

November 14, 2017
Toshiba Corporation

Regarding the Signing of Share Purchase Agreement for the Sale of Shares of Toshiba Visual Solutions Corporation

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced that it will transfer 95% of the outstanding shares of Toshiba Visual Solutions Corporation (TVS), a consolidated subsidiary, to China's Hisense Group, and has signed share purchase agreement (the Transfer) with Hisense Electric Co., Ltd. (Hisense), a publicly listed subsidiary of Hisense Group.

The Transfer will be completed on or after the end of February 2018, upon completion of necessary procedures such as government approvals. After the completion of the Transfer, TVS will be deconsolidated from Toshiba Group.

1. Reason for the Transfer

Toshiba transferred its Visual Products business to TVS on June 30, 2016. As announced in its "FY2016 Second Quarter Consolidated Business Results (First Six Months Cumulative)," released on November 11, 2016, Toshiba has been considering structural reforms that will contribute to the continued development of the Visual Products business, as well as strengthen Toshiba's financial base. As a result, and following negotiations with candidate purchasers, Toshiba and Hisense today signed a definitive agreement on the Transfer.

Toshiba positions Social Infrastructure, Energy, Electronic Devices and Digital Solutions as mid-term focus business domains and is concentrating its management resources in these domains. In these circumstances, it has become difficult for Toshiba itself to further invest its management resources and execute measures to strengthen the competitiveness of the Visual Products business. Toshiba has accordingly determined that the best way to strengthen and increase the corporate value of TVS and to ensure its continued development is to transfer it to Hisense, which has excellent management capabilities and resources.

In relations to the Transfer, Toshiba will continue to provide brand licensing for TVS's Visual Products equipment, such as home-use TVs that are manufactured and sold by TVS.

2. Method of the Sale

(1) Outline of Subsidiary to be Transferred

(1) Name	Toshiba Visual Solutions Corporation
(2) Address	Head Office: 3-31-2776, Minami-cho, Misawa-shi, Aomori,

	Japan Kawasaki Headquarters: 25-1 Ekimae-honcho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan		
(3) Name and Title of Representative	Atsushi Murasawa, Director and President		
(4) Business Outline	Development, design, manufacture and sales of TVs and their peripherals, and industrial displays. System integration, construction, and maintenance services for signage solutions. Design and assembly of substrates and housings. Services business including repair and call centers. (shared service support, technical support and power business support businesses) Specified worker dispatch business.		
(5) Capital Stock	490 million yen		
(6) Establishment	August 27, 1973* ¹		
(7) Major Shareholders and Shareholding Ratios	Toshiba Corporation 100%		
(8) Relationship between Toshiba and TVS	Capital	Toshiba's consolidated subsidiary	
	Personnel	Toshiba executives and employees are concurrently assigned to TVS as executive officers. Toshiba employees are on temporary transfer to TVS.	
	Business	Toshiba and its subsidiaries entrust services such as manufacturing and sales to TVS, and is commissioned by TVS to provide it with shared services and currency reservation services. Toshiba and its subsidiaries also extend short-term loans and rent real-estate to TVS.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)* ¹			
Fiscal Years	FY2015/03	FY2016/03	FY2017/03
Net Assets (Equity)	-	-	-11,797 million yen
Total Assets	-	-	22,577 million yen
BPS	-	-	-6,209.35 yen
Sales	-	-	43,749 million yen

Operating Income	-	-	-6,137 million yen
Recurring Profit	-	-	-7,409 million yen
Net Income	-	-	124,008 million yen* ²
EPS	-	-	65,267.31 yen
Dividend per Share	-	-	-

*¹ TVS was established on June 30, 2016 by a company split of Toshiba Group's Visual Products business and a merger with Toshiba Multimedia Devices Co., Ltd. The company changed its name to Toshiba Visual Solutions Corporation on June 29, 2016.

*² In accordance with TVS's separation from Toshiba by a company split, Toshiba has written-off its debt owed to it by TVS in the 1Q of FY2016, ended March 31, 2017. In TVS's operating performance, other income of 133.2 billion yen is recorded in relation to Toshiba's write-off. This did not impact on Toshiba's consolidated operating performance and the impact on Toshiba's non-consolidated operating performance for FY2016 was minimal, as Toshiba had recorded the allowance for doubtful accounts and the allowance for losses on business of subsidiaries and affiliates..

In relation to the Transfer, TD Business Support Corporation, T and S Servicos Industriais s/c Ltda. and P.T. Toshiba Indonesia are in scope of the Transfer to be deconsolidated from Toshiba Group. Business outlines, most recent operating performance and financial condition of these subsidiaries are as follows.

Name of Subsidiary	TD Business Support Corporation	T and S Servicos Industriais s/c Ltda.	P.T. Toshiba Indonesia
Business Outline	Audio products related human-resources dispatch service	Sales and service of electronic products	Sales of electronic products (currently not operational)
Fiscal Term	March 2017	December 2016	March 2017
Currency	Japanese yen	Brazilian real	Indonesia rupiah
Total Assets	223 million yen	2,818 thousand real (approx. 101 million yen)	11,395 million rupiah (approx. 96 million yen)
Sales	565 million yen	2,664 thousands real (approx. 95 million yen)	0 rupiah (0 yen)
Operating Income (Loss)	46 million yen	1,231 thousands real (approx. 44 million yen)	-70 million rupiah (approx. -1 million yen)
Net Income	17 million yen	878 thousands real	-70 million rupiah

(Loss)		(approx. 31 million yen)	(approx. -1 million yen)
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(2) Outline of Purchaser

(1) Name	Hisense Electric Co., Ltd.		
(2) Address	No. 218 Qianwangang Road, Economy & Technology Development Zone, Qingdao, China		
(3) Name and Title of Representative	Liu Hongxin, President		
(4) Business Outline	Development, manufacture and sales of TVs and other products.		
(5) Capital Stock	1,308 million Chinese yuan (approx. 22,236 million yen)		
(6) Establishment	April 17, 1997		
(7) Consolidated Net Assets (Equity)	13,184 million Chinese yuan (approx. 224,887 million yen)		
(8) Consolidated Total Assets	22,691 Chinese yuan (approx. 386,881 million yen)		
(9) Major Shareholders and Shareholding Ratios	Hisense Group 39.35%		
(10) Relationship between Toshiba and Hisense	Capital	None	
	Personnel	None	
	Business	None	
	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	1,900,010 shares (100% of the total share)
(2) Number of shares transferred	1,805,010 shares (95.0% of the total share)
(3) Transfer price	Approx. 12.9 billion yen (approximate calculation)* ³
(4) Number of shares after the Transfer	95,000 shares (5.0% of the total share)

*³ Transfer price is subject to financial conditions of TVS upon the closing of Transfer. 12.9 billion yen is estimated based on TVS's actual financial condition dated March 31, 2017.

(4) Schedules

(1) Decision made	November 14, 2017 (today)
(2) Signing of the Transfer	November 14, 2017 (today)
(3) Expected completion of the Transfer	On and after February 28, 2018 (planned)

3. Future Outlook

Toshiba is currently carefully considering the impact on its accounting. However, if the Transfer is completed within FY2017, to March 31, 2018, Toshiba expects to record a profit from the sale of approximately 25 billion yen on an approximate calculated basis (consolidated basis, before tax) in its FY2017 consolidated results. This will have positive impact on the business results forecast for FY2017 that Toshiba announced on November 9, 2017. Toshiba does not plan to revise its forecast at this time, but will promptly announce any item that requires disclosure.

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