

November 27, 2017
Toshiba Corporation

FOR IMMEDIATE RELEASE

Regarding Capital Reduction at a Consolidated Subsidiary

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced that it will reduce the capitalization of LC Collateral SPV LLC (LCC), a consolidated subsidiary established on March 21, 2017 as a fund manager responsible for such functions as providing collateral to financial institutions with which Westinghouse Group has had transactions.

1. Reasons for Capital Reduction

Toshiba established LCC with the capital funds that Toshiba deemed necessary for LCC to undertake its fund management responsibilities. Subsequently, following careful examination of current circumstances, Toshiba has determined that the current capitalization exceeds requirements, and has decided to reduce it to an appropriate level by means of a capital reduction. This move will also contribute to Toshiba and Toshiba Group's efforts to strengthen its financial base and to the objectives of funding policy.

2. Outline of LCC

(1) Name	LC Collateral SPV LLC
(2) Address	Delaware, U.S.A.
(3) Name and Title of Representative	Hirotake Tokunaga, President
(4) Business Outline	Fund management, such as providing collateral to financial institutions with which Westinghouse Group has had transactions.
(5) Capital Stock	US\$534 million (approx. 60.4 billion yen)
(6) Establishment	March 21, 2017
(7) Major Shareholders and Shareholding Ratios	Toshiba Corporation, 100%

3. Outline of Capital Reduction and Capital Return

Toshiba will reduce the current capital of US\$534 million (approx. 60.4 billion yen) by US\$145 million (approx. 16.4 billion yen) to US\$389 million (approx. 44.0 billion yen), and an amount equivalent to the capital reduction will be returned to Toshiba.

4. Schedule for Capital Reduction and Capital Return

Date of determination	November 27, 2017
Date of determination at LCC's extraordinary general meeting of shareholders	November 27, 2017
Effective date for capital reduction	November 27, 2017 (planned)
Date of payment completion from LCC to Toshiba	November 27, 2017 (planned)

5. Future Outlook

LCC has already recorded US\$518 million (approx. 57.1 billion yen) as an allowance for bad debt in respect of collateral provided to financial institutions in its financial statements for FY2016, ended March 31, 2017. Separately, Toshiba has recorded an impairment loss equivalent to that amount in its equity interest in its non-consolidated financial statements for FY2016.

In its non-consolidated financial statements, Toshiba will reduce its investment account by 1.7 billion yen as a capital return, and will record the remaining amount as income before taxes. As a result, income before taxes is expected to increase by approximately 14.7 billion yen.

For Toshiba's consolidated financial statements, Toshiba has already recorded 9.1 billion yen in its financial statements for 2Q of FY2017, ending March 31, 2018, as net income from discontinued operations for the amount of collateral that exceeded the requirement at that point, and plans to record net income from discontinued operations of an additional US\$52 million (approx. 5.9 billion yen)* that exceeded the requirement after October 1, in its financial statements for 3Q of FY2017.

Toshiba announced its forecast for FY2017 business results on November 9, 2017, however, Toshiba does not anticipate any revision to this forecast, as the impact of this transaction is minimal.

* The increase of 14.7 billion yen in Toshiba's non-consolidated financial statements and additions to income from discontinued operations that Toshiba recorded in its consolidated financial statements for the amount of collateral that exceeded requirements for the 2Q and 3Q of FY2017 are not equal, due the foreign currency transactions involved.

Note: The Japanese yen is calculated as 113.16 yen to the dollar except for the amounts of actual results for FY2016 and 2Q of FY2017.

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