

July 28, 2017
Toshiba Corporation

**Toshiba Settles Its Parent Company Guarantee Obligations and Payment Schedule
for U.S. Nuclear Power Plant Construction Projects**

TOKYO — Toshiba Corporation and the owners of a project in South Carolina, U.S for the construction of V.C. Summer Nuclear Station Units 2 and 3 with Westinghouse AP1000 reactors -- South Carolina Electric & Gas Company (SCE&G), principal subsidiary of SCANA Corporation, and Santee Cooper (“V.C. Summer Owners”) -- have reached an agreement that sets the limit of Toshiba’s guarantee obligations as the former parent company of Westinghouse, at US\$2.168 billion (243.2 billion yen) (“maximum limit”) (the Agreement). The Agreement, which was signed in the U.S. on July 27, 2017, also specifies that payments are to be made in installments during the period from October 2017 to September 2022.

Separately, as announced on June 10, 2017 in “Toshiba and Vogtle Owners Reach Agreement on Nuclear Power Plant Construction Project in Georgia”, Toshiba and the owners of a project in Georgia, U.S. (“Vogtle Owners”), for the construction of Plant Vogtle Units 3 and 4 with Westinghouse AP1000 reactors, had reached an agreement in the U.S. on June 9, 2017 that sets the limit of Toshiba’s guarantee obligation and establishes the payment schedule.

Both of these amounts have already been incorporated into Toshiba’s outlook for the FY2016 business results announced on June 23, 2017, and there will be no changes for its outlook.

With the Agreement announced today, 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.

The parent company guarantee obligation was agreed by and between Toshiba and the V.C. Summer Owners in 2008, when Westinghouse received an order for the construction of two Westinghouse AP1000 reactors at V.C. Summer. Upon Westinghouse’s Chapter 11 filing, the Agreement announced today was the subject of discussions with the V.C. Summer Owners, which fixed the maximum amount that Toshiba is obliged to bear under the parent company guarantee and the payment schedule for that amount.

The Agreement specifies that the agreed maximum limit shall not be subject to any subsequent increase or to any further claims by V.C. Summer Owners against Toshiba, the same agreement as

that between Toshiba and Vogtle Owners. This limit applies even in the event of future increases in construction costs, allowing Toshiba to cap its obligations under the parent company guarantee. If actual construction costs are less than the specified maximum amount, Toshiba will have the right to receive part of the benefit of the difference. The V.C. Summer Owners have also agreed to cooperate with Toshiba in the Chapter 11 rehabilitation proceedings for Westinghouse and its group companies, and certain proceeds distributed through such proceedings will be allocated to Toshiba's parent company guarantee payment.

Toshiba will record the agreed maximum limit of 243.2 billion yen for V.C. Summer Owners and the agreed maximum amount of 412.9 billion yen for Vogtle Owners, a total of 656.1 billion yen, into the consolidated financial statements for FY2016 as the loss from discontinued operations, before noncontrolling interests.

Toshiba has made a provision of 670 billion yen in its outlook for FY2016 business results announced on May 15, 2017 for its parent company guarantee related to the U.S nuclear power business. In Toshiba's outlook for FY2016 announced on June 23, 2017, Toshiba made provisions of 716.2 billion yen for the overseas nuclear power business, which includes 656.1 billion yen parent company guarantee related to the construction costs of the four U.S. nuclear power reactors based on the best effort estimation of the outcome from negotiations with V.C. Summer Owners.

As a result, Toshiba does not anticipate any change to the outlook for FY2016 business results nor any additional significant negative earnings impact related to Westinghouse beyond FY2017.

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