

Notes

- The information is disclosed at Toshiba Corporation's responsibility and represents its outlook and opinion.
- The disclosed financial figures continue to be audited by the independent accounting auditor, and are subject to amendment.

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Outlook for FY2016 Business Results

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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 first twelve months of fiscal year 2016, unless otherwise stated.
- Prior-period performance on consolidated segment information has been reclassified to conform with the current classification, unless otherwise stated.
- Westinghouse Group and the Healthcare and Home Appliance businesses 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 and the Healthcare and Home Appliances businesses 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 and the Healthcare and Home Appliances 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 in 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.



1. Outlook for FY2016 Business Results

Impact of WEC Group Chapter 11 Filings

- WEC and its group entities have filed for Chapter 11 under the U.S. Bankruptcy Code (Chapter 11), and WEC Group has been deconsolidated from Toshiba Group, starting with FY2016 full-year business results.
- WEC Group is now classified as a discontinued operation, and its net sales, operating income (loss), and income (loss) before income taxes and noncontrolling interests are excluded from those of Toshiba Group in the FY2016 business results.
- The loss related to WEC Group is recorded as a loss from discontinued operations.

(Net income (loss) is not affected by classification of a business as a discontinued operation)

Impact of WEC Group Chapter 11 Filings

	Outlook announced on March 14 (a)	Difference	Outlook announced with FY2016 3Q business results on April 11 (b)	Difference	Before re-classification of WEC to discontinued operation (c)	Amount to be re-classified as discontinued operation (d)	After re-classification of WEC to discontinued operation (e) = (c)-(d)
(Yen in billions)							
Net sales	5,520.0	-30.0	5,490.0	0.0	5,490.0	620.0	4,870.0
Operating income (loss)	-410.0	-90.0	-500.0	-100.0	-600.0	-870.0	270.0
Non-operating income (loss)	-40.0	-590.0	-630.0	110.0	-520.0	-490.0	-30.0
Income (Loss) before income taxes and noncontrolling interests	-450.0	-680.0	-1,130.0	10.0	-1,120.0	-1,360.0	240.0
Income taxes	-120.0	0.0	-120.0	10.0	-110.0	10.0	-120.0
Income (Loss) from discontinued operations	100.0	0.0	100.0	-10.0	90.0	1,350.0	-1,260.0
Net income (loss) attributable to noncontrolling interests	80.0	60.0	140.0	50.0	190.0	0.0	190.0
Net income (loss)	-390.0	-620.0	-1,010.0	60.0	-950.0	0.0	-950.0

Outlook for FY2016 Overall Business Results

(Yen in billions)	FY2015 Actual	FY2016 Outlook	Difference	Difference against outlook on April 11*
Net sales	5,154.8	4,870.0	-284.8	-620.0
Operating income (loss) %	-483.0 -9.4%	270.0 5.5%	753.0 14.9%	770.0 14.6%
Income (Loss) before income taxes and noncontrolling interests %	-399.7 -7.8%	240.0 4.9%	639.7 12.7%	1,370.0 25.5%
Income (Loss) from continuing operations, before noncontrolling interests	-646.1	120.0	766.1	1,370.0
Income (Loss) from discontinued operations, before noncontrolling interests	130.1	-1,260.0	-1,390.1	-1,360.0
Net income (loss) %	-460.0 -8.9%	-950.0 -19.5%	-490.0 -10.6%	60.0 -1.1%
Earnings (Loss) per share attributable to shareholders of the Company	-¥108.64	-¥224.37	-¥115.73	¥14.18
Free cash flow	652.2	-50.0	-702.2	-50.0

*Before reclassification of WEC as a discontinued operation

	2016/3E Actual	2017/3E Outlook	Difference	Difference against outlook on April 11*
Equity attributable to shareholders of the Company	328.9	-540.0	-868.9	80.0
Shareholders' equity ratio	6.1%	-12.6%	-18.7%	2.2%
Net asset	672.3	-260.0	-932.3	80.0
Net interest-bearing debt	496.5	500.0	3.5	10.0
Net debt-to-equity ratio	151%	-	-	-
Exchange rate (US\$) as of the end date of the term	¥113	¥112	-¥1	¥2

Key Points of FY2016

● Net Sales:

Although the Company saw increased sales from Memories and HDDs, a year-on-year (YoY) decrease in net sales is anticipated, due to yen appreciation and restructuring to shrink the scale of the PC and TV businesses. The total impact of yen appreciation is -281.0 billion yen.

➤ Net sales 4,870.0 billion yen (YoY: -284.8 billion yen)

● Income (Loss)

Improved results are expected in all business segments other than Nuclear Power Systems, as a result of recording one-time expenses in the previous fiscal year, such as asset write-downs, restructuring costs and provision for unprofitable projects, plus the effect of emergency measures implemented this year, including bonus reductions. The profitability of the Memory business is expected to improve further, to achieve an ROS of approximately 20%. The total impact of yen appreciation is -74.0 billion yen.

The Company anticipates a YoY net loss deterioration of -490.0 billion yen, due to recording a loss related to WEC's Chapter 11 filings.

➤ Operating income (loss)	270.0 billion yen	(YoY: +753.0 billion yen)
➤ Income (Loss) before income taxes and noncontrolling interests	240.0 billion yen	(YoY: +639.7 billion yen)
➤ Net income (loss)	-950.0 billion yen	(YoY: -490.0 billion yen)

Key Points of FY2016

- **Cash Flows:**

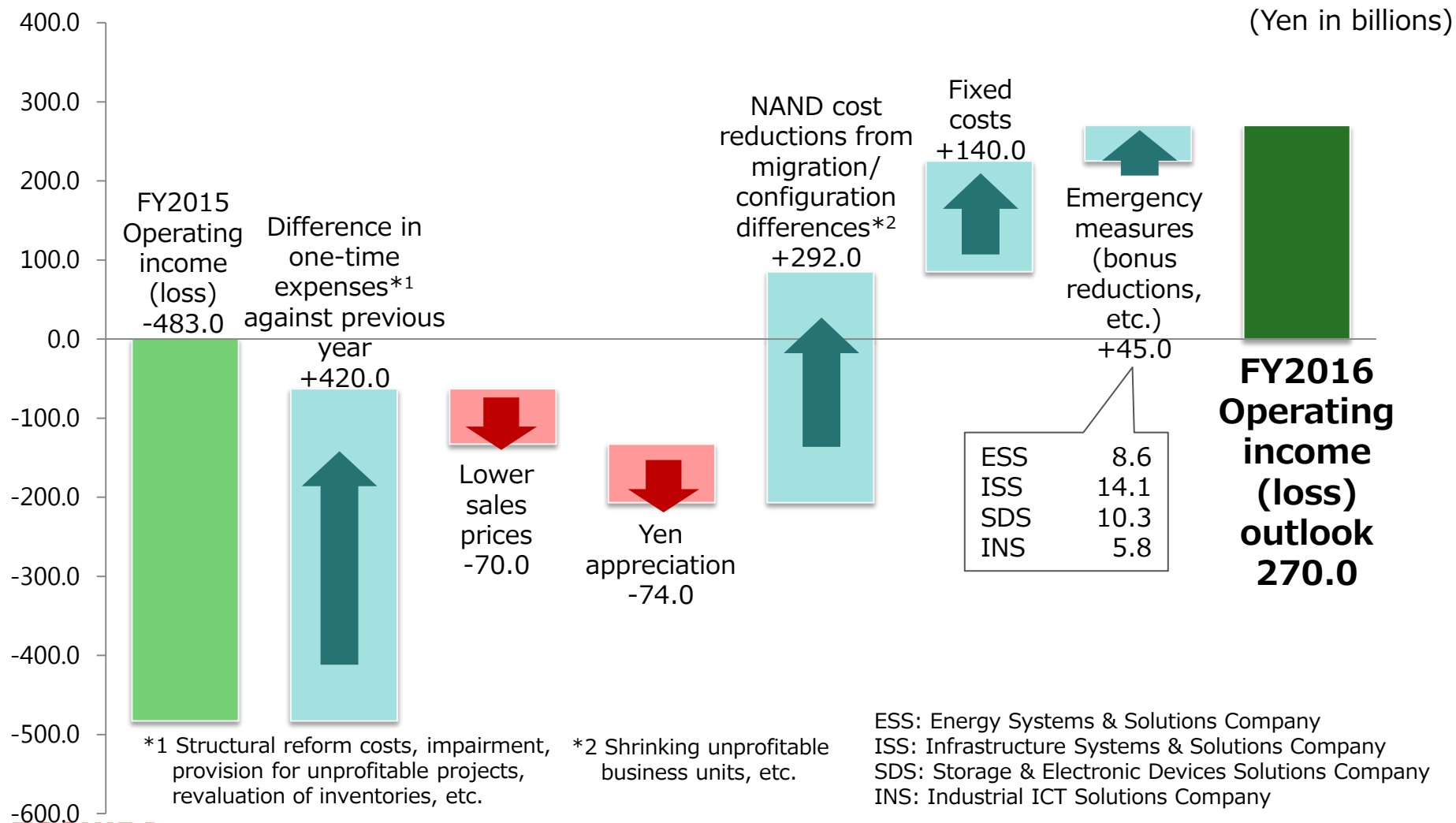
Free cash flows of -50.0 billion yen are expected, 50.0 billion yen lower than indicated in the March 14 announcement, due to the need to secure necessary capital for continuing business operations at WEC, which has experienced a deterioration in its credit worthiness.

- **Financial Structure**

Equity attributable to shareholders is expected to be -540.0 billion yen, due to a net loss of -950.0 billion yen. Net assets of -260.0 billion yen are anticipated, including non-controlling interests.

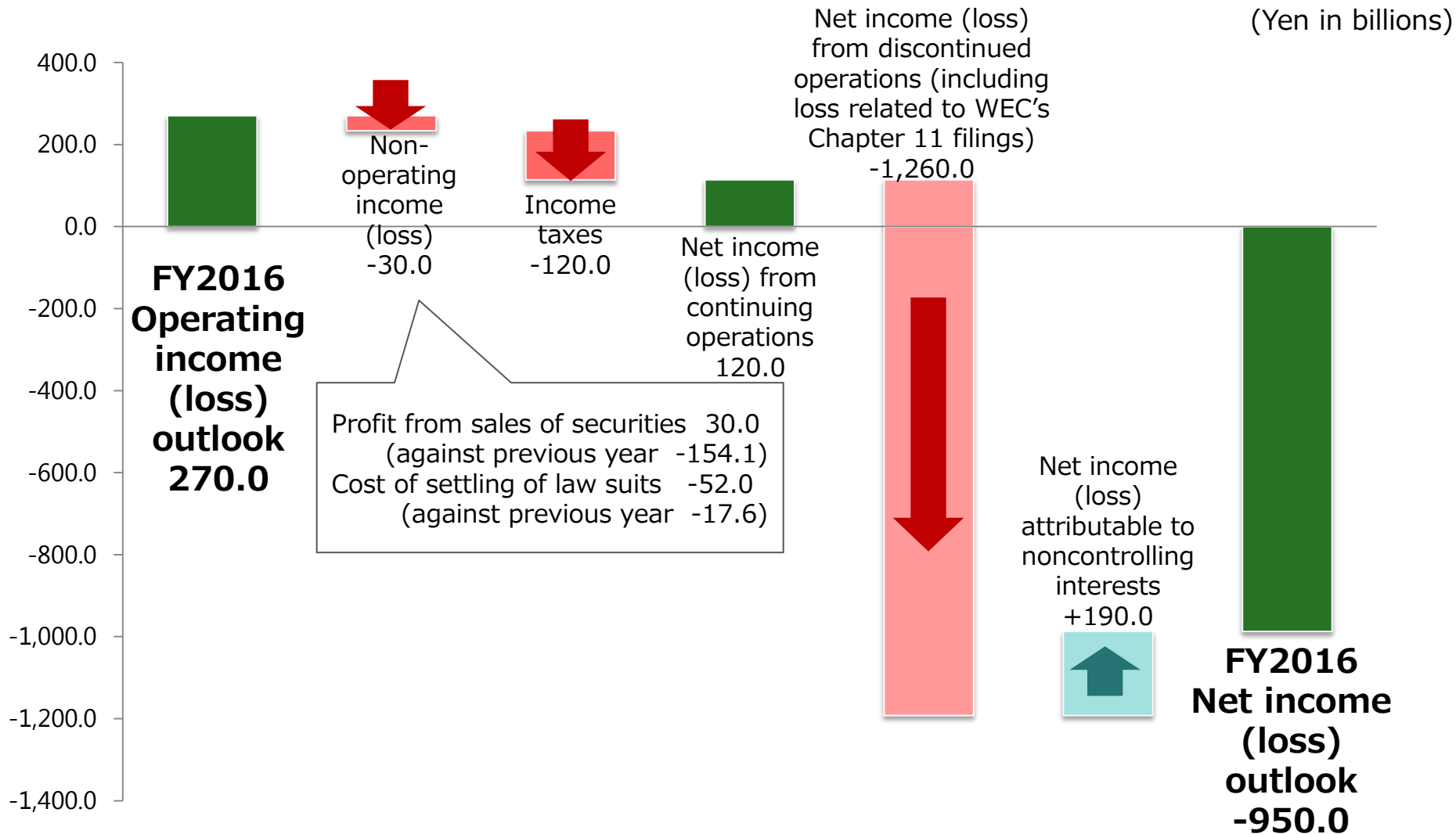
Operating Income (Loss), YoY Analysis

The loss from impairment of goodwill is excluded from operating expenses as WEC Group is 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 WEC's Chapter 11 filings is recorded as a loss from discontinued operations



Outlook for FY2016 Business Results, by Segment

(Yen in billions)		FY2015 Actual	FY2016 Outlook	Difference (growth rate)		Difference against outlook on March 14*
Energy Systems & Solutions	Net sales	1,061.3	980.0	-81.3	(-8%)	-680.0
	Operating income (loss)	-120.8	-36.0	84.8		658.0
	ROS	-11.4%	-3.7%	7.7%		
Infrastructure Systems & Solutions	Net sales	1,352.9	1,260.0	-92.9	(-7%)	-10.0
	Operating income (loss)	-7.4	58.0	65.4		-1.0
	ROS	-0.5%	4.6%	5.1%		
Retail & Printing Solutions	Net sales	544.9	510.0	-34.9	(-6%)	10.0
	Operating income (loss)	-84.7	16.0	100.7		-1.0
	ROS	-15.5%	3.1%	18.6%		
Storage & Electronic Devices Solutions	Net sales	1,575.9	1,700.0	124.1	(+8%)	20.0
	Operating income (loss)	-100.0	247.0	347.0		35.0
	ROS	-6.3%	14.5%	20.8%		
Industrial ICT Solutions	Net sales	256.8	240.0	-16.8	(-7%)	0.0
	Operating income (loss)	8.7	12.0	3.3		-4.0
	ROS	3.4%	5.0%	1.6%		
Others	Net sales	796.0	530.0	-266.0	(-33%)	20.0
	Operating income (loss)	-182.0	-21.0	161.0		-3.0
Eliminations	Net sales	-433.0	-350.0	83.0		-10.0
	Operating income (loss)	3.2	-6.0	-9.2		-4.0
Total	Net sales	5,154.8	4,870.0	-284.8	(-6%)	-650.0
	Operating income (loss)	-483.0	270.0	753.0		680.0
	ROS	-9.4%	5.5%	14.9%		

*Before reclassification of WEC as a discontinued operation



2. Outlook for FY2017

Overall

Before reflecting the impact of third party investment in the Memory business and a strategic decision on Landis+Gyr

(Yen in billions)

	FY2016 Outlook	FY2017 Outlook	Difference	
Net sales	4,870.0	4,700.0	*1	-170.0
Operating income (loss)	270.0	200.0	*2	-70.0
%	5.5%	4.3%		-1.2%
Income (Loss) before income taxes and noncontrolling interests	240.0	110.0		-130.0
%	4.9%	2.3%		-2.6%
Income (Loss) from continuing operations, before noncontrolling interests	120.0	70.0		-50.0
Income (Loss) from discontinued operations, before noncontrolling interests	-1,260.0	0.0		1,260.0
Net income (loss)	-950.0	50.0		1,000.0
%	-19.5%	1.1%		20.6%
Earnings (Loss) per share attributable to shareholders of the Company	-¥224.37	¥11.81		¥236.18
Free cash flow	-50.0	-670.0		-620.0

*1 Impact of yen appreciation: -200.0

*2 Impact of yen appreciation: -70.0

	2017/3E Outlook	2018/3E Outlook	Difference	
Equity attributable to shareholders of the Company	-540.0	-540.0		0.0
Shareholders' equity ratio	-12.6%	-12.9%		-0.3%
Net asset	-260.0	-240.0		20.0
Net interest-bearing debt	500.0	1,180.0		680.0
Net debt-to-equity ratio	-	-		-
Exchange rate (US\$) as of the end date of the term	¥112	¥100		-¥12

Aiming to recover negative shareholders' equity through third-party investment in the Memory business

By Segments

Before reflecting the impact of third party investment in the Memory business and a strategic decision on Landis+Gyr

(Yen in billions)		FY2016 Outlook	FY2017 Outlook	Difference	(growth rate)	FY2017 Rebuilt Toshiba	
Energy Systems & Solutions	Net sales	980.0	980.0	0.0	(+0%)	*1 810.0	*1 Excluding Landis+Gyr
	Operating income (loss)	-36.0	25.0	61.0		*1 15.0	
	ROS	-3.7%	2.6%	6.3%		1.9%	
Infrastructure Systems & Solutions	Net sales	1,260.0	1,220.0	-40.0	(-3%)	1,220.0	
	Operating income (loss)	58.0	37.0	-21.0		37.0	
	ROS	4.6%	3.0%	-1.6%		3.0%	
Retail & Printing Solutions	Net sales	510.0	500.0	-10.0	(-2%)	500.0	
	Operating income (loss)	16.0	17.0	1.0		17.0	
	ROS	3.1%	3.4%	0.3%		3.4%	
Storage & Electronic Devices Solutions	Net sales	1,700.0	1,650.0	-50.0	(-3%)	*2 710.0	*2 Excluding the Memory business
	Operating income (loss)	247.0	173.0	-74.0		*2 33.0	
	ROS	14.5%	10.5%	-4.0%		4.6%	
Industrial ICT Solutions	Net sales	240.0	230.0	-10.0	(-4%)	230.0	
	Operating income (loss)	12.0	7.0	-5.0		7.0	
	ROS	5.0%	3.0%	-2.0%		3.0%	
Others	Net sales	530.0	530.0	0.0	(+0%)	530.0	
	Operating income (loss)	-21.0	-19.0	2.0		-19.0	
Eliminations	Net sales	-350.0	-410.0	-60.0		-350.0	
	Operating income (loss)	-6.0	-40.0	-34.0		-40.0	
Total	Net sales	4,870.0	4,700.0	-170.0	(-3%)	3,650.0	
	Operating income (loss)	270.0	200.0	-70.0		50.0	
	ROS	5.5%	4.3%	-1.2%		1.4%	



Appendix

Details of WEC's Reclassification as a Discontinued Operation

(Yen in billions)	Operating income (loss)	Non-operating income (loss)
FY2016 Goodwill impairment	-716.6	
FY2016 Intangible assets impairment	aapprox. -110.0	
Income (loss) related to deconsolidation*		approx. 1,100.0
Provision for parent guarantee and reservastion for loan loss		approx. -980.0
Investment impairment		approx. -590.0
Total	-870.0	-490.0

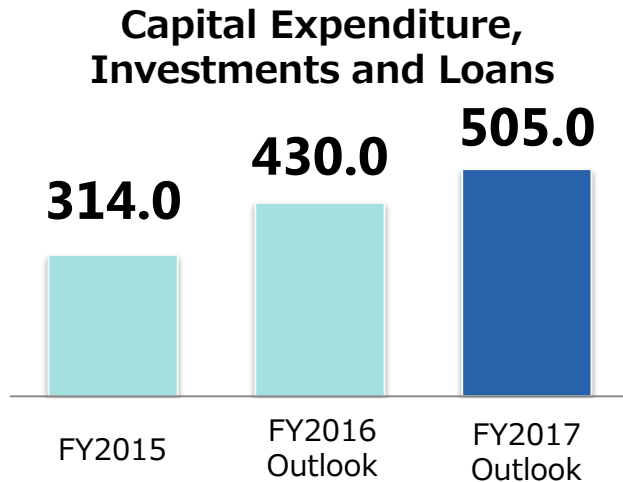
* An accounting process that excludes goodwill impairment for FY2015 and FY2016, intangible assets impairment of FY2016, etc., as a result of deconsolidation

Investment

Capital Expenditure, Investments and Loans, Research and Development Expenditure

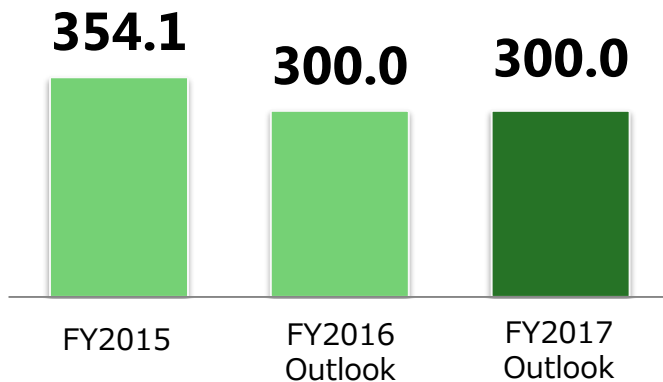
Continue to invest in growing business domains centered on the social infrastructure

(Yen in billions)



- Invest in growing regions and growing business domains centered on social infrastructure
- Continue to invest in the Memory business

Research and Development Expenditure



- Steady investment in R&D that will enhance business profitability (concentrate resources on focus businesses)
- Create new engines for growth
 - Robotics
 - AI, data mining
 - Power electronics (SiC, etc.)
 - SCiB™ rechargeable batteries
 - Superconductivity

Investment Capital Expenditure, Investments and Loans

(Yen in billions)

Capital Expenditure (Commitment basis)	FY2015 Actual	FY2016 Outlook	FY2017 Outlook
Energy Systems & Solutions	18.7	14.0	20.0
Infrastructure Systems & Solutions	33.3	27.0	45.0
Retail & Printing Solutions	9.8	7.0	14.0
Storage & Electronic Devices Solutions	200.8	363.0	330.0
Industrial ICT Solutions	4.1	2.0	3.0
Others	23.4	11.0	13.0
Total	290.1	424.0	425.0
Investments and Loans	23.9	6.0	80.0

※Figures for Capital Expenditure include the Company's capital expenditure in its affiliated companies, such as Flash Forward, Ltd.

Number of Employees

Number of Employees	2016/6E	2016/9E	2016/12E	2017/3E
Energy Systems & Solutions	38,114	38,186	39,029	26,534
Infrastructure Systems & Solutions	45,116	44,717	43,829	43,520
Retail & Printing Solutions	21,539	21,169	21,044	20,777
Storage & Electronic Devices Solutions	29,608	29,340	29,300	29,423
Industrial ICT Solutions	13,553	13,353	13,180	13,069
Others	17,262	16,963	17,141	16,862
Corporate divisions	3,423	3,363	3,369	3,307
Total	168,615	167,091	166,892	153,492

※Number of Employees is the total number of regular employees, plus employees on employment contracts who have worked for the Company for over one year or who are expected to work for the Company for longer than one year.

Exchange Rates

Exchange Rate (Actual)	Average Rate During the Term		Rate at the End of the Term	
	FY2015	FY2016	2016/3E	2017/3E
US\$	¥121	¥109	¥113	¥112
EURO	¥133	¥119	¥128	¥120

Assumed Exchange Rate	FY2017
US\$	¥100
EURO	¥110

FY2017 Exchange Rate Sensitivity (/year·¥)	Net sales	Operating income (loss)	(Yen in billions)
US\$	18.0	6.0	
EURO	1.0	0.5	

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