

June 5, 2018
Toshiba Corporation

FOR IMMEDIATE RELEASE

Notice Regarding Sales of Toshiba's PC Business

TOKYO—Toshiba Corporation (TOKYO: 6502, hereinafter Toshiba) has announced that it will transfer 80.1% of the outstanding shares of Toshiba Client Solutions Co., Ltd (hereinafter TCS), a wholly owned subsidiary in the personal computer business, to Sharp Corporation (hereinafter Sharp).

Toshiba and Sharp today signed a share purchase agreement that anticipates completion of all necessary procedures, including government approvals and the transfer of the stock, by October 1, 2018. After the share transfer is closed, TCS will be deconsolidated from Toshiba Group.

1. Reason for the Transfer

Toshiba transferred its PC business to TCS on April 1, 2016 as part of a wide ranging structural reform. TCS subsequently implemented a series of measures to stabilize the business, including shifting its focus to BtoB business, reviewing personnel and operating sites, and ending ODM procurement, while also investigating various strategic options with third parties. As a result of these considerations, Toshiba has determined that the best way to strengthen TCS, increase its corporate value, and also to secure global competitiveness and continued development of the business, is to select Sharp as its partner. Accordingly, Toshiba has decided to transfer 80.1% of its TCS shares to Sharp.

Following the share transfer, Toshiba will continue to provide brand licensing for PC products and equipment designed, manufactured and sold by TCS. TCS will continue to provide its customers around the world with products and services that reflect their needs.

2. Method of the Sale

(1) Outline of Subsidiary to be transferred

(1) Name	Toshiba Client Solutions Co., Ltd (TCS)
(2) Address	Head Office: 6-15 Toyosu 5-chome, Koto-ku, Tokyo, Japan
(3) Name and Title of Representative	Kiyofumi Kakudo, President & CEO
(4) Business Outline	Development, design, manufacture, sales and support & service of PCs and system solutions products for global market

(5) Capital Stock	2.2 billion yen		
(6) Establishment	September 9, 1954* ¹		
(7) Major Shareholders and Shareholding Ratios	Toshiba Corporation 100%		
(8) Relationship between Toshiba and TCS	Capital	Toshiba's consolidated subsidiary	
	Personnel	Toshiba executives and employees are concurrently assigned as TCS executive officers and Toshiba employees are assigned to TCS.	
	Business	Toshiba and its subsidiaries have business transaction with TCS on material and parts for PCs. Toshiba and its subsidiaries provide TCS with shared services in certain parts of business operation.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)* ²			
Fiscal Years	FY2015 (ending 2016/03)	FY 2016 (ending 2017/03)	FY2017 (ending 2018/03)
Net Assets (Equity)	-	1,864 million yen	-6,329 million yen
Total Assets	-	50,528 million yen	39,889 million yen
BPS	-	773.15 yen	-1,438.38 yen
Sales	-	165,056 million yen	146,681 million yen
Operating Income	-	-1,768 million yen	-8,375 million yen
Recurring Profit	-	-2,155 million yen	-8,662 million yen
Net Income	-	-1,764 million yen	-8,211 million yen
EPS	-	-731.84 yen	-1,866.04yen
Dividend per Share	-	-	-

*¹ TCS was established on April 1 2016 by a company split of Toshiba Group's PC business and its merger with Toshiba Information Equipments Co., Ltd. The company changed its name to Toshiba Client Solutions Co. Ltd. (TCS) on April 1, 2016.

*² Figures for TCS' FY2017 financial condition are for reference; they are unaudited and subject to change.

Today's agreement also covers the transfer to Sharp of certain Toshiba subsidiaries engaged in the PC business. Toshiba Information Equipment (Hangzhou) Co., Ltd. (TIH), Toshiba Client Solutions Canada Ltd. (TCSC) and Toshiba Client Solutions ANZ Pty, Ltd. (TCSAN) shares will be transferred from Toshiba Group companies to TCS. PC-

related operations at Toshiba America Information Systems Inc. (TAIS), Toshiba Europe GmbH (TEG) and Toshiba Singapore Pte., Ltd. (TSP) will be transferred to new subsidiaries that TCS will establish, and all subsidiaries of TCS, including Tama Toshiba Information Equipments Co., Ltd. (TJK), will become Sharp affiliates as a result of the transaction. When these measures are completed, TJK, TIH, TCSC and TCSAN will be deconsolidated from Toshiba. The details will be further discussed and agreed upon by Toshiba and Sharp.

Recent financial conditions of TIH, TEG and TAIS are as follows.

(1) Name	Toshiba Information Equipment (Hangzhou) Co., Ltd.(TIH)		
(2) Address	M12-19-1, Hangzhou Export Processing Zone of Zhejiang, P.R. China		
(3) Name and Title of Representative	Chiharu Fukuda, President		
(4) Business Outline	Development and manufacturing of PC and related equipment		
(5) Capital Stock	34 million USD		
(6) Establishment	June 18, 2002		
(7) Major Shareholders and Shareholding Ratios	Toshiba Corporation 90% Toshiba China Co., Ltd. 10%		
(8) Relationship between Toshiba and TIH	Capital	Toshiba's consolidated subsidiary	
	Personnel	Toshiba and Toshiba group executives and employees are concurrently assigned to TIH as executive officers, and Toshiba employees are assigned to TIH.	
	Business	Toshiba and its subsidiaries have business transactions with TIH in materials and parts for PCs, and PC development and manufacturing is consigned to TIH. Toshiba and its subsidiaries provide TIH with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2015 (ending Dec.,2015)	FY 2016 (ending Dec.,2016)	FY2017 (ending Dec.,2017)
Net Assets (Equity)	57,691 K USD	55,283 K USD	53,283 K USD

Total Assets	174,330 K USD	227,111 K USD	229,044 K USD
BPS	289,920 yen	268,332 yen	250,875 yen
Sales	848,431 K USD	750,884 K USD	808,962 K USD
Operating Income	13,771 K USD	11,415 K USD	9,491 K USD
Recurring Profit	14,209 K USD	11,741 K USD	9,574 K USD
Net Income	10,392 K USD	6,945 K USD	7,577 K USD
EPS	52,408 yen	31,756 yen	35,464 yen
Dividend per Share	66,779 yen	42,764 yen	44,826 yen

(1) Name	Toshiba Europe GmbH (TEG)		
(2) Address	Hammfelddamm 8, 41460 Neuss, Germany		
(3) Name and Title of Representative	Managing Director, Damian Jaume Managing Director, Toshinori Yoshioka		
(4) Business Outline	Sales of PC and others		
(5) Capital Stock	64.3 million EUR		
(6) Establishment	February 28, 1969		
(7) Major Shareholders and Shareholding Ratios	Toshiba Corporation 100%		
(8) Relationship between Toshiba and TEG	Capital	Toshiba's consolidated subsidiary	
	Personnel	Toshiba executives and employees are concurrently assigned to TEG as executive officers	
	Business	Toshiba and its subsidiaries have business transactions with TEG in PCs, system solutions and the infrastructure business. Toshiba subsidiaries provide TEG with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)*3			
Fiscal Years	FY2015 (ending Mar.,2016)	FY 2016 (ending Mar.,2017)	FY2017 (ending Mar.,2018)
Net Assets (Equity)	81,158 K EUR	14,830 K EUR	32,848 K EUR
Total Assets	786,836 K EUR	487,239 K EUR	212,125 K EUR
BPS	161 yen	28 yen	67 yen
Sales	1,026,121 K EUR	345,926 K EUR	475,414 K EUR

Operating Income	-145,973 K EUR	-73,797 K EUR	-103,142 K EUR
Recurring Profit	-132,289 K EUR	-57,869 K EUR	-84,101 K EUR
Net Income	-181,331 K EUR	-66,328 K EUR	-85,789 K EUR
EPS	-375 yen	-123 yen	-176 yen
Dividend per Share	0 yen	0 yen	0 yen

*³ Figures for TEG's FY2017 financial condition are for reference; they are unaudited and subject to change

(1) Name	Toshiba America Information Systems Inc. (TAIS)		
(2) Address	5241 California Avenue, Suite 100, Irvine, CA 92617, U.S.A.		
(3) Name and Title of Representative	President & CEO Mark Simons		
(4) Business Outline	Sales of PCs and others		
(5) Capital Stock	192 USD		
(6) Establishment	March 31, 1989		
(7) Major Shareholders and Shareholding Ratios	Toshiba Corporation 100%		
(8) Relationship between Toshiba and TCS	Capital	Toshiba's consolidated subsidiary	
	Personnel	Toshiba and Toshiba group executives and employees are concurrently assigned to TAIS as executive officers	
	Business	Toshiba and its subsidiaries have business transactions with TAIS in PCs and the system solutions business. Toshiba and its subsidiaries provide TAIS with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)* ⁴			
Fiscal Years	FY2015 (ending Mar.,2016)	FY 2016 (ending Mar.,2017)	FY2017 (ending Mar.,2018)
Net Assets (Equity)	82,361 K USD	77,886 K USD	64,174 K USD
Total Assets	301,813 K USD	253,305 K USD	135,715 K USD
BPS	48,085,168 yen	45,274,769 yen	35,325,728 yen
Sales	1,408,603 K USD	401,218 K USD	210,599 K USD

Operating Income	-56,692 K USD	48,991 K USD	-3,926 K USD
Recurring Profit	-60,826 K USD	52,260 K USD	-4,444 K USD
Net Income	-74,032 K USD	-8,193 K USD	-4,580 K USD
EPS	-46,325,620 yen	-4,615,673 yen	-2,639,194 yen
Dividend per Share	0 yen	0 yen	0 yen

*4 Figures for TAIS's FY2017 financial condition are for reference; they are unaudited and subject to change

The outline of business and recent financial conditions of TJK, TCSC, TCSAN and TSP are as follow*5.

Name of Subsidiary	TJK	TCSC
Business Outline	Sales, repair & maintenance, Telecommunications construction work of PCs, servers and system solutions	Sales of PC and others
Fiscal Term	March, 2018	March, 2018
Currency	Japanese yen, millions	Canadian dollars, thousands
Total Assets	762	27,233
Sales	2,328	55,843
Operating Income (Loss)	9	1,807
Net Income (Loss)	12	1,325

Name of Subsidiary	TCSAN	TSP
Business Outline	Sales of PC and others	Sales of PC and others
Fiscal Term	March, 2018	March, 2018
Currency	Australian dollars, thousands	US dollars, thousands
Total Assets	35,389	32,754
Sales	99,917	68,564
Operating Income (Loss)	3,899	2,783
Net Income (Loss)	2,221	3,885

*5 Figures for these subsidiaries' FY2017 financial condition are for reference; they are

unaudited and subject to change

(2) Outline of Purchaser

(1) Name	Sharp Corporation	
(2) Address	1 Takumi-cho, Sakai-ku, Sakai City, Osaka, Japan	
(3) Name and Title of Representative	J.W. Tai, President & Chief Executive Officer	
(4) Business Outline	Manufacturing and sales of telecommunications equipment, electric and electronic application equipment, and electronic components	
(5) Capital Stock	5 billion yen (as of March 31, 2018)	
(6) Establishment	May, 1935	
(7) Consolidated Net Assets (Equity)	401.7 billion yen (as of March 31, 2018)	
(8) Consolidated Total Assets	1908.6 billion yen (as of March 31, 2018)	
(9) Major Shareholders and Shareholding Ratios	Hon Hai Precision Industry Co., Ltd. 26.14% Foxconn (Far East) Limited 18.41% Foxconn Technology Pte. Ltd. 13.00% SIO International Holdings Limited 7.36% (as of March 31, 2018)	
(10) Relationship between Toshiba and Sharp	Capital	None
	Personnel	One executive officer of Toshiba is concurrently an director of Sharp
	Business	Has business relation in sales and purchase of each other's products
	Status of Related Parties	None

(3) Number of shares held by Toshiba before and after the transfer

(1) Number of shares held before the Transfer	4,400,000 shares (100% of the total share)
(2) Number of shares transferred	3,524,400 shares (80.1% of the total share)
(3) Purchase price	4005 million yen (approximate calculation of 80.1%)*6
(4) Number of shares after the Transfer	875,600 shares (19.9% of the total share)

*⁶ The Purchase price is estimated based on TCS's financial condition dated December 31, 2017. Final Purchase price will be determined based on the financial condition of TCS at the closing, and is subject to adjustment.

Schedules

(1) Board Resolution	June 5, 2018 (today)
(2) Signing of the Share Purchase Agreement	June 5, 2018 (today)
(3) Expected completion of the Transfer	October 1, 2018 (planned)

3. Future Outlook

Toshiba is currently carefully considering the impact on its accounting. However, if the share transfer is completed within FY2018, to March 31, 2019, Toshiba expects to record a loss from the sale of approximately 1.7 billion yen, including related expenses, on an approximate calculated basis (consolidated basis, before tax) in its FY2018 consolidated results. Toshiba did not include the impact of the sale in the FY2018 business results forecast it announced on May 15, 2018, but expects only a slight impact. Toshiba will promptly announce any item that requires disclosure.

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