

June 23, 2017  
Toshiba Corporation

**Notice of Revised Outlook for FY2016 Business Results**

TOKYO—Toshiba Corporation has released a revised outlook for its FY2016 business results.

Toshiba announced its “Outlook for FY2016 Business Results” on May 15, 2017, and the revised one issued today reflects changes since that date.

As detailed in the attachment, as the result of voluntary petition made under Chapter 11 of the U.S. Bankruptcy Code by Westinghouse Electric Company (“WEC”) Group, a former consolidated subsidiary, Toshiba’s outlook for total equity attributable to shareholders is -581.6 billion yen, with net assets of -303.9 billion yen. Toshiba recognizes that its shareholders equity became negative at the end of March, 2017, and its independent auditor concurs with this analysis.

When reading the attached, please be advised that;

- As of the date of the announcement of the attachment, Toshiba’s independent auditor continues its auditing process, including determining when Toshiba recognized losses at WEC Group.
- Figures in the attached are based on currently available information and consultation with the independent auditor. It is possible that they will be modified by the time of the submission of the Securities Report.

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# Notes

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- As of the date of this presentation, Toshiba's independent auditor continues its auditing process, including determining when Toshiba recognized the losses at Westinghouse Group.
- Financial figures in this presentation are based on currently available information and consultation with the independent auditor. It is, however, possible that the figures will be modified by the time of the submission of the Securities Report.

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# Revised Outlook for FY2016 Business Results

**Masayoshi Hirata**

Representative Executive Officer and  
Corporate Executive Vice President

**TOSHIBA CORPORATION**

**June 23, 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 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.

# Revisions from Previous Outlook on May 15

- **Negotiation of Toshiba's parent company guarantee with the owners of the VC Summer Project**

Negotiation on the fulfillment of Toshiba's parent company guarantee is continuing.

A reasonable estimate of the maximum amount of the parent company guarantee, based on the current negotiation, is reflected in the financial figures.

(The maximum amount of parent company guarantee for the Vogtle Plant project was agreed on June 9 in the U.S., and did not differ from the provision made in the outlook announced on May 15)

- **Actions for compensatory damages in relation to the accounting issue**

A provision for a reasonably estimated amount has been recorded for complaints filed since the release of the previous outlook

As Westinghouse Group was deconsolidated from Toshiba group as of March 31, 2017, regardless of the conclusion of the audit procedure pertaining to Westinghouse group, **there is no possibility of major changes in the balance sheet as of March 31, 2017, unless there is a subsequent discovery of currently unknown events that occurred in the reporting period.**

# Overall

Yen in billions	FY2015	FY2016 Revised outlook	Difference	Difference against outlook on May 15
Net sales	5,154.8	<b>4,870.8</b>	-284.0	0.8
Operating income (loss) %	-483.0 -9.4%	<b>270.8</b> <b>5.6%</b>	753.8 15.0%	0.8 0.1%
Income (Loss) before income taxes and noncontrolling interests %	-399.4 -7.7%	<b>224.4</b> <b>4.6%</b>	623.8 12.3%	-15.6 -0.3%
Income (Loss) from continuing operations, before noncontrolling interests	-645.8	<b>120.1</b>	765.9	0.1
Income (Loss) from discontinued operations, before noncontrolling interests	129.8	<b>-1,306.5</b>	-1,436.3	-46.5
Net income (loss) %	-460.0 -8.9%	<b>-995.2</b> <b>-20.4%</b>	-535.2 -11.5%	-45.2 -0.9%
Earnings (Loss) per share attributable to shareholders of the Company	-¥108.64	<b>-¥235.05</b>	-¥126.41	-¥10.68
Free cash flow	652.2	<b>-44.8</b>	-697.0	5.2

	2016/3E	2017/3E Revised outlook	Difference	Difference against outlook on May 15
Equity attributable to shareholders of the Company	328.9	<b>-581.6</b>	-910.5	-41.6
Shareholders' equity ratio	6.1%	<b>-13.6%</b>	-19.7%	-1.0%
Net asset	672.3	<b>-303.9</b>	-976.2	-43.9
Net interest-bearing debt	496.4	<b>496.1</b>	-0.3	-3.9
Net debt-to-equity ratio	151%	-	-	-
Exchange rate (US\$) as of the end date of the term	¥113	<b>¥112</b>	-¥1	¥0

# By Segment

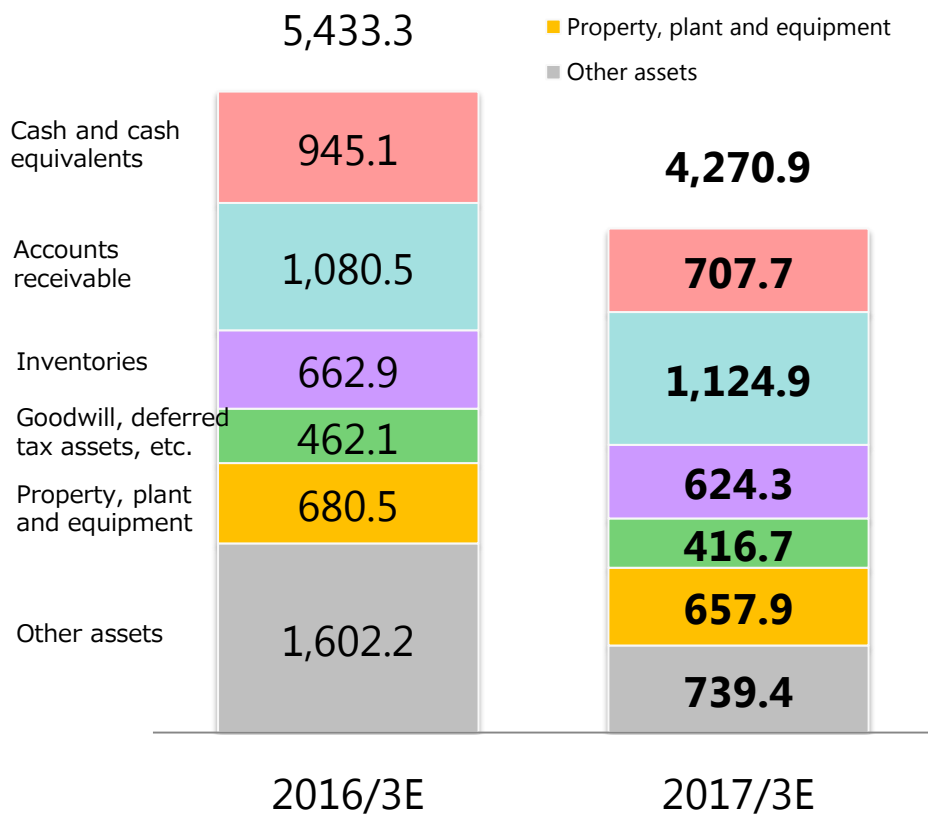
Yen in billions		FY2015	FY2016 Revised outlook	Difference (growth rate)		Difference against outlook on May 15
Energy Systems & Solutions	Net sales	1,061.3	<b>974.9</b>	-86.4	(-8%)	-5.1
	Operating income (loss)	-120.8	<b>-41.7</b>	79.1		-5.7
	ROS	-11.4%	<b>-4.3%</b>	7.1%		
Infrastructure Systems & Solutions	Net sales	1,352.9	<b>1,262.4</b>	-90.5	(-7%)	2.4
	Operating income (loss)	-7.4	<b>58.4</b>	65.8		0.4
	ROS	-0.5%	<b>4.6%</b>	5.1%		
Retail & Printing Solutions	Net sales	544.9	<b>507.7</b>	-37.2	(-7%)	-2.3
	Operating income (loss)	-84.7	<b>16.3</b>	101.0		0.3
	ROS	-15.5%	<b>3.2%</b>	18.7%		
Storage & Electronic Devices Solutions	Net sales	1,575.9	<b>1,700.2</b>	124.3	(+8%)	0.2
	Operating income (loss)	-100.0	<b>247.0</b>	347.0		0.0
	ROS	-6.3%	<b>14.5%</b>	20.8%		
Industrial ICT Solutions	Net sales	256.8	<b>238.4</b>	-18.4	(-7%)	-1.6
	Operating income (loss)	8.7	<b>11.6</b>	2.9		-0.4
	ROS	3.4%	<b>4.9%</b>	1.5%		
Ohters	Net sales	796.0	<b>530.1</b>	-265.9	(-33%)	0.1
	Operating income (loss)	-182.0	<b>-21.7</b>	160.3		-0.7
Eliminations	Net sales	-433.0	<b>-342.9</b>	90.1		7.1
	Operating income (loss)	3.2	<b>0.9</b>	-2.3		6.9
Total	Net sales	5,154.8	<b>4,870.8</b>	-284.0	(-6%)	0.8
	Operating income (loss)	-483.0	<b>270.8</b>	753.8		0.8
	ROS	-9.4%	<b>5.6%</b>	15.0%		

# Consolidated Balance Sheets

## Assets decreased due to deconsolidation of Westinghouse Group

### Assets

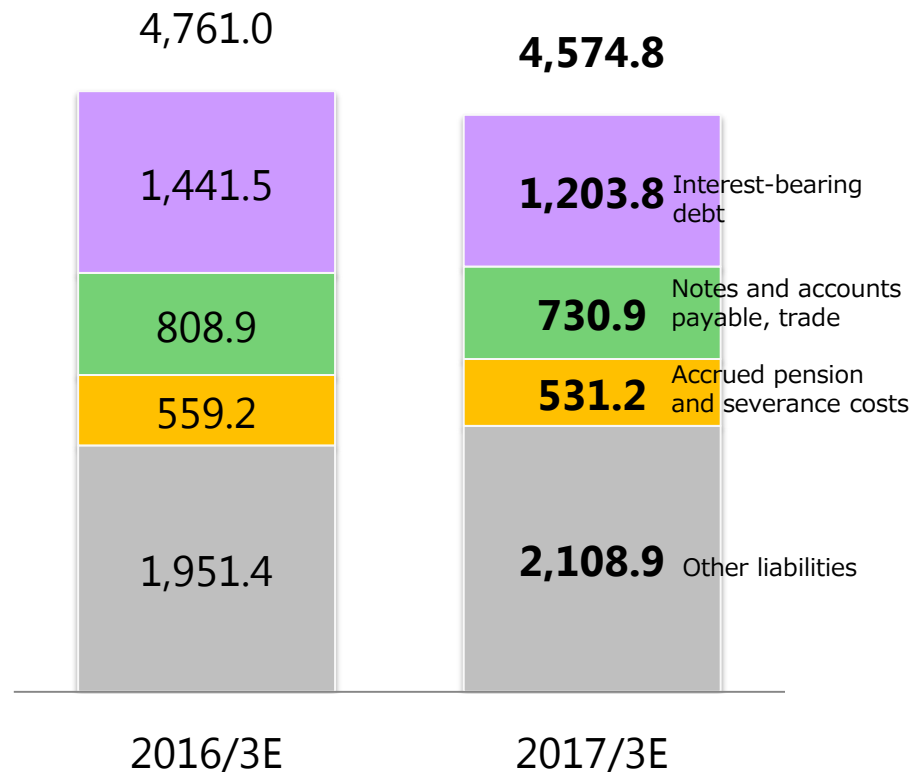
- Cash and cash equivalents
- Accounts receivable
- Inventories
- Goodwill, deferred tax assets, etc.
- Property, plant and equipment
- Other assets



### Liabilities

Yen in billions

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





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# Consolidated

## Consolidated Balance Sheets

(Yen in billions)

	Years ended March 31		
	2017(A)	2016(B)	(A)-(B)
<b>Assets</b>			
Current assets	2,736.8	3,828.5	(1,091.7)
Cash and cash equivalents	707.7	945.1	(237.4)
Notes and accounts receivable, trade	1,124.9	1,080.5	44.4
Inventories	624.3	662.9	(38.6)
Prepaid expenses and other current assets	279.9	325.5	(45.6)
Assets of discontinued operations	-	814.5	(814.5)
Long-term receivables	15.3	10.0	5.3
Investments	386.4	413.6	(27.2)
Property, plant and equipment	657.9	680.5	(22.6)
Other assets	474.5	500.7	(26.2)
Total assets	4,270.9	5,433.3	(1,162.4)
<b>Liabilities and equity</b>			
Current liabilities	2,746.9	3,225.0	(478.1)
Short-term borrowings and current portion of long-term debt	685.6	619.4	66.2
Notes and accounts payable, trade	730.9	808.9	(78.0)
Other current liabilities	1,330.4	1,207.0	123.4
Liabilities of discontinued operations	-	589.7	(589.7)
Accrued pension and severance costs	531.2	559.2	(28.0)
Long-term debt and other liabilities	1,296.7	976.8	319.9
Equity	(303.9)	672.3	(976.2)
Equity attributable to shareholders of the Company	(581.6)	328.9	(910.5)
Common stock	200.0	439.9	(239.9)
Additional paid-in capital	141.0	399.5	(258.5)
Retained earnings	(609.9)	(76.8)	(533.1)
Accumulated other comprehensive loss	(310.8)	(431.8)	121.0
Treasury stock	(1.9)	(1.9)	0.0
Equity attributable to noncontrolling interests	277.7	343.4	(65.7)
Total liabilities and equity	4,270.9	5,433.3	(1,162.4)

### Breakdown of accumulated other comprehensive loss

Unrealized gains on securities	24.5	23.7	0.8
Foreign currency translation adjustments	(55.5)	(91.9)	36.4
Pension liability adjustments	(277.0)	(358.0)	81.0
Unrealized losses on derivative instruments	(2.8)	(5.6)	2.8
Total interest-bearing debt	1,203.8	1,441.5	(237.7)

## Non-consolidated

### Non-consolidated Balance Sheets

(Yen in billions)

	Year ended March 31 2017		Year ended March 31 2017
<b>Assets</b>		<b>Liabilities and equity</b>	
Current assets	<b>1,588.0</b>	Current liabilities	<b>2,185.1</b>
Cash and cash equivalents	<b>392.2</b>	Short-term borrowings and current portion of long-term debt	<b>519.0</b>
Notes and accounts receivable, trade	<b>752.0</b>	Notes and accounts payable, trade	<b>395.9</b>
Inventories	<b>301.9</b>	Advances received	<b>231.1</b>
Others	<b>141.9</b>	Others	<b>1,039.1</b>
Noncurrent assets	<b>1,217.2</b>	Provision for retirement benefits	<b>163.8</b>
Property, plant and equipment	<b>412.6</b>	Long-term debt and other liabilities	<b>1,214.7</b>
Buildings and accompanying facilities	<b>206.1</b>	Equity	<b>(758.4)</b>
Others	<b>206.5</b>	Equity attributable to shareholders of the Company	<b>(763.3)</b>
Intangible assets	<b>21.3</b>	Common stock	<b>200.0</b>
Investments and other assets	<b>783.3</b>	Additional paid-in capital	<b>158.6</b>
Stocks of subsidiaries and affiliates	<b>466.5</b>	Retained earnings	<b>(1,120.0)</b>
Investments in capital of subsidiaries and affiliates	<b>112.2</b>	Treasury stock	<b>(1.9)</b>
Others	<b>204.6</b>	Valuation and translation adjustments	<b>4.9</b>
Total assets	<b>2,805.2</b>	Total liabilities and equity	<b>2,805.2</b>