

TOSHIBA

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FY2016 Consolidated Business Results

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August 10, 2017

Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group.
- These forward-looking statements are not historical facts, rather they are based on management's assumptions and beliefs in light of the economic, financial and other data currently available.
- Since Toshiba Group promotes business in various market environments in many countries and regions, its activities are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations.
- Toshiba's fiscal year (FY) runs from April 1 to March 31. 1H refers to the first six months (April-September); 2H refers to the latter six months (October-March); 1Q refers to the first quarter (April-June); 2Q refers to the second quarter (July-September); 3Q refers to the third quarter (October-December); and 4Q refers to the fourth quarter (January-March).
- All figures are consolidated totals for the fiscal year 2016, unless otherwise stated.
- Consolidated segment information for prior-period performances has been reclassified to conform with the current classification, unless otherwise stated.
- Westinghouse Group, the Healthcare business, and the Home Appliance business are classified as discontinued operations, in accordance with the Accounting Standards Codification (ASC) 205-20 "Presentation of Financial Statements – Discontinued Operations". The results of Westinghouse Group, the Healthcare business and the Home Appliances business 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 recording the business results of Westinghouse Group, the Healthcare business and the Home Appliances business in income (loss) from continuing operations, before income taxes and noncontrolling interests. Results for the past fiscal years have been revised to reflect this change, unless otherwise stated.
- Starting in FY2016, a part of income (loss) of "Others", previously allocated across all segments, is included in "Others", together with basic R&D expenses previously included in "Corporate and Eliminations." Results for past fiscal years have been revised to reflect this change.

FY2016 Consolidated Business Results Overall

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

	FY2015	FY2016	Difference	Difference against revised outlook on June 23
Net sales	5,154.8	4,870.8	-284.0	0.0
Operating income (loss)	-483.0	270.8	753.8	0.0
%	-9.4%	5.6%	15.0%	0.0%
Income (Loss) before income taxes and noncontrolling interests	-399.4	225.5	624.9	1.1
%	-7.7%	4.6%	12.3%	0.0%
Income (Loss) from continuing operations, before noncontrolling interests	-645.8	119.9	765.7	-0.2
Income (Loss) from discontinued operations, before noncontrolling interests	129.8	-1,280.1	-1,409.9	26.4
Net income (loss)	-460.0	-965.7	-505.7	29.5
%	-8.9%	-19.8%	-10.9%	0.6%
Earnings (Loss) per share attributable to shareholders of the Company	-¥108.64	-¥228.08	-¥119.44	¥6.97
Free cash flows	652.2	-44.8	-697.0	0.0

• Hereinafter, "Net Income (Loss)" refers to Net Income (Loss) attributable to shareholders of the Company

	2016/3E	2017/3E	Difference	Difference against revised outlook on June 23
Equity attributable to shareholders of the Company	328.9	-552.9	-881.8	28.7
Shareholders' equity ratio	6.1%	-13.0%	-19.1%	0.6%
Net assets	672.3	-275.7	-948.0	28.2
Net interest-bearing debt	496.4	496.1	-0.3	0.0
Net debt-to-equity ratio	151%	-	-	-
Exchange rate (US\$) as of the end date of the term	¥113	¥112	-¥1	¥0

• Hereinafter, "the Company" refers to Toshiba Corporation

• Net interest-bearing debt: Interest-bearing debt – cash and deposits

Changes from Previous Revised Outlook on June 23

● Parent company guarantees for Westinghouse Group

- On July 27, 2017, Toshiba and the owners of the project to construct two Westinghouse AP1000 reactors (units 2 & 3) at the V.C. Summer Nuclear Power Station in South Carolina, U.S.A., reached agreement on Toshiba's parent company guarantee for fulfillment of the project. The agreed amount is the maximum that Toshiba announced in its revised outlook issued on June 23. This agreement, along with that reached with the owners of the project to construct two Westinghouse AP1000 reactors (units 3 & 4) at Plant Vogtle in Georgia, U.S.A., eliminates any further risk to Toshiba related to the construction of the reactors.
- The amount of Toshiba's other parent company guarantees for Westinghouse is 28.5 billion yen lower than the provision in loss from discontinued operations made in the revised outlook on June 23, as an agreement on cancellation of part of the guarantees was made at the end of June.

Breakdown of provision for parent company guarantees;

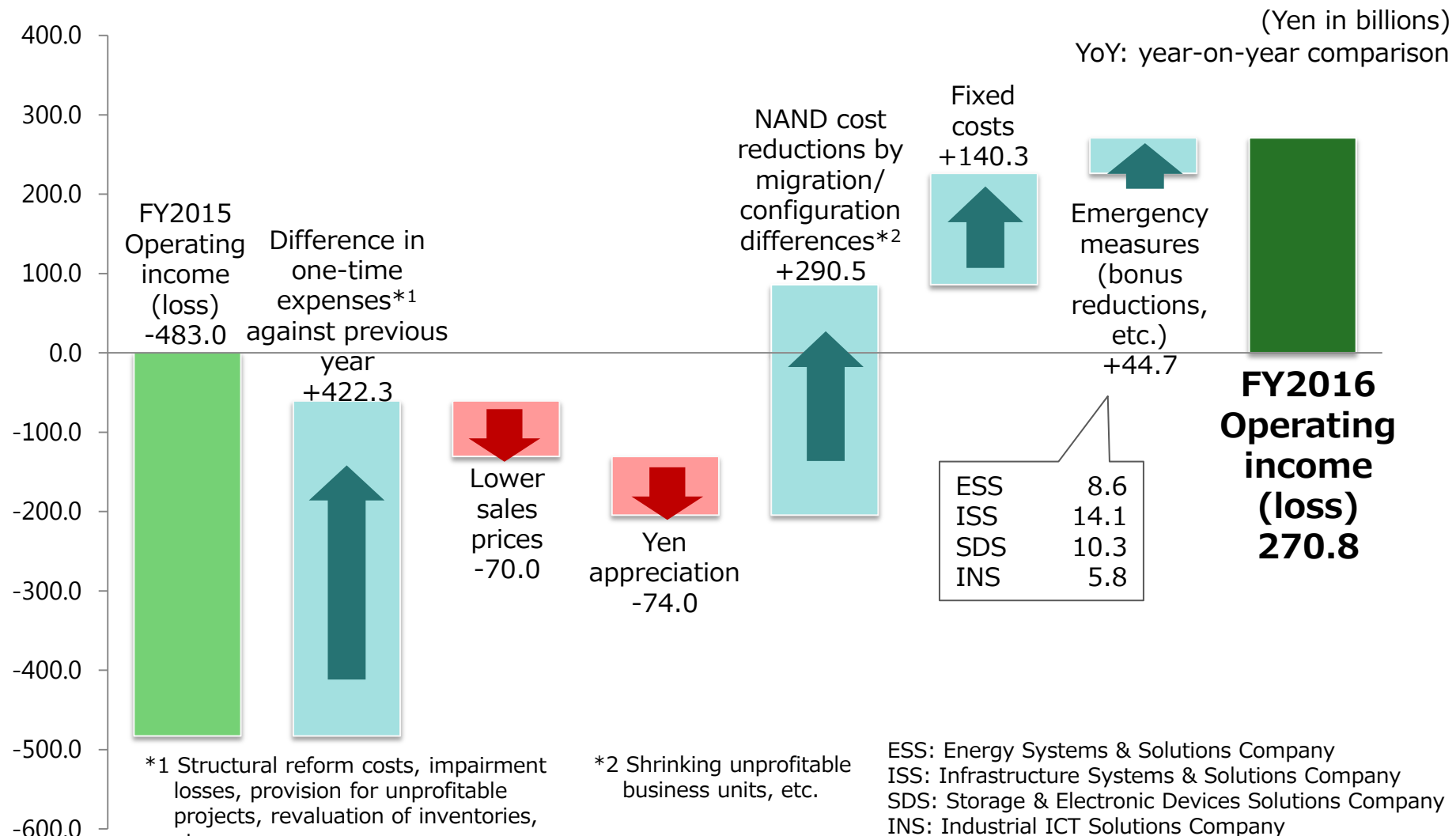
(Yen in billions)	FY2016
Provision for parent company guarantee	-687.7
Plant Vogtle	-412.9
V.C. Summer	-243.2
Others	-31.6



1. Overall Business Results

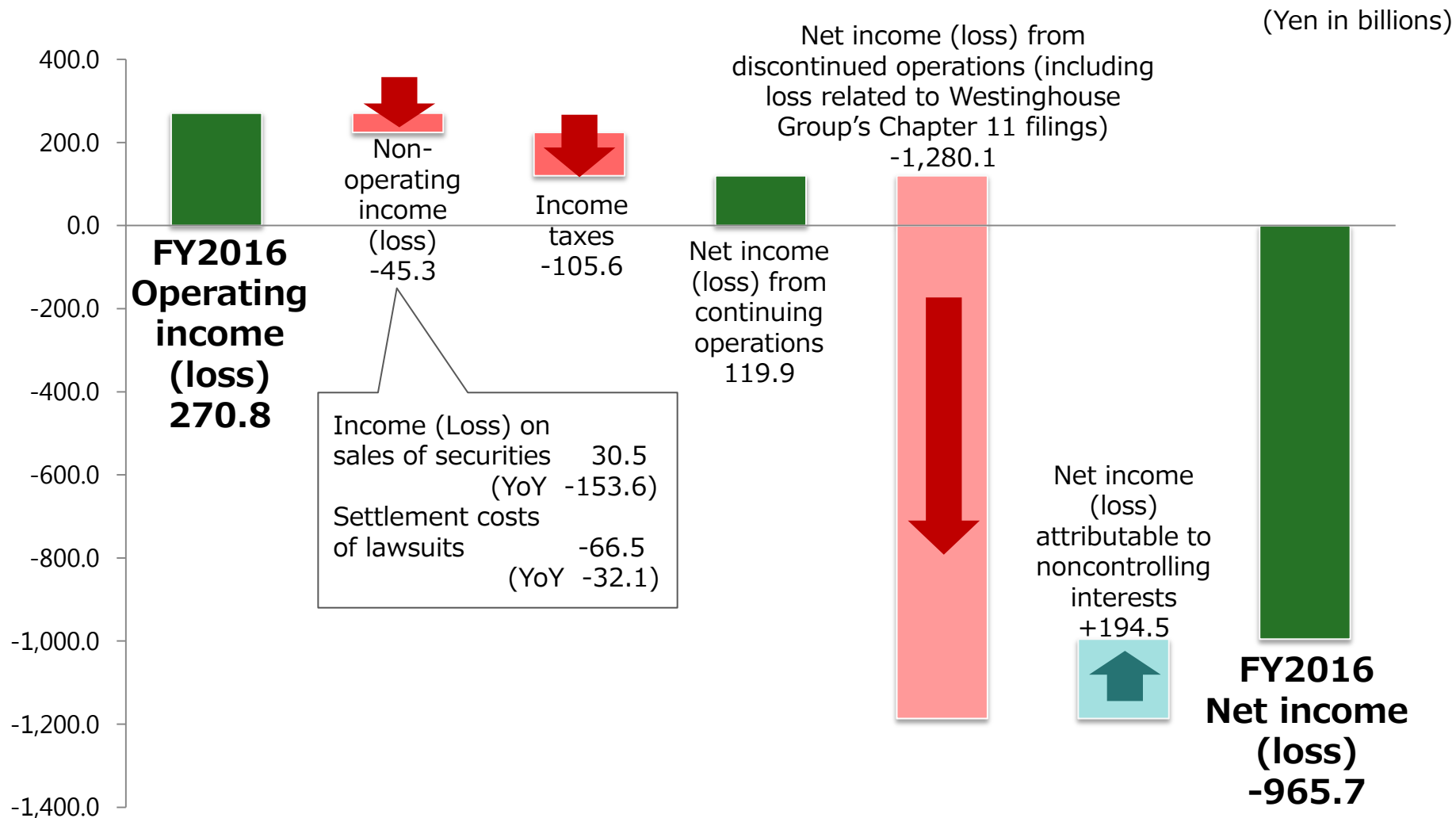
Operating Income (Loss), YoY Analysis

The loss from impairment of goodwill is excluded from operating expenses, as Westinghouse Group is now classified as a discontinued operation
(The loss related to the Chapter 11 filings is recorded in loss from discontinued operations)



Net Income (Loss)

The loss related to Westinghouse Group's Chapter 11 filings is recorded as a loss from discontinued operations



Non-operating Income (Loss) and Expenses

Overall improvement, excluding the impact of income on sales of securities in the previous year

(Yen in billions)

	FY2015	FY2016	Difference
Net financial income (loss)	-9.2	-9.2	0.0
Foreign exchange income (loss)	-17.5	-9.8	7.7
Income (Loss) on sales or disposal of fixed assets	-8.6	13.6	22.2
Income (Loss) on sales of securities	* 184.1	30.5	-153.6
Structural reform costs	-25.7	0.0	25.7
Settlement costs of lawsuits	-34.4	-66.5	-32.1
Others	-5.1	-3.9	1.2
Total	83.6	-45.3	-128.9

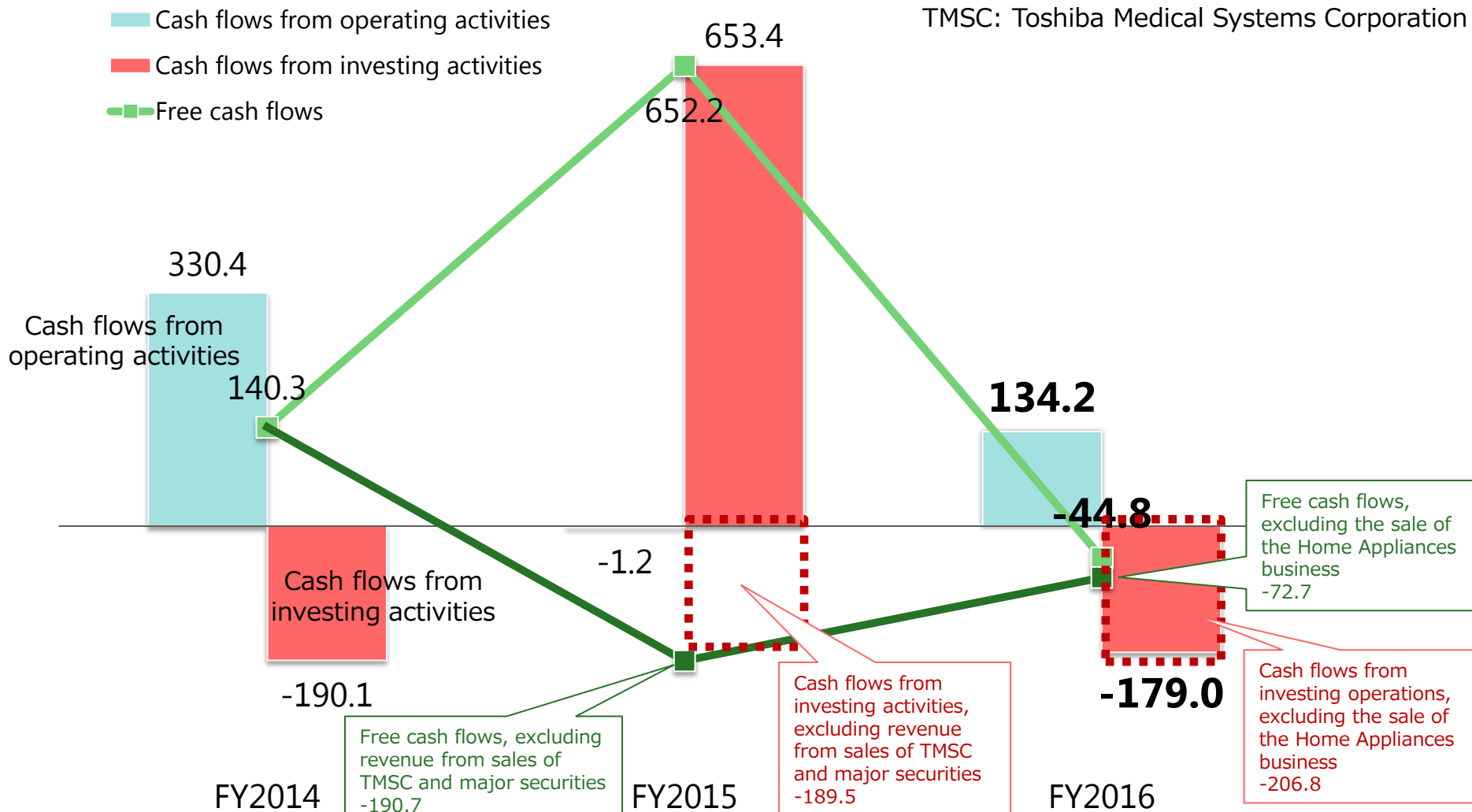
*KONE Corporation (Finland), Topcon Corporation (Japan), NREG Toshiba Building CO., Ltd. (Japan), and others

Free Cash Flows

Notable improvement on higher cash flows from operating activities, excluding revenues from sales of securities in FY2015

(Yen in billions)

TMSC: Toshiba Medical Systems Corporation

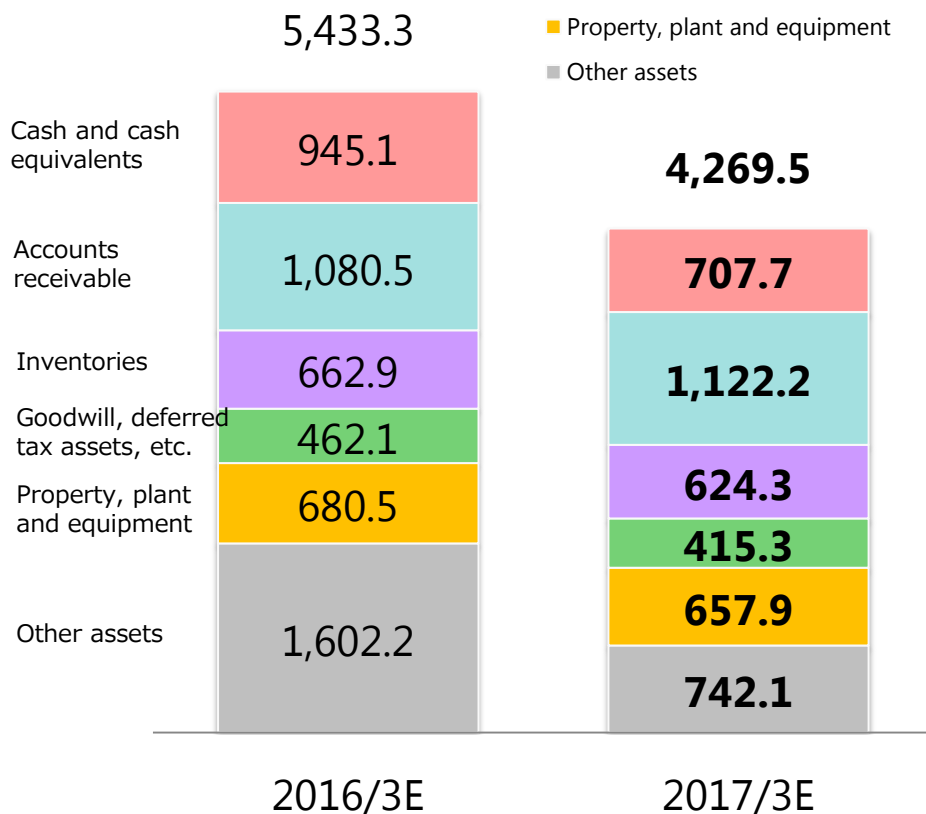


Balance Sheets

Assets decreased with the deconsolidation of Westinghouse Group

Assets

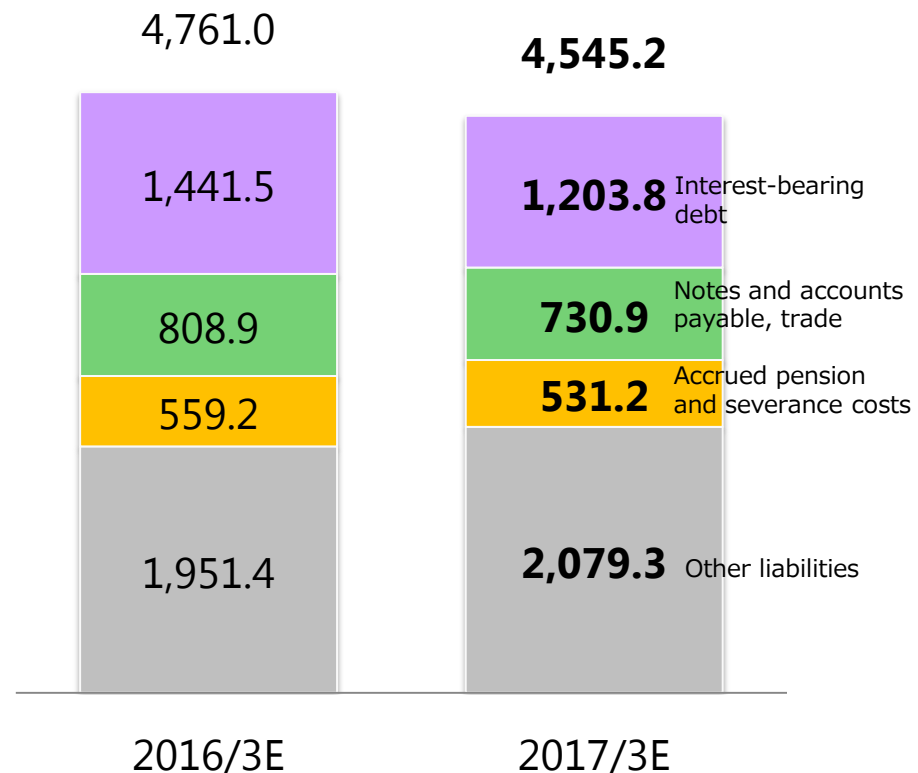
- Cash and cash equivalents
- Accounts receivable
- Inventories
- Goodwill, deferred tax assets, etc.
- Property, plant and equipment
- Other assets



Liabilities

(Yen in billions)

- Interest-bearing debt
- Notes and accounts payable, trade
- Accrued pension and severance costs
- Other liabilities



Goodwill and Fixed Assets

Landis+Gyr showed no sign of impairment in annual STEP 1 impairment test

(Yen in billions)

(Major Balances)	2017/3E Balance		Fixed assets, etc.		Goodwill	
		vs. 2016/3E		vs. 2016/3E		vs. 2016/3E
Nuclear Power Systems	17.8	-0.9	17.8	-0.9	0.0	0.0
Landis+Gyr AG	232.9	-8.0	73.6	-7.4	159.3	-0.6
Transmission & Distribution Systems Solar Photovoltaic Systems	18.8	2.4	18.8	2.4	0.0	0.0
Lighting	6.5	-0.5	6.5	-0.5	0.0	0.0
Memories	242.2	20.5	242.2	20.5	0.0	0.0
Discretets	11.5	2.1	11.5	2.1	0.0	0.0
System LSIs	9.9	2.8	9.9	2.8	0.0	0.0
Storage Products	7.0	-3.6	7.0	-3.6	0.0	0.0
Total	1,058.4	-49.0	831.0	-26.9	227.4	-22.1

*In preparation for its IPO, Landis+Gyr's business was redefined as three segments. This resulted in recognition of an impairment loss of 6.0 billion yen in Landis Gyr's FY2016 results; however, there was no sign of impairment in Toshiba Group's consolidated business results. (Landis+Gyr's IPO was on July 21; Toshiba expects to deconsolidate the company from Toshiba Group in FY2017/2Q)



2. Business Results By Segment

FY2016 Consolidated Business Results By Segment

(Yen in billions)		FY2015	FY2016	Difference (growth rate)		Difference against revised outlook on June 23
Energy Systems & Solutions	Net sales	1,061.3	974.9	-86.4	(-8%)	0.0
	Operating income (loss)	-120.8	-41.7	79.1		0.0
	ROS	-11.4%	-4.3%	7.1%		
Infrastructure Systems & Solutions	Net sales	1,352.9	1,262.4	-90.5	(-7%)	0.0
	Operating income (loss)	-7.4	58.4	65.8		0.0
	ROS	-0.5%	4.6%	5.1%		
Retail & Printing Solutions	Net sales	544.9	507.7	-37.2	(-7%)	0.0
	Operating income (loss)	-84.7	16.3	101.0		0.0
	ROS	-15.5%	3.2%	18.7%		
Storage & Electronic Devices Solutions	Net sales	1,575.9	1,700.2	124.3	(+8%)	0.0
	Operating income (loss)	-100.0	247.0	347.0		0.0
	ROS	-6.3%	14.5%	20.8%		
Industrial ICT Solutions	Net sales	256.8	238.4	-18.4	(-7%)	0.0
	Operating income (loss)	8.7	11.6	2.9		0.0
	ROS	3.4%	4.9%	1.5%		
Others	Net sales	796.0	530.1	-265.9	(-33%)	0.0
	Operating income (loss)	-182.0	-21.7	160.3		0.0
Eliminations	Net sales	-433.0	-342.9	90.1		0.0
	Operating income (loss)	3.2	0.9	-2.3		0.0
Total	Net sales	5,154.8	4,870.8	-284.0	(-6%)	0.0
	Operating income (loss)	-483.0	270.8	753.8		0.0
	ROS	-9.4%	5.6%	15.0%		

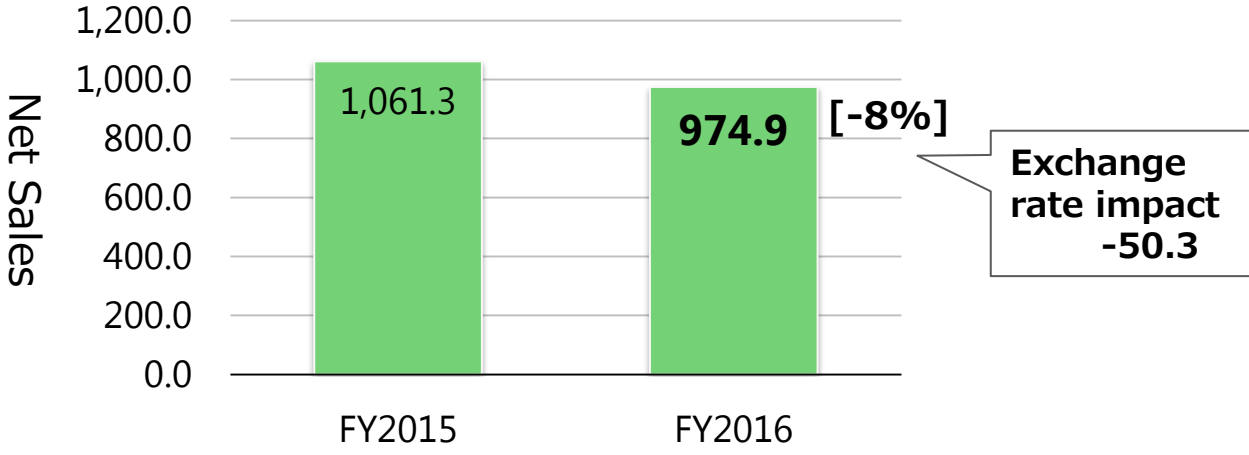
Energy Systems & Solutions Results Breakdown

(Yen in billions)		FY2015	FY2016	Difference	(growth rate)	
Energy Systems & Solutions	Net sales	1,061.3	974.9	-86.4	(-8%)	
	Operating income (loss)	-120.8	-41.7	79.1		
	ROS	-11.4%	-4.3%	7.1%		
Nuclear Power Systems	Net sales	215.1	182.1	-33.0	(-15%)	Net sales decreased on lower orders. Operating income deteriorated on recognition of impairment of NuGen's goodwill and fixed assets.
	Operating income (loss)	8.1	-45.1	-53.2		
	ROS	3.8%	-24.8%	-28.6%		
Thermal & Hydro Power Systems	Net sales	334.2	339.1	4.9	(+1%)	Net sales were maintained at the same level as the previous year. Operating income improved (provisions made for losses and other factors had impacts in FY2015).
	Operating income (loss)	-24.9	3.9	28.8		
	ROS	-7.5%	1.2%	8.7%		
Transmission & Distribution Systems	Net sales	331.3	297.7	-33.6	(-10%)	Lower sales due to deteriorating market conditions in Solar Photovoltaic Systems. Operating income moved into the black on structural reform and reductions in fixed expenses, etc.
	Operating income (loss)	-101.6	2.7	104.3		
	ROS	-30.7%	0.9%	31.6%		
Landis+Gyr (Consolidated)	Net sales	190.0	181.2	-8.8	(-5%)	Despite lower sales due to yen appreciation, operating income improved.
	Operating income (loss)	5.3	7.4	2.1		
	ROS	2.8%	4.1%	1.3%		

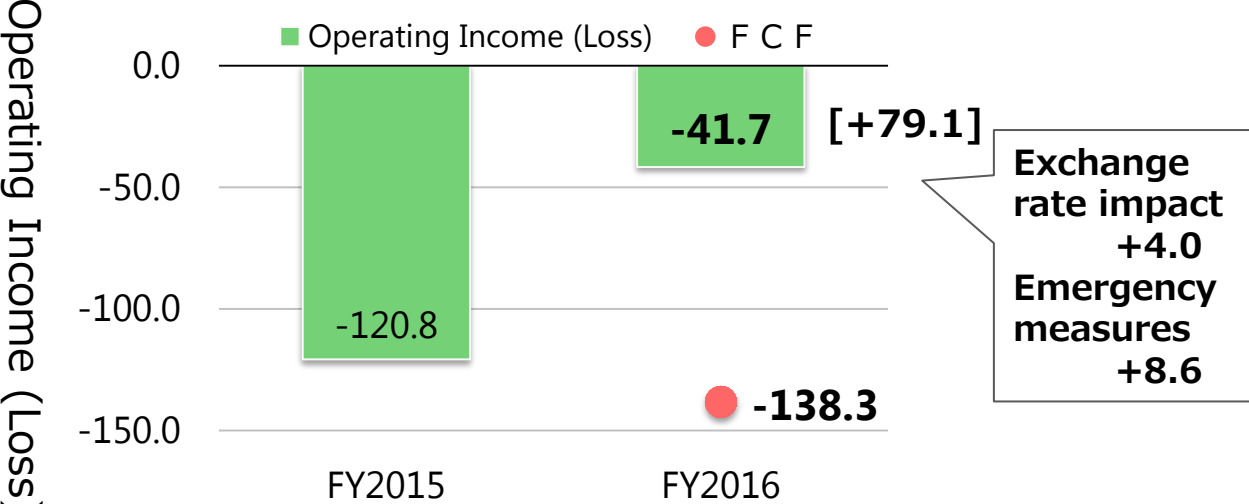
Energy Systems & Solutions

(Yen in billions)

[]=year-on-year comparison



- Thermal & Hydro Power Systems saw increased sales.
- Nuclear Power Systems, Transmission & Distribution Systems and Landis+Gyr saw lower sales.



- Nuclear Power Systems saw a major decline.
- Thermal & Hydro Power Systems, Transmission & Distribution Systems and Landis+Gyr saw increases.

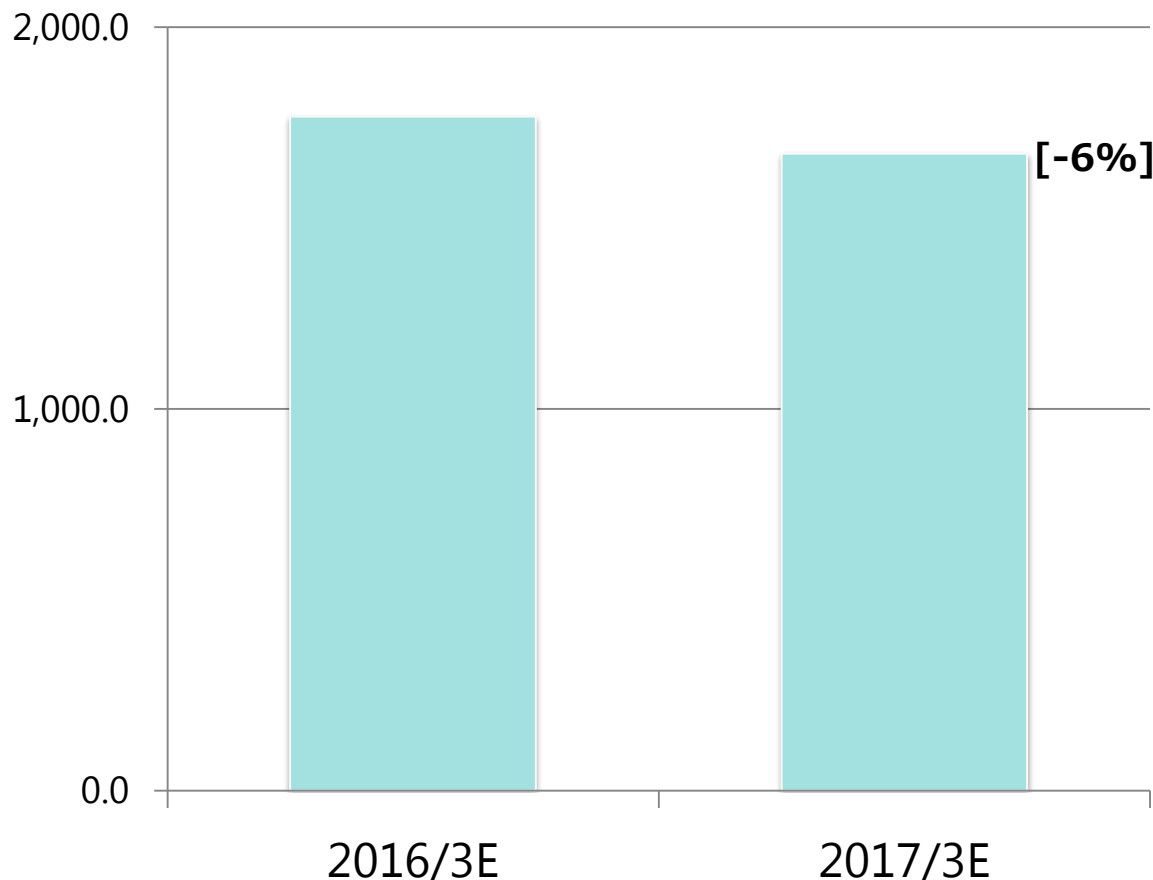
※FCF (free cash flows) by segment is an index for in-house management only, and treatment of effects of exchange rate changes, etc., is different from free cash flows in the Consolidated Statements of Cash Flows.

Energy Systems & Solutions Order Backlog

(Yen in billions)

[]=year-on-year comparison

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



- Nuclear Power Systems received orders related to plant restarts and the backlog slightly decreased.
- The Thermal & Hydro Power Systems' backlog decreased, mainly as a result of yen appreciation.
- The Transmission & Distribution Systems' backlog decreased on lower orders outside Japan.

* Figures for Westinghouse Group have been excluded

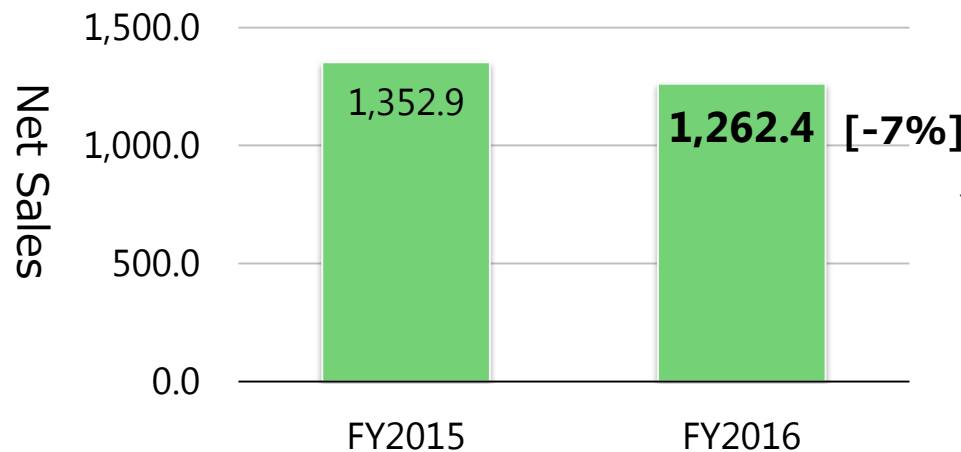
Infrastructure Systems & Solutions Results Breakdown

(Yen in billions)		FY2015	FY2016	Difference (growth rate)	
Infrastructure Systems & Solutions	Net sales	1,352.9	1,262.4	-90.5	(-7%)
	Operating income (loss)	-7.4	58.4	65.8	
	ROS	-0.5%	4.6%	5.1%	
Public Infrastructure	Net sales	374.6	365.6	-9.0	(-2%)
	Operating income (loss)	10.3	24.5	14.2	Lower sales due to lower orders. Higher operating income reflected emergency measures and an improved gross profit margin.
	ROS	2.7%	6.7%	4.0%	
Building and Facilities	Net sales	686.8	626.9	-59.9	
	Operating income (loss)	-2.7	29.6	32.3	Lower sales on yen appreciation and lower orders. Higher operating income reflected emergency measures and an improved gross profit margin.
	ROS	-0.4%	4.7%	5.1%	
Industrial Systems	Net sales	343.7	309.9	-33.8	
	Operating income (loss)	-15.0	4.3	19.3	Lower sales due to yen appreciation and lower orders. Higher operating income reflected emergency measures, etc.
	ROS	-4.4%	1.4%	5.8%	

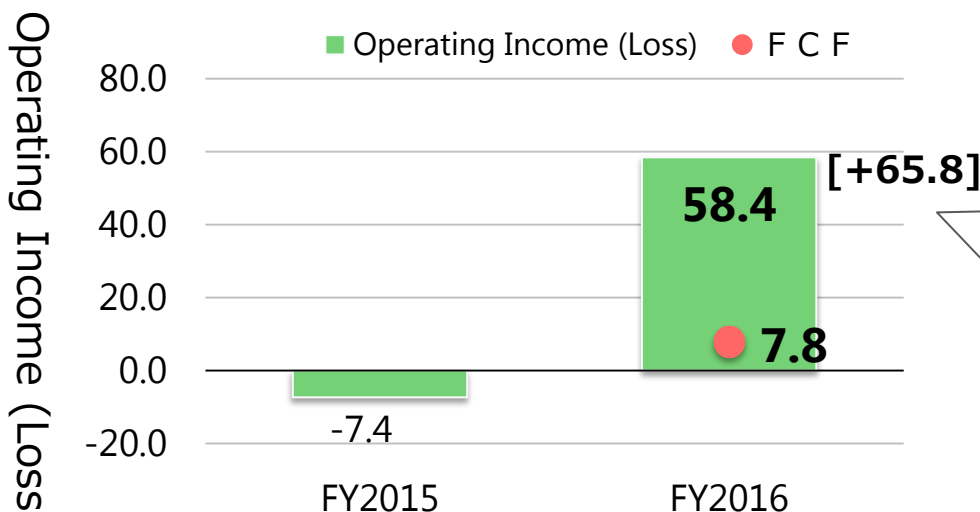
Infrastructure Systems & Solutions

(Yen in billions)

[]=year-on-year comparison



- All businesses saw lower sales.



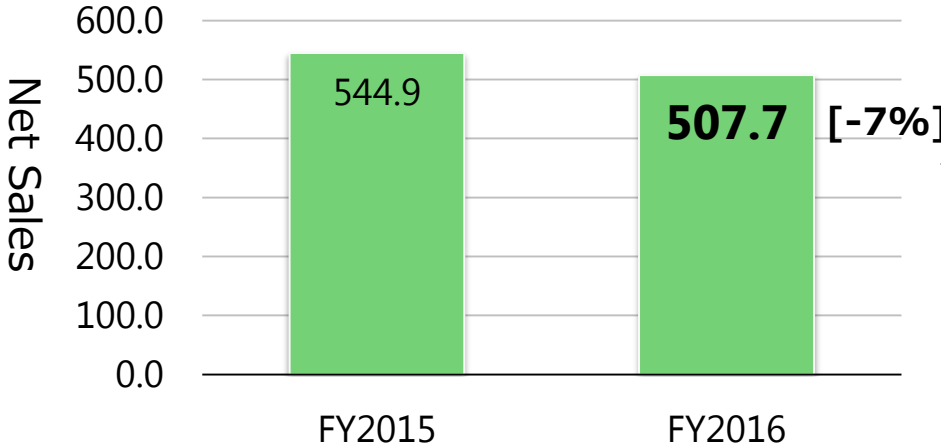
- All businesses saw higher operating income.

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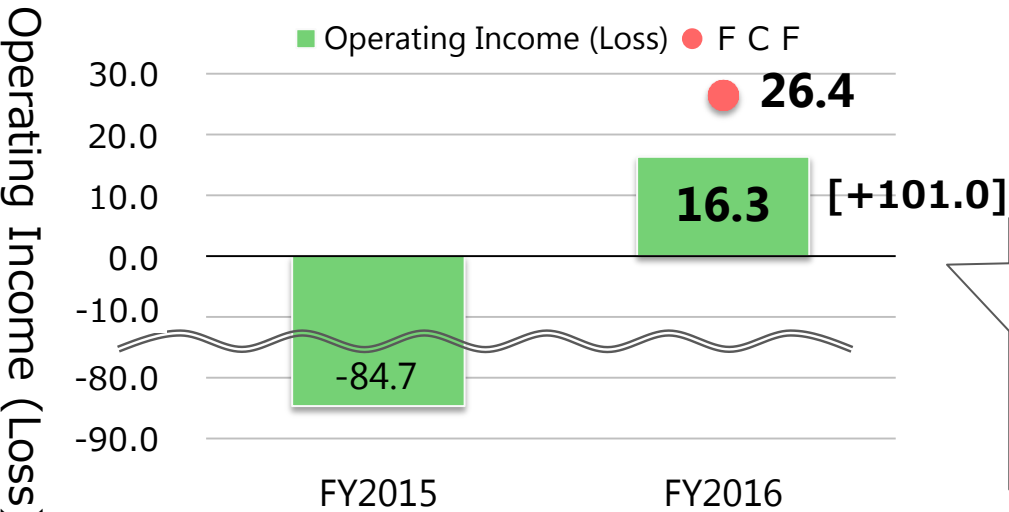
Retail & Printing Solutions

(Yen in billions)

[]=year-on-year comparison



- Lower sales due to yen appreciation, though the Retail business recorded a positive performance.



- The Retail business recorded a surplus on improved profitability (there was an impairment loss in overseas business in the previous year).

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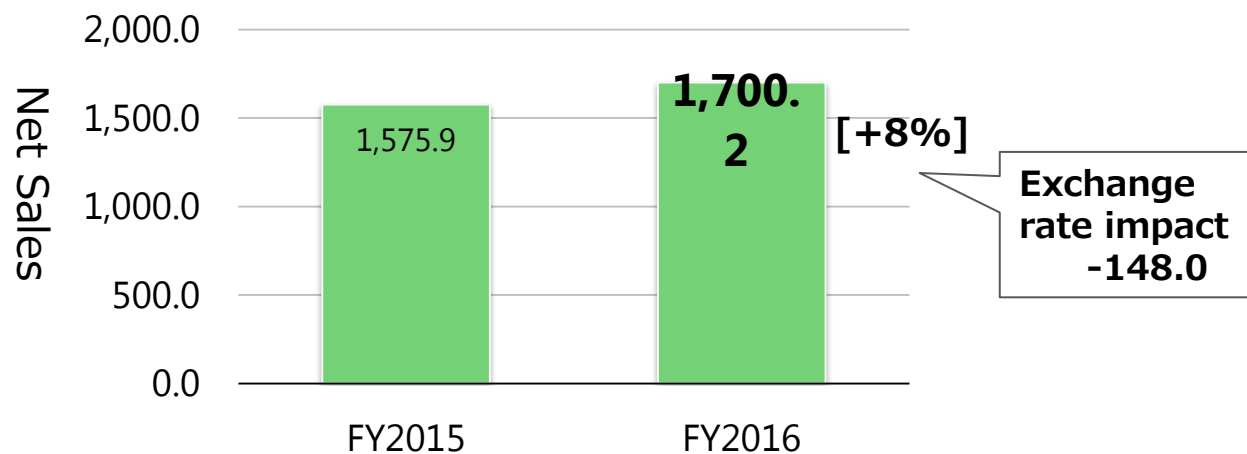
Storage & Electronic Devices Solutions Results Breakdown

(Yen in billions)			FY2015	FY2016	Difference (growth rate)		
Storage & Electronic Devices Solutions		Net sales	1,575.9	1,700.2	124.3	(+8%)	
		Operating income (loss)	-100.0	247.0	347.0		
		ROS	-6.3%	14.5%	20.8%		
Storage	Memories	Net sales	845.6	897.2	51.6	(+6%)	Higher sales and higher operating income due to stable prices on strong demand for SSD and smart phones. Both net sales and operating income were higher than the previous year.
		Operating income (loss)	110.0	186.6	76.6		
		ROS	13.0%	20.8%	7.8%		
	HDDs	Net sales	385.6	461.3	75.7	(+20%)	Increased market share for PCs and gaming machines and stronger demand for enterprise HDDs resulted in higher sales. Operating income climbed to record a surplus on volume growth.
		Operating income (loss)	-40.2	36.0	76.2		
		ROS	-10.4%	7.8%	18.2%		
Devices & Others		Net sales	344.7	341.7	-3.0	(-1%)	Net sales were at the same level as the previous year as a result of business withdrawal, but operating income improved to record a surplus, due to strengthening of the focus business fields and structural reform.
		Operating income (loss)	-169.8	24.4	194.2		
		ROS	-49.3%	7.1%	56.4%		

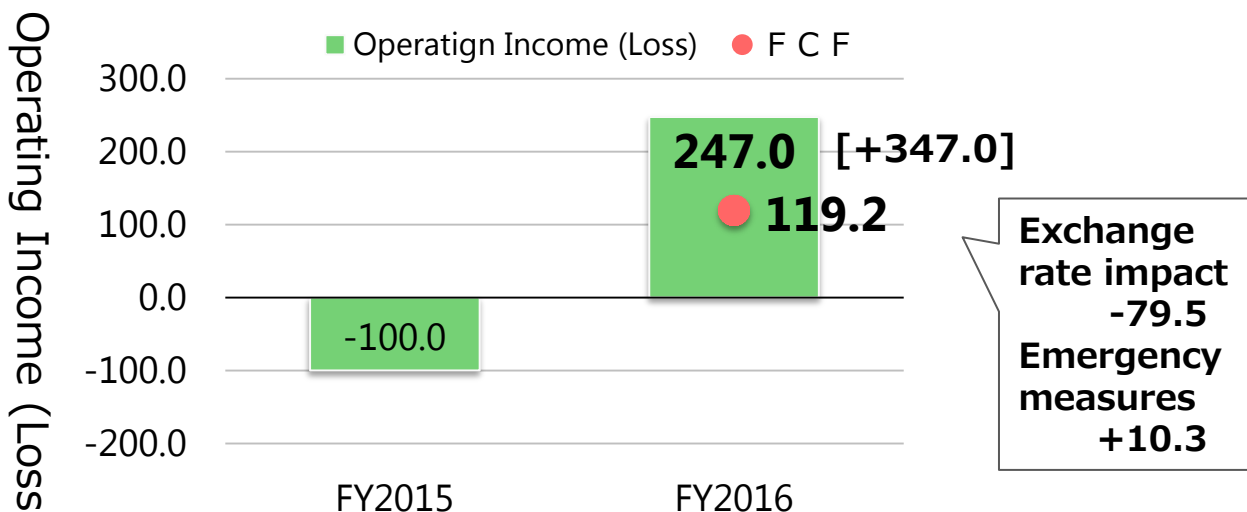
Storage & Electronic Devices Solutions

(Yen in billions)

[] = year-on-year comparison



- All businesses saw higher sales.



- All businesses saw significantly higher operating income.

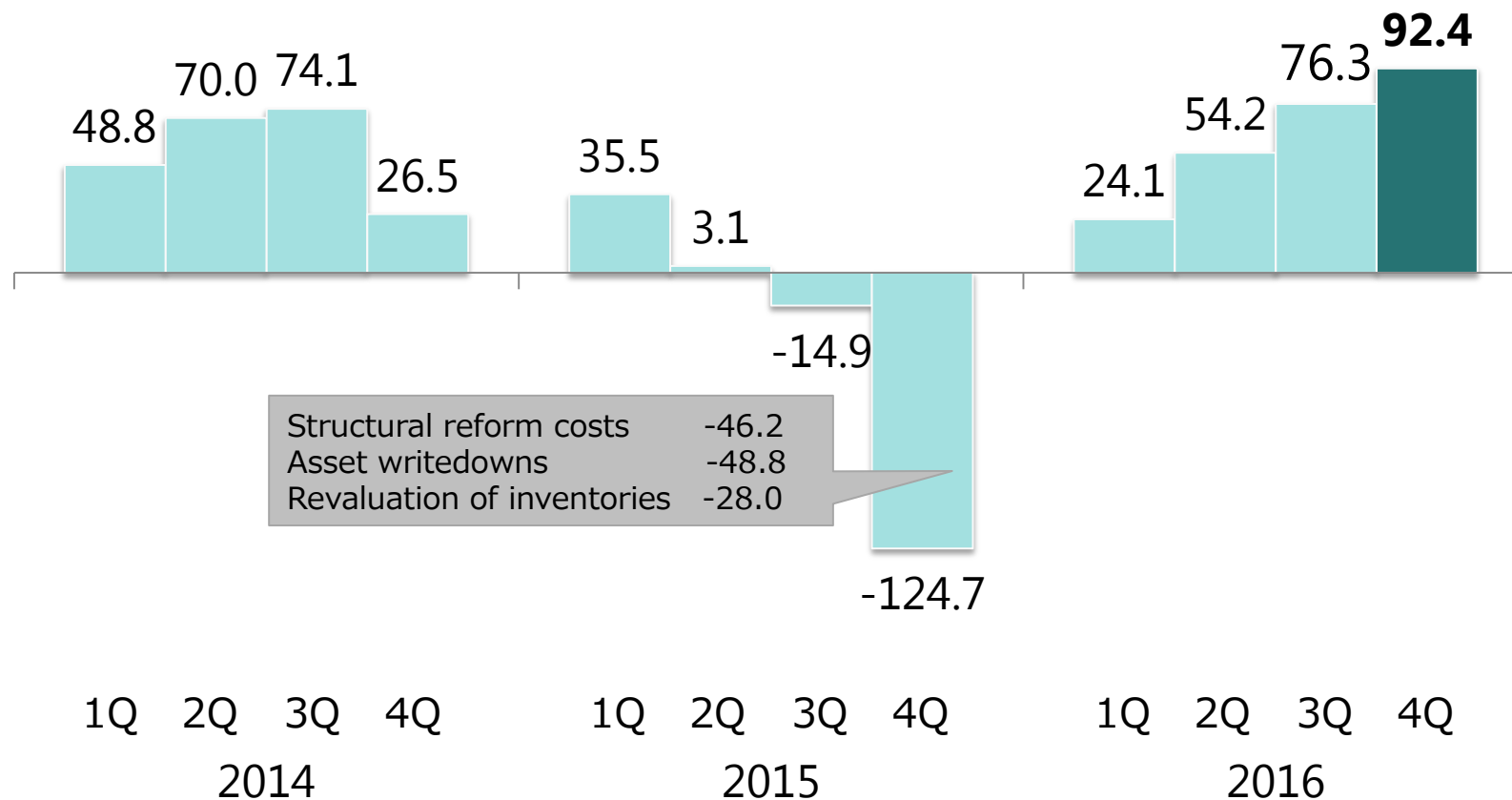
※FCF (free cash flows) by segment is an index for in-house management only, and treatment of effects of exchange rate changes, etc., is different from free cash flows in the Consolidated Statements of Cash Flows.

Storage & Electronic Devices Solutions

Quarterly Trend in Operating Income (Loss)

Compared to FY2016/3Q: Continued to see improved operating income by maintaining a positive performance, most notably in Memories and HDDs

(Yen in billions)

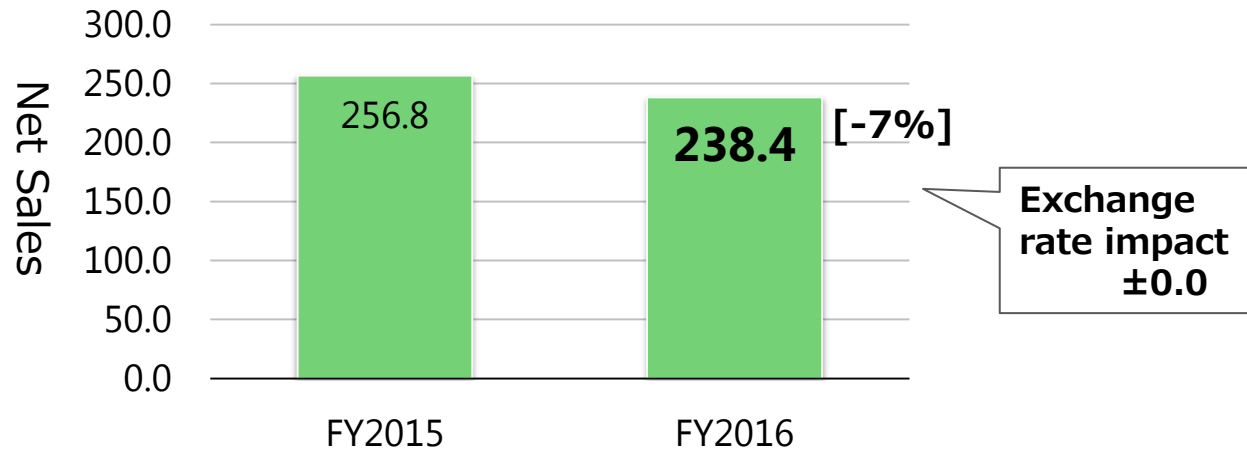


* FY2014 and FY2015 figures are for the Semiconductor & Storage Products Company, the previous organization, and were calculated before the change to segment-based calculation of operating income (loss).

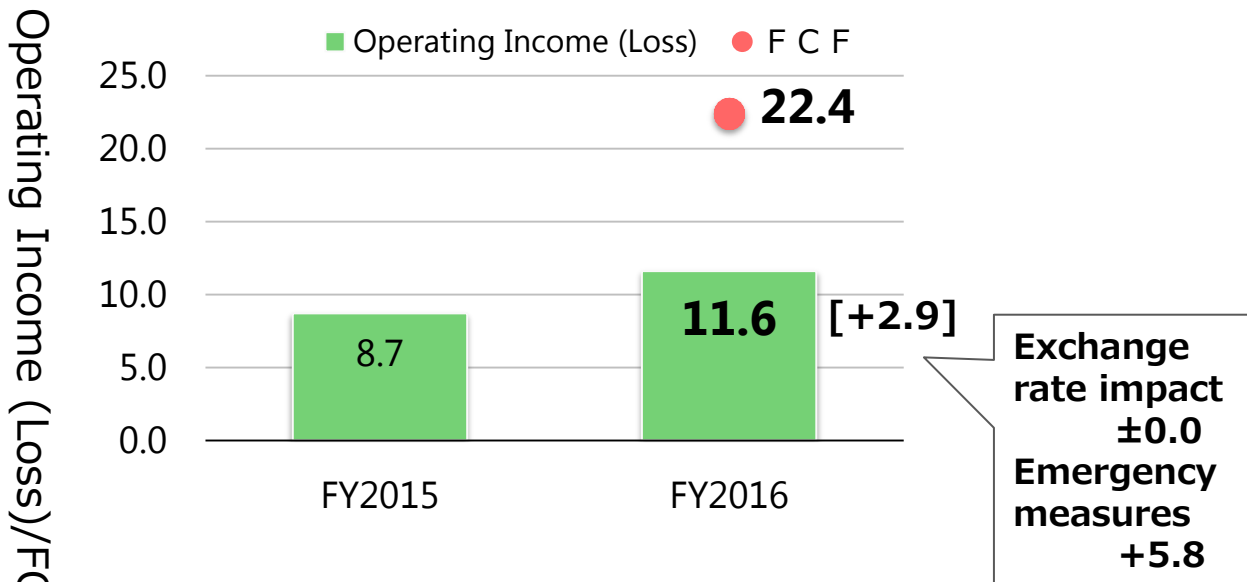
Industrial ICT Solutions

(Yen in billions)

[]=year-on-year comparison



- Lower sales of systems for manufacturing industry.



- Higher operating income, through emergency measures and profitability improvement measures.

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Others

(Yen in billions)		FY2015	FY2016	Difference (growth rate)		
PC	Net sales	443.7	191.8	-251.9	(-57%)	Significantly lower sales due to withdrawal from overseas B2C markets. Operating income improved significantly to a surplus of 3.4 billion yen, excluding structural reform costs.
	Operating income (loss)	-86.8	-0.5	86.3		
	ROS	-19.6%	-0.3%	19.3%		
Visual Products	Net sales	94.7	61.6	-33.1	(-35%)	Reduced sales due to transition to brand licensing in overseas markets. Operating income recorded a surplus, excluding certain factors in the second half of FY2016. Significant improvement throughout the year.
	Operating income (loss)	-48.6	-12.9	35.7		
	ROS	-51.3%	-20.9%	30.4%		



Appendix

Discount Rate of Retirement Benefit Obligations

The discount rate for Japanese pension plans is 0.7%

- The weighted averages of the discount rate used as the premises for calculating retirement benefit obligations as of March 31, 2016 and 2017 are as follows:

	As of March 31, 2016	As of March 31, 2017
Discount Rate	1.1%	0.7%

<u>Discount Rates</u>	<u>FY2015</u>	<u>FY2016</u>
Weighted average for Japanese plans:	0.6%	0.7%
Weighted average for overseas plans:	3.5%	2.1%
Total weighted average:	1.1%	0.7%

* Rates for FY2015 still include Westinghouse Group, the Healthcare business and the Home Appliances business, all discontinued operations.

Breakdown of Westinghouse Loss

(Yen in billions)

	Consolidated (US GAAP)		Non-consolidated (JGAAP)
Impairment loss on goodwill	-731.6	Reservation for loan loss	-123.3
Impairment loss on fixed assets	-114.2	Provision for parent company guarantee	-687.7
Reservation for loan loss	-242.1	Loss from revaluation of investment	-443.4
Provision for parent company guarantee	-687.7	TNEH(US) *2	-250.9
Income related to deconsolidation	*1 462.0	TNEH(UK) *3	-87.8
Others	-80.6	LC COLLATERAL SPV *4	-58.3
		Others	-46.4
Loss from discontinued operation, before income taxes and noncontrolling interests	-1,394.2	Others	-43.8
		Loss related to withdrawal from overseas nuclear power business	-1,298.2

*1 After excluding impairment loss on investment

*2 Toshiba Nuclear Energy Holdings (US) Inc., the holding company for Westinghouse Group operating companies in the U.S.

*3 Toshiba Nuclear Energy Holdings (UK) Limited, the holding company for Westinghouse Group operating companies outside the U.S.

*4 A U.S. subsidiary established to provide collateral to financial institutions for Westinghouse Group

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