

June 23, 2017
Toshiba Corporation

**Notice on Section Transfer of Toshiba in Tokyo and Nagoya Stock Exchanges
and Entering into Grace Period Pertaining to Delisting**

TOKYO—Toshiba Corporation today announced that the company has received notice from Tokyo Stock Exchange (TSE) and Nagoya Stock Exchange (NSE) that its stock will be transferred from the first to the second section of the exchanges, and also listed as a security in a grace period pertaining to delisting.

This designation was made based on consolidated balance sheet provided from Toshiba to the exchanges, in which shows Toshiba Group's shareholders' equity was negative as of March 31, 2017.

1. Background of Toshiba falling into negative shareholder's equity

As a result of a voluntary petition made under Chapter 11 of the U.S. Bankruptcy Code by Westinghouse Electric Company Group, a former consolidated subsidiary, Toshiba will record -1306.5 billion yen as net income for discontinued operations and -995.2 billion yen as net income attributable to shareholders. As a result, the company's outlook for total equity attributable to shareholders is -581.6 billion yen, with net assets of -303.9 billion yen.

2. Date of Section Transfer and grace period

Transfer from the first to the second section: as of August 1, 2017

Grace period pertaining to delisting: from April 1, 2017 to March 31, 2018

3. Future Outlook

Toshiba is taking measures to secure its financial base, including a third-party investment in its memory business. As announced on June 21, 2017, in "Selection of Preferred Bidder for the Sale of Toshiba Memory Corporation," Toshiba's intention is to reach a mutually satisfactory definitive agreement with the preferred bidder by the date of its annual ordinary general meeting of shareholders, scheduled for June 28, and to close the transaction by the end of March 2018, upon clearance of all the required processes, including competition law approvals in key jurisdictions.

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