Consolidated	**¥3,947,596**	¥4,043,736	¥(96,140)	98%	**$37,241,472**
Segment operating income (loss)	Energy Systems & Solutions	**¥(14,808)**	¥(41,689)	¥26,881	―	**$(139,698)**
	Infrastructure Systems & Solutions	**48,001**	58,372	(10,371)	82%	**452,840**
	Retail & Printing Solutions	**27,009**	16,321	10,688	165%	**254,802**
	Storage & Electronic Devices Solutions	**47,323**	57,571	(10,248)	82%	**446,443**
	Industrial ICT Solutions	**1,311**	7,067	(5,756)	19%	**12,368**
	Others	**(48,681)**	(17,084)	(31,597)	―	**(459,255)**
	Total	**60,155**	80,558	(20,403)	75%	**567,500**
	Eliminations	**3,915**	1,457	2,458	―	**36,934**
	Consolidated	**¥64,070**	¥82,015	¥(17,945)	78%	**$604,434**

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

Fiscal Year ended March 31

(¥ in millions, US$ in thousands)

		Years ended March 31				
		2018(A)	2017(B)	(A)-(B)	(A)/(B)	**2018**
Japan		**¥2,257,242**	¥2,270,166	¥(12,924)	99%	**$21,294,736**
		(57%)	(56%)	(1%)		
Overseas		**1,690,354**	1,773,570	(83,216)	95%	**15,946,736**
		(43%)	(44%)	(-1%)		
	Asia	**898,420**	843,585	54,835	107%	**8,475,660**
		(23%)	(21%)	(2%)		
	North America	**375,732**	441,672	(65,940)	85%	**3,544,642**
		(10%)	(11%)	(-1%)		
	Europe	**268,139**	316,074	(47,935)	85%	**2,529,613**
		(7%)	(8%)	(-1%)		
	Others	**148,063**	172,239	(24,176)	86%	**1,396,821**
		(3%)	(4%)	(-1%)		
Net Sales		**¥3,947,596**	¥4,043,736	¥(96,140)	98%	**$37,241,472**
		(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.

Toshiba Corporation

Non-Consolidated Financial Statements

For Fiscal Year 2017 (April 1,2017 to March 31,2018)

Outline

(¥ in billions, US$ in millions, except for items marked by asterisk)

	Years ended March 31				
	2018(A)	2017(B)	(A)-(B)	(A)/(B)	**2018**
Net Sales	**¥526.1**	¥2,615.4	¥(2,089.3)	20%	**$4,963.2**
Recurring profit (loss)	**(100.3)**	208.6	(308.9)	-	**(946.2)**
Net income (loss)	**177.6**	(1,092.0)	1,269.6	-	**1,675.3**
Earnings (losses) per share*	**¥35.98**	¥(257.92)	¥293.90		**$0.34**
Full-term dividend*	**¥0.00**	¥0.00	¥0.00		**$0.00**
Year-end dividend*	**¥0.00**	¥0.00	¥0.00		**$0.00**

Notes:The U.S.dollar is valued at ¥106 throughout this statement for convenience only.