FOR IMMEDIATE RELEASE

April 11, 2017
Toshiba Corporation

Toshiba Announces Consolidated Results for the First Nine Months and the Third Quarter for Fiscal Year 2016, Ending March 2017

TOKYO--Toshiba Corporation (TOKYO: 6502) (the "Company") today announced its consolidated results for the first nine months (April-December, 2016) and the third quarter (October-December, 2016) of fiscal year (FY) 2016, ending March 31, 2017.
All comparisons in the following are based on the same period a year earlier, unless otherwise stated.

Overview of Consolidated Results for the First Nine Months of FY2016 (April-December, 2016)

(Yen in billions)

	First nine months of FY2016	Change from first nine months of FY2015
Net sales	3,846.9	-166.6
Operating income (loss)	-576.3	-344.4
Income (loss) from continuing operations, before income taxes and noncontrolling interests	-597.0	-436.0
Net income (loss) attributable to shareholders of the Company	-532.5	-53.1

During the first nine months of FY2016 (April-December, 2016), the US economy generally saw solid growth, mainly on increased personal consumption, and the Eurozone economy saw moderate growth, primarily in Germany. The Chinese economy slowed, reflecting adjustments of production and investment in the coal and steel industries, though consumer consumption saw firm growth. In the international financial market, there was a sharp decline in the UK pound, the result of the Brexit referendum in June, while the US saw a stronger dollar and a rise in stocks prices following Donald Trump's election victory to the presidency in November.

The Japanese economy saw firm growth in overall consumer spending, due to an improved employment and income environment. It also saw recoveries in capital investments and in previously flat export levels.

In these circumstances, Toshiba Group's net sales decreased by 166.6 billion yen to

3,846.9 billion yen (US$33,162.5 million). Although the Company recorded higher sales in Memories and HDDs, yen appreciation and the shrinking scale of the PC and TV businesses due to restructuring had an impact. Also, in Nuclear Power Systems, despite inclusion of WECTEC (the former CB&I Stone & Webster), a recently consolidated subsidiary, in the third quarter consolidation for the first time, delays in construction due to reviews of total estimates for current projects lowered sales recorded under the percentage-of-completion method and resulted in flat year-on-year sales.

The Group recorded a consolidated operating income (loss) of -576.3 billion yen (US$-4,967.9 million), a decrease of 344.4 billion yen. Almost all business segments except Nuclear Power Systems recorded improvements as a result of implementing continued emergency measures, including bonus reductions. In Memories, profitability saw a notable improvement and achieved a 16% return on sales. However, due to loss on impairment of goodwill in Nuclear Power Systems of 716.6 billion yen, overall operating income was negative.

Income (loss) from continuing operations, before income taxes and noncontrolling interests, decreased by 436.0 billion yen to -597.0 billion yen (US$-5,146.7 million).

Net income (loss) attributable to shareholders of the Company decreased by 53.1 billion yen to -532.5 billion yen (US$-4,590.6 million), as the previous year recorded a reversal of deferred tax assets of some 300 billion yen.

Consolidated Results for the First Nine Months of FY2016, by Segment (April-December, 2016)

(Yen in billions)

	Net sales			Operating income (loss)	
		Change*			Change*
Energy Systems & Solutions	1,085.7	+61.2	+6%	-759.8	-662.8
Infrastructure Systems & Solutions	838.5	-62.0	-7%	21.5	+26.3
Retail & Printing Solutions	371.8	-32.2	-8%	11.1	+73.9
Storage & Electronic Devices Solutions	1,242.3	+51.6	+4%	154.6	+131.8
Industrial ICT Solutions	161.8	-10.6	-6%	8.0	+10.1
Others	388.9	-240.8	-38%	-12.9	+71.3
Eliminations	-242.1	+66.2	-	1.2	+5.0
Total	3,846.9	-166.6	-4%	-576.3	-344.4

(*Change from year-earlier period)

Energy Systems & Solutions: Higher Sales and Deteriorated Operating Income
The Energy Systems & Solutions segment saw higher sales. Although Transmission & Distribution Systems, particularly Solar Photovoltaic Systems and Landis+Gyr, recorded lower sales, Nuclear Power Systems and Thermal & Hydro Power Systems saw increased sales which resulted higher sales of the segment.

The segment as a whole saw significantly deteriorated operating income. Although Thermal & Hydro Power Systems and Transmission & Distribution Systems recorded sizably higher operating income, Landis+Gyr saw lower operating income and Nuclear Power Systems suffered a huge deterioration as the result of a loss on impairment of goodwill.

Infrastructure Systems & Solutions: Lower Sales and Higher Operating Income
The Infrastructure Systems & Solutions segment saw lower sales as sales decreased in all businesses.

The segment as a whole saw notably higher operating income, as all businesses recorded either improved or higher operating income.

Retail & Printing Solutions: Lower Sales and Higher Operating Income
The Retail & Printing Solutions segment saw lower sales on the impact of currency exchange, although the Retail business itself performed well.

The segment as a whole saw a major increase in operating income, as the Retail business improved profitability and moved into the black. The previous term included asset impairment in the overseas business, which resulted in negative operating income.

Storage & Electronic Devices Solutions: Higher Sales and Higher Operating Income
The Storage & Electronic Devices Solutions segment saw higher sales. Although Devices & Others saw lower sales, Memories recorded higher sales, and HDDs recorded much higher sales.

The segment as a whole saw a notably significant rise in operating income. Memories recorded higher profit, and marked improvements in HDDs and Devices & Others ensured the segment recorded a surplus.

Industrial ICT Solutions: Lower Sales and Higher Operating Income
The Industrial ICT Solutions segment saw lower sales, as system sales to manufacturers declined.

Operating income for the segment as a whole was positive on the implementation of emergency measures and actions to improve profitability.

Others: Lower Sales and Improved Operating Income

<u>Overview of Consolidated Results for the Third Quarter of FY2016 (October-December, 2016)</u>

(Yen in billions)

	3Q of FY2016	Change from 3Q of FY2015
Net sales	1,267.9	-51.9
Operating income (loss)	-673.1	-530.3
Income (loss) from continuing operations, before income taxes and noncontrolling interests	-664.5	-461.3
Net income (loss) attributable to shareholders of the Company	-647.8	-131.1

In the third quarter of FY2016 (October-December, 2016), Toshiba Group's net sales decreased by 51.9 billion yen to 1,267.9 billion yen (US$10,929.8 million). Although the Company recorded higher sales, primarily in the Memories and HDDs, yen appreciation and the shrinking scale of the PC and TV businesses due to restructuring had an impact. In Nuclear Power Systems, despite inclusion of WECTEC in the third quarter consolidation for the first time, delays in construction due to reviews of total estimates for current projects lowered sales recorded under the percentage-of-completion method and resulted in level year-on-year sales.

The Group recorded a consolidated operating income (loss) of -673.1 billion yen (US$ -5,802.4 million), a decrease of 530.3 billion yen. While all business segments except Nuclear Power Systems won improvements by implementing continued emergency measures, including bonus reductions and other measures, the 716.6 billion yen loss on impairment of goodwill in Nuclear Power Systems resulted in negative overall operating income.

Income (loss) from continuing operations, before income taxes and noncontrolling interests, decreased by 461.3 billion yen to -664.5 billion yen (US$-5,728.8 million).

Net income (loss) attributable to shareholders of the Company decreased by 131.1 billion yen to -647.8 billion yen (US$ -5,584.7 million).

Consolidated Results for the Third Quarter of FY2016 by Segment (October-December, 2016)

(Yen in billions)

	Net Sales			Operating Income (Loss)	
		Change*			Change*
Energy System & Solutions	325.1	+2.3	+1%	-769.4	-673.2
Infrastructure Systems & Solutions	274.6	-33.4	-11%	10.3	+7.4
Retail & Printing Solutions	124.1	-9.3	-7%	4.6	+0.2
Storage & Electronic Devices Solutions	442.6	+58.4	+15%	76.3	+90.1
Industrial ICT Solutions	51.4	-4.1	-7%	2.6	+3.9
Others	128.9	-79.4	-38%	2.6	+37.4
Eliminations	-78.8	+13.6	-	-0.1	+3.9
Total	1,267.9	-51.9	-4%	-673.1	-530.3

(*Change from year-earlier period)

Energy Systems & Solutions: Higher Sales and Deteriorated Operating Income
The Energy Systems & Solutions segment saw higher sales. Although sales were lower in Transmission & Distribution Systems, mainly in Solar Photovoltaic Systems, Landis+Gyr recorded higher sales, Nuclear Power Systems sales reported an increase which resulted a higher sales of the segment.

The segment as a whole saw an immense deterioration in operating income. Although Thermal & Hydro Power Systems and Transmission & Distribution Systems and Landis+Gyr recorded markedly higher and improved operating income, Nuclear Power Systems recorded a major deterioration due to an impairment loss of goodwill.

Infrastructure Systems & Solutions: Lower Sales and Higher Operating Income
The Infrastructure Systems & Solutions segment saw lower sales as sales decreased in all businesses.

The segment as a whole saw an upturn in operating income as all businesses recorded higher operating income.

Retail & Printing Solutions: Lower Sales and Higher Operating Income
The Retail & Printing Solutions segment saw lower sales from the impact of currency exchange, although the business itself performed well.

The segment as a whole saw higher operating income, as the Retail business improved profitability and increased profit.

Storage & Electronic Devices Solutions: Higher Sales and Higher Operating Income

The Storage & Electronic Devices Solutions segment saw higher sales. Although Devices & Others saw lower sales, Memories and HDDs recorded significantly higher sales.

The segment as a whole saw significant higher operating income, as all business saw notably higher profit.

Industrial ICT Solutions: Lower Sales and Higher Operating Income
The Industrial ICT Solutions segment saw lower sales, as system sales to manufacturers declined.

Operating income for the segment as a whole turned to surplus on the implementation of emergency measures and actions to improve profitability.

Others: Lower Sales and Improved Operating Income

Notes:
Toshiba Group's Quarterly Consolidated Financial Statements are based on U.S. generally accepted accounting principles ("GAAP").

Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses and loss on impairment of goodwill from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges, litigation settlement and other costs are not included in it.

The Healthcare Systems & Services segment and Home Appliances business are classified as discontinued operations in accordance with ASC 205-20 "Presentation of Financial Statements – Discontinued Operations". The results of these 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 reflecting results of these businesses to income (loss) from continuing operations, before income taxes and noncontrolling interests. In addition, these businesses are also classified as discontinued operations for the Group's consolidated balance sheets and are indicated separately. Results of the previous fiscal year have been revised to reflect these changes.

The data relating to the consolidated segment information is presented in conformity with the current organizational classification.

From this fiscal year, expenses such as basic R&D expenses previously allocated to "Corporate and Eliminations," and partial profit and loss previously allocated to each segment, are now included in the "Others" segment.

Qualitative data herein are compared with the same period of the previous year, unless otherwise noted.

Financial Position and Cash Flows for the First Nine Months of FY2016

Total assets decreased by 313.1 billion yen from the end of March 2016 to 5,120.2 billion yen (US$44,139.2 million).

Shareholders' equity, or equity attributable to the shareholders of the Company, was

-225.7 billion yen (US$-1,945.6 million), a decrease of 554.6 billion yen from the end of March 2016.

Total interest-bearing debt decreased by 61.9 billion yen from the end of March 2016 to 1,389.0 billion yen (US$11,974.1 million).

As a result of the foregoing, the shareholders' equity ratio at the end of December 2016 was -4.4%, a 10.5 point decrease from the end of March 2016.

Free cash flow decreased by 5.0 billion yen to -54.7 billion yen (US$-471.5 million).

3. Performance Forecast for FY2016 and Explanation on Future Estimate Information

As announced on March 29, in 2017 "Notice on Chapter 11 Filing by Westinghouse Electric Company and its Group Entities," Toshiba's consolidated subsidiaries Westinghouse Electric Company (WEC), WEC's U.S. subsidiaries and affiliates, and Toshiba Nuclear Energy Holdings (UK) Limited (TNEH (UK)), a holding company for Westinghouse Group operating companies outside the U.S. (collectively, the "WEC Group"), filed for a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code on March 29, 2017 (local time) with the U.S. Bankruptcy Court of New York (the "Bankruptcy Court").

The rehabilitation proceedings of WEC, WEC's affiliates and TNEH (UK) commenced immediately with the participation of WEC, TNEH (UK), creditors and other related parties under the supervision of the Bankruptcy Court.

With the commencement of WEC Group's rehabilitation proceedings, WEC Group will be deconsolidated from Toshiba Group, starting from FY2016 full year business results.

As WEC Group will be deconsolidated, causes of financial deterioration, such as goodwill impairment, will be excluded from figures for non-operating profit and loss in Toshiba's FY2016 business results announced on February 14, 2017, in "Provisional Outlook for FY2016 3Q Business Results and FY2016 Forecast, and Outline of Loss in Nuclear Power Business and Countermeasures". On the other hand, Toshiba must reconsider the negative impact of impairment of the total investment in WEC and TNEH (UK), and booking provisions for losses in non-operating income, mainly related to the parent company guarantee provided to the power utility companies for the U.S. Nuclear Projects, and for credits related to WEC group. However, depending on the plan determined during the course of the rehabilitation proceedings, there is a possibility that the amounts to be reported may change significantly. In addition, it is essential to consider Toshiba Group's FY2016 Q4 results in the calculation. As a result, Toshiba has yet to determine the details of the impact of the deconsolidation of WEC Group for the impact of FY2016 fiscal results.

If Toshiba were to make provision for the full contractual amount of the parent company guarantee (650 billion yen as of end of February 2017) and also a reserve for possible loan losses detailed above (175.6 billion yen as of February 2017), net income would further deteriorate by 620 billion yen. As a result, there is a possibility that the FY2016 net income loss will be -1,010 billion yen, against the -390 billion yen announced on February 14, 2017.

Shareholders' equity basis will see an additional deterioration of -470 billion yen, after incorporating the positive impact of comprehensive income and a -620 billion yen deterioration in net income. As a result, there is a possibility that the FY2016 shareholder's' equity will be -620 billion yen against the -150 billion yen announced on February 14, 2017.

Consolidated net assets basis will see an additional deterioration of -450 billion yen, after incorporating the positive impact of non-controlling interests and -470 billion yen deterioration in shareholders' equity. As a result, there is a possibility that the FY2016 consolidated net assets will be -340 billion yen against the 110 billion yen announced on February 14, 2017.

For further information, please refer to announcement of March 29, 2017 "Notice on Chapter 11 Filing by Westinghouse Electric Company and its Group Entities".

Furthermore, the Company has, with regret, determined that it is unable to pay a dividend to shareholders for the fiscal year of FY2016, as announced in "Notice Regarding Dividend of Surplus."

4. Important Factors as a Going Concern

In the third quarter of FY2016, Toshiba Group recorded an operating loss of 576.3 billion yen and a net loss attributable to shareholders of the Company of 532.5 billion yen, on a loss due to impairment loss of goodwill of 716.6 billion yen resulting from the acquisition of CB&I Stone & Webster. An operating loss of 708.7 billion yen and a net loss attributable to shareholders of the Company of 460.0 billion yen were recorded in FY2015. As a result, consolidated equity attributable to shareholders of the Company decreased to -225.7 billion yen, with consolidated net assets of 29.9 billion yen as of December 31, 2016.

In connection with this, on December 28, 2016, the rating agencies downgraded Toshiba (the Company)'s credit rating causing a breach of financial covenants in outstanding syndicated loans of 283.5 billion yen arranged by the Company’s main financial institutions (include in “the Short-term borrowings and current portion of long-term debt” in the consolidated balance sheet). The total syndicated loans is recorded as a part of Toshiba Group’s total short-term and long-term borrowings of 1,389.0 billion yen in consolidated balance sheet as of the December 31, 2016. Although the financial institutions have agreed to extend continuous support for these loans and have agreed not to call until March 31, 2017, however, these loans are callable at any dates by the financial institutions thereafter. If these loans are called in, other bonds and certain borrowings would become callable.

Taking into consideration of the expenditures which the Company may pay related to nuclear power construction by Westinghouse Electric Company (WEC), WEC’s U.S. subsidiaries and affiliates, the Company’s liquidity will be significantly impacted.

In addition to the foregoing, the Company operates the business that require a Special Construction Business License from the Japanese government. The Company is required to meet a certain financial criteria in order to renew this license. The Company’s current Special Construction Business License expires in December 2017. If the Company does not take any counter action to improve financial condition, and if the Company is unable to meet the criteria and to renew the license, there will be extremely negative impact on business execution.

For the reasons stated above, there are material events and conditions that raise the substantial doubt about the Company’s ability to continue as a going concern.

For measures Toshiba proposes to implement toward resolving this situation, please refer to “Notes Relating to Assumptions for the Going Concern”

5. Others

(1) Changes in significant subsidiaries during the period (changes in Specified Subsidiaries (“Tokutei Kogaisha”) involving changes in the scope of consolidation):

None

(2) Use of simplified accounting procedures, and particular accounting procedures in preparation of quarterly consolidated financial statements:

Income taxes

The interim income tax expense (benefit) is computed by multiplying income (loss) before income taxes and noncontrolling interests for the nine months ending

December 31, 2016 by a reasonably estimated annual effective tax rate, after applying the effect of deferred taxes for FY2016, ending March 31, 2017.

(3) Change in accounting policies:
None

Disclaimer:
This report of business results contains forward-looking statements concerning future plans, strategies and forecasts of Toshiba Group business results. These statements 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 diverse market environments in many countries and regions, operations are subject to a number of risks and uncertainties. Toshiba therefore wishes to caution readers that actual results might differ materially from expectations. Major risk factors that may have a material influence on results are indicated below, though this list is not necessarily exhaustive.

- Major disasters, including earthquakes and typhoons;
- Disputes, including lawsuits, in Japan and other countries;
- Success or failure of alliances or joint ventures promoted in collaboration with other companies;
- Success or failure of new businesses or R&D investments;
- Changes in political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Rapid changes in the supply and demand situation in major markets and intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.

Note:
For convenience only, all dollar figures used in reporting the nine months and third quarter of fiscal year 2016 results are valued at 116 yen to the dollar.

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Toshiba Group

Consolidated Financial Statements

For the First Nine Months and the Third Quarter of Fiscal Year Ending March 2017

1. Nine Months Results

(¥ in billions, US$ in millions, except for losses per share)

	Nine Months ended Dcember 31				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Net sales	**¥3,846.9**	¥4,013.5	¥(166.6)	96%	**$33,162.5**
Operating loss	**(576.3)**	(231.9)	(344.4)	－	**(4,967.9)**
Loss from continuing operations, before income taxes and noncontrolling interests	**(597.0)**	(161.0)	(436.0)	－	**(5,146.7)**
Net loss attributable to shareholders of the Company	**(532.5)**	(479.4)	(53.1)	－	**(4,590.6)**
Basic losses per share attributable to shareholders of the Company	**¥(125.77)**	¥(113.23)	¥(12.54)		**$(1.08)**

2. Third Quarter Results

(¥ in billions, US$ in millions, except for losses per share)

	Three months ended Dcember 31				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Net sales	**¥1,267.9**	¥1,319.8	¥(51.9)	96%	**$10,929.8**
Operating loss	**(673.1)**	(142.8)	(530.3)	－	**(5,802.4)**
Loss from continuing operations, before income taxes and noncontrolling interests	**(664.5)**	(203.2)	(461.3)	－	**(5,728.8)**
Net loss attributable to shareholders of the Company	**(647.8)**	(516.7)	(131.1)	－	**(5,584.7)**
Basic losses per share attributable to shareholders of the Company	**¥(153.00)**	¥(122.04)	¥(30.96)		**$(1.32)**

Notes:
1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
2) The U.S. dollar is valued at ￥116 throughout this statement for convenience only.

Comparative Consolidated Balance Sheets

(¥ in millions, US$ in thousands)

	Dec. 31, 2016 (A)	Mar. 31, 2016 (B)	(A)-(B)	Dec. 31, 2016
Assets				
Current assets	**¥3,207,436**	¥3,458,585	¥(251,149)	**$27,650,310**
Cash and cash equivalents	**804,502**	969,715	(165,213)	**6,935,362**
Notes and accounts receivable, trade	**1,204,107**	1,156,559	47,548	**10,380,233**
Inventories	**808,188**	729,123	79,065	**6,967,138**
Prepaid expenses and other current assets	**390,639**	534,818	(144,179)	**3,367,577**
Assets of discontinued operations - current	-	68,370	(68,370)	-
Long-term receivables	**15,463**	10,039	5,424	**133,302**
Investments	**381,353**	353,507	27,846	**3,287,526**
Property, plant and equipment	**800,635**	794,304	6,331	**6,902,026**
Other assets	**715,264**	816,906	(101,642)	**6,166,069**
Total assets	**¥5,120,151**	¥5,433,341	¥(313,190)	**$44,139,233**
Liabilities and equity				
Current liabilities	**¥3,651,941**	¥3,072,009	¥579,932	**$31,482,250**
Short-term borrowings and current portion of long-term debt	**853,485**	619,612	233,873	**7,357,629**
Notes and accounts payable, trade	**872,807**	877,061	(4,254)	**7,524,198**
Other current liabilities	**1,925,649**	1,480,030	445,619	**16,600,423**
Liabilities of discontinued operations - current	-	95,306	(95,306)	-
Accrued pension and severance costs	**633,731**	629,402	4,329	**5,463,198**
Long-term debt and other liabilities	**804,555**	1,059,672	(255,117)	**6,935,819**
Equity	**29,924**	672,258	(642,334)	**257,966**
Equity attributable to shareholders of the Company	**(225,687)**	328,874	(554,561)	**(1,945,578)**
Common stock	**200,000**	439,901	(239,901)	**1,724,138**
Additional paid-in capital	**175,204**	399,470	(224,266)	**1,510,379**
Retained earnings	**(147,245)**	(76,782)	(70,463)	**(1,269,353)**
Accumulated other comprehensive loss	**(451,725)**	(431,828)	(19,897)	**(3,894,182)**
Treasury stock	**(1,921)**	(1,887)	(34)	**(16,560)**
Equity attributable to noncontrolling interests	**255,611**	343,384	(87,773)	**2,203,544**
Total liabilities and equity	**¥5,120,151**	¥5,433,341	¥(313,190)	**$44,139,233**
Breakdown of accumulated other comprehensive loss				
Unrealized gains on securities	**¥23,105**	¥23,655	¥(550)	**$199,181**
Foreign currency translation adjustments	**(134,748)**	(91,906)	(42,842)	**(1,161,621)**
Pension liability adjustments	**(331,553)**	(357,962)	26,409	**(2,858,216)**
Unrealized losses on derivative instruments	**(8,529)**	(5,615)	(2,914)	**(73,526)**
Total interest-bearing debt	**¥1,388,990**	¥1,450,912	¥(61,922)	**$11,974,052**

Comparative Consolidated Statements of Operations

1. Nine Months ended December 31

(¥ in millions, US$ in thousands)

	Nine months ended December 31				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Sales and other income					
Net sales	**¥3,846,852**	¥4,013,521	¥(166,669)	96%	**$33,162,517**
Interest	**4,108**	2,892	1,216	142%	**35,414**
Dividends	**1,546**	2,716	(1,170)	57%	**13,328**
Other income	**44,225**	198,007	(153,782)	22%	**381,250**
Costs and expenses					
Cost of sales	**2,927,523**	3,301,997	(374,474)	89%	**25,237,267**
Selling, general and administrative	**779,043**	897,859	(118,816)	87%	**6,715,888**
Loss on impairment of goodwill	**716,563**	45,573	670,990	—	**6,177,267**
Interest	**13,950**	15,525	(1,575)	90%	**120,259**
Other expense	**56,669**	117,168	(60,499)	48%	**488,526**
Loss from continuing operations, before income taxes and noncontrolling interests	**(597,017)**	(160,986)	(436,031)	—	**(5,146,698)**
Income taxes	**132,212**	335,274	(203,062)	39%	**1,139,759**
Loss from continuing operations, before noncontrolling interests	**(729,229)**	(496,260)	(232,969)	—	**(6,286,457)**
Income (Loss) from discontinued operations, before noncontrolling interests	**101,373**	(3,578)	104,951	—	**873,905**
Net loss before noncontrolling interests	**(627,856)**	(499,838)	(128,018)	—	**(5,412,552)**
Less:Net loss attributable to noncontrolling interests	**(95,344)**	(20,403)	(74,941)	—	**(821,931)**
Net loss attributable to shareholders of the Company	**¥(532,512)**	¥(479,435)	¥(53,077)	—	**$(4,590,621)**

2. Third Quarter ended December 31

(¥ in millions, US$ in thousands)

	Three months ended December 31				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Sales and other income					
Net sales	**¥1,267,855**	¥1,319,832	¥(51,977)	96%	**$10,929,784**
Interest	**1,739**	856	883	203%	**14,991**
Dividends	**319**	490	(171)	65%	**2,750**
Other income	**21,833**	4,974	16,859	439%	**188,216**
Costs and expenses					
Cost of sales	**973,112**	1,154,746	(181,634)	84%	**8,388,896**
Selling, general and administrative	**251,253**	290,373	(39,120)	87%	**2,165,974**
Loss on impairment of goodwill	**716,563**	17,475	699,088	—	**6,177,267**
Interest	**5,284**	5,023	261	105%	**45,552**
Other expense	**10,075**	61,698	(51,623)	16%	**86,854**
Loss from continuing operations, before income taxes and noncontrolling interests	**(664,541)**	(203,163)	(461,378)	—	**(5,728,802)**
Income taxes	**107,397**	315,552	(208,155)	34%	**925,836**
Loss from continuing operations, before noncontrolling interests	**(771,938)**	(518,715)	(253,223)	—	**(6,654,638)**
Income from discontinued operations, before noncontrolling interests	**20,087**	1,500	18,587	—	**173,164**
Net loss before noncontrolling interests	**(751,851)**	(517,215)	(234,636)	—	**(6,481,474)**
Less:Net loss attributable to noncontrolling interests	**(104,030)**	(487)	(103,543)	—	**(896,810)**
Net loss attributable to shareholders of the Company	**¥(647,821)**	¥(516,728)	¥(131,093)	—	**$(5,584,664)**

Comparative Consolidated Statements of Comprehensive Income

1. Nine Months ended December 31

(¥ in millions, US$ in thousands)

	Nine months ended December 31				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Net loss before noncontrolling interests	**¥(627,856)**	¥(499,838)	¥(128,018)	－	**$(5,412,552)**
Other comprehensive income (loss), net of tax					
Unrealized losses on securities	**(426)**	(89,954)	89,528	－	**(3,672)**
Foreign currency translation adjustments	**(43,594)**	(12,408)	(31,186)	－	**(375,810)**
Pension liability adjustments	**25,988**	8,829	17,159	294%	**224,034**
Unrealized losses on derivative instruments	**(3,104)**	(2,321)	(783)	－	**(26,759)**
Total other comprehensive loss	**(21,136)**	(95,854)	74,718	－	**(182,207)**
Comprehensive loss	**(648,992)**	(595,692)	(53,300)	－	**(5,594,759)**
Less:Comprehensive loss attributable to noncontrolling interests	**(96,583)**	(41,313)	(55,270)	－	**(832,612)**
Comprehensive loss attributable to shareholders of the Company	**¥(552,409)**	¥(554,379)	¥1,970	－	**$(4,762,147)**

2. Third Quarter ended December 31

(¥ in millions, US$ in thousands)

	Three months ended December 31				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Net loss before noncontrolling interests	**¥(751,851)**	¥(517,215)	¥(234,636)	－	**$(6,481,474)**
Other comprehensive income, net of tax					
Unrealized gains on securities	**5,292**	11,990	(6,698)	44%	**45,621**
Foreign currency translation adjustments	**78,269**	4,795	73,474	－	**674,733**
Pension liability adjustments	**1,357**	3,984	(2,627)	34%	**11,698**
Unrealized gains on derivative instruments	**129**	1,458	(1,329)	9%	**1,112**
Total other comprehensive income	**85,047**	22,227	62,820	383%	**733,164**
Comprehensive loss	**(666,804)**	(494,988)	(171,816)	－	**(5,748,310)**
Less:Comprehensive loss attributable to noncontrolling interests	**(77,935)**	(675)	(77,260)	－	**(671,853)**
Comprehensive loss attributable to shareholders of the Company	**¥(588,869)**	¥(494,313)	¥(94,556)	－	**$(5,076,457)**

Comparative Consolidated Statements of Cash Flows

Nine Months ended December 31

(¥ in millions, US$ in thousands)

	Nine months ended December 31			
	2016(A)	2015(B)	(A)-(B)	**2016**
Cash flows from operating activities				
Net loss before noncontrolling interests	**¥(627,856)**	¥(499,838)	¥(128,018)	**$(5,412,552)**
Depreciation and amortization	**118,922**	155,373	(36,451)	**1,025,190**
Equity in losses of affiliates, net of dividends	**363**	26,649	(26,286)	**3,129**
Decrease in notes and accounts receivable, trade	**7,175**	194,958	(187,783)	**61,854**
Increase in inventories	**(75,033)**	(95,577)	20,544	**(646,836)**
Decrease in notes and accounts payable, trade	**(17,773)**	(216,877)	199,104	**(153,216)**
Others	**617,126**	359,546	257,580	**5,320,052**
Adjustments to reconcile net loss before noncontrolling interests to net cash provided by (used in) operating activities	**650,780**	424,072	226,708	**5,610,173**
Net cash provided by (used in) operating activities	**22,924**	(75,766)	98,690	**197,621**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	**48,084**	153,943	(105,859)	**414,517**
Acquisition of property, plant and equipment	**(120,657)**	(159,852)	39,195	**(1,040,147)**
Acquisition of intangible assets	**(14,473)**	(39,977)	25,504	**(124,767)**
Purchase of securities	**(880)**	(1,272)	392	**(7,586)**
(Increase) decrease in investments in affiliates	**(25,170)**	82,579	(107,749)	**(216,983)**
Others	**35,478**	(9,394)	44,872	**305,845**
Net cash provided by (used in) investing activities	**(77,618)**	26,027	(103,645)	**(669,121)**
Cash flows from financing activities				
Proceeds from long-term debt	**44,999**	2,476	42,523	**387,922**
Repayment of long-term debt	**(126,374)**	(103,304)	(23,070)	**(1,089,431)**
Increase (decrease) in short-term borrowings, net	**(40,987)**	349,421	(390,408)	**(353,336)**
Dividends paid	**(12,530)**	(31,663)	19,133	**(108,017)**
Others	**17,072**	9,383	7,689	**147,172**
Net cash provided by (used in) financing activities	**(117,820)**	226,313	(344,133)	**(1,015,690)**
Effect of exchange rate changes on cash and cash equivalents	**1,487**	(4,465)	5,952	**12,819**
Net increase (decrease) in cash and cash equivalents	**(171,027)**	172,109	(343,136)	**(1,474,371)**
Cash and cash equivalents at beginning of the period	**975,529**	199,366	776,163	**8,409,733**
Cash and cash equivalents at end of the period	**804,502**	371,475	433,027	**6,935,362**
Less: Cash and cash equivalents of discontinued operations at end of the period	**-**	10,162	(10,162)	**-**
Cash and cash equivalents of continuing operations at end of the period	**¥804,502**	¥361,313	¥443,189	**$6,935,362**

Notes Relating to Assumptions for the Going Concern

In the third quarter of FY2016, Toshiba Group recorded an operating loss of 576,277 million yen and a net loss attributable to shareholders of the Company of 532,512 million yen, on a loss due to impairment loss of goodwill of 716,563 million yen resulting from the acquisition of CB&I Stone & Webster. An operating loss of 708,738 million yen and a net loss attributable to shareholders of the Company of 460,013 million yen were recorded in FY2015. As a result, consolidated equity attributable to shareholders of the Company decreased to -225,687 million yen, with consolidated net assets of 29,924 million yen as of December 31, 2016.

In connection with this, on December 28, 2016, the rating agencies downgraded Toshiba(the Company)'s credit rating causing a breach of financial covenants in outstanding syndicated loans of 283,523 million yen arranged by the Company's main financial institutions (include in "the Short-term borrowings and current portion of long-term debt" in the consolidated balance sheet). The total syndicated loans is recorded as a part of Toshiba Group's total short-term and long-term borrowings of 1,388,990 million yen in consolidated balance sheet as of the December 31, 2016. Although the financial institutions have agreed to extend continuous support for these loans and have agreed not to call until March 31, 2017, however, these loans are callable at any dates by the financial institutions thereafter. If these loans are called in, other bonds and certain borrowings would become callable.

Taking into consideration of the expenditures which the Company may pay related to nuclear power construction by Westinghouse Electric Company (WEC), WEC's U.S. subsidiaries and affiliates, the Company's liquidity will be significantly impacted.

In addition to the foregoing, the Company operates the business that require a Special Construction Business License from the Japanese government. The Company is required to meet a certain financial criteria in order to renew this license. The Company's current Special Construction Business License expires in December 2017. If the Company does not take any counter action to improve financial condition, and if the Company is unable to meet the criteria and to renew the license, there will be extremely negative impact on business execution.

For the reasons stated above, there are material events and conditions that raise the substantial doubt about the Company's ability to continue as a going concern.

As part of the Company's plan to offset the negative impact of the ongoing situation, the Company has been reviewing a restructuring plan of WEC including deconsolidation by a potential sale of a majority stake in order to eliminate risk in the overseas nuclear power business. Then, WEC, WEC's U.S. subsidiaries and affiliates, and Toshiba Nuclear Energy Holdings(UK) Limited (TNEH(UK)), a holding company for Westinghouse Group operating companies outside the U.S. (collectively, the "WEC Group"), have filed for a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code on March 29, 2017(local time) with the U.S. Bankruptcy Court of New York. In order to rebuild WEC Group, the Company recognizes that it is essential that WEC Group and its customers, including the power utility companies, should be provided with appropriate coordination, under the guidance of the court. In addition, deconsolidation of WEC Group as a result of the Chapter 11 filing on March 29, 2017 would meet Toshiba Group's objective to eliminate risks in the overseas nuclear power business.

Moreover, the Company is contemplating actions that include, but are not limited to, a potential sale of all or a majority stake in the Memory Business (the Transferred business). As of March 31, 2016, the Company was in the progress of transferring the assets and liabilities of this business into a newly formed company to create a more agile structure, that will allow for speedy management decisions in the Transferred business. It is anticipated that the result of this transaction will allow the Company to secure repayment of borrowing to the financial institutions, rebuild capital and recover consolidated equity attributable to the Company. To implement the sale smoothly, the Company received approval of the absorption-type company split agreement relating to the Company split between the Company and Toshiba Memory Corporation, which took over the Transferred business, on the effective date of April 1, 2017 in extraordinary shareholder's meeting held on March 30, 2017. The Company is proceeding a process of the splitting-off.

Additionally, while reviewing significance of the assets without exceptions, Toshiba Group will attempt to improve the Company's financial condition by steadily executing a business plan that mainly focus on the social infrastructure business. The Company will also provide explanations to the financial institutions faithfully and will ask sincerely for them to forfeit profits at due date and a renewal or enlarged access of the commitment line agreement. In addition, the Company will take every measures to renew the Special Construction Business License from the Japanese government in conjunction with the countermeasure mentioned above.

Although Toshiba Group is examining the details of the aforementioned countermeasures at the present time, substantial doubt about the Company’s ability to continue as a going concern exists as of the filing date of the quarterly report.

The quarterly consolidated financial statements are prepared with an assumption of a going concern and do not reflect the impact of material uncertainty concerning the assumption of a going concern in the quarterly consolidated financial statements.

Industry Segment Information

1. Nine Months ended December 31

(¥ in millions, US$ in thousands)

		Nine months ended December 31				
		2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Net sales (Share of total sales)	Energy Systems & Solutions	**¥1,085,735** **(27%)**	¥1,024,483 (24%)	¥61,252 (3%)	106%	**$9,359,784**
	Infrastructure Systems & Solutions	**838,456** **(21%)**	900,500 (21%)	(62,044) (-)	93%	**7,228,069**
	Retail & Printing Solutions	**371,818** **(9%)**	403,958 (9%)	(32,140) (-)	92%	**3,205,328**
	Storage & Electronic Devices Solutions	**1,242,301** **(30%)**	1,190,711 (28%)	51,590 (2%)	104%	**10,709,491**
	Industrial ICT Solutions	**161,769** **(4%)**	172,407 (4%)	(10,638) (-)	94%	**1,394,560**
	Others	**388,928** **(9%)**	629,773 (14%)	(240,845) (-5%)	62%	**3,352,828**
	Total	**4,089,007** **(100%)**	4,321,832 (100%)	(232,825)	95%	**35,250,060**
	Eliminations	**(242,155)**	(308,311)	66,156	—	**(2,087,543)**
	Consolidated	**¥3,846,852**	¥4,013,521	¥(166,669)	96%	**$33,162,517**
Segment operating income (loss)	Energy Systems & Solutions	**¥(759,821)**	¥(97,023)	¥(662,798)	—	**$(6,550,181)**
	Infrastructure Systems & Solutions	**21,451**	(4,817)	26,268	—	**184,922**
	Retail & Printing Solutions	**11,113**	(62,772)	73,885	—	**95,802**
	Storage & Electronic Devices Solutions	**154,592**	22,782	131,810	679%	**1,332,690**
	Industrial ICT Solutions	**8,047**	(2,101)	10,148	—	**69,371**
	Others	**(12,878)**	(84,166)	71,288	—	**(111,017)**
	Total	**(577,496)**	(228,097)	(349,399)	—	**(4,978,413)**
	Eliminations	**1,219**	(3,811)	5,030	—	**10,508**
	Consolidated	**¥(576,277)**	¥(231,908)	¥(344,369)	—	**$(4,967,905)**

2. Third Quarter ended December 31

(¥ in millions, US$ in thousands)

		Three months ended December 31				
		2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Net sales (Share of total sales)	Energy Systems & Solutions	**¥325,104** **(24%)**	¥322,831 (23%)	¥2,273 (1%)	101%	**$2,802,621**
	Infrastructure Systems & Solutions	**274,579** **(20%)**	308,046 (22%)	(33,467) (-2%)	89%	**2,367,060**
	Retail & Printing Solutions	**124,094** **(9%)**	133,390 (9%)	(9,296) (-)	93%	**1,069,776**
	Storage & Electronic Devices Solutions	**442,609** **(33%)**	384,198 (27%)	58,411 (6%)	115%	**3,815,595**
	Industrial ICT Solutions	**51,363** **(4%)**	55,485 (4%)	(4,122) (-)	93%	**442,784**
	Others	**129,005** **(10%)**	208,246 (15%)	(79,241) (-5%)	62%	**1,112,112**
	Total	**1,346,754** **(100%)**	1,412,196 (100%)	(65,442)	95%	**11,609,948**
	Eliminations	**(78,899)**	(92,364)	13,465	—	**(680,164)**
	Consolidated	**¥1,267,855**	¥1,319,832	¥(51,977)	96%	**$10,929,784**
Segment operating income (loss)	Energy Systems & Solutions	**¥(769,426)**	¥(96,181)	¥(673,245)	—	**$(6,632,983)**
	Infrastructure Systems & Solutions	**10,291**	2,840	7,451	362%	**88,716**
	Retail & Printing Solutions	**4,628**	4,400	228	105%	**39,897**
	Storage & Electronic Devices Solutions	**76,282**	(13,798)	90,080	—	**657,603**
	Industrial ICT Solutions	**2,672**	(1,280)	3,952	—	**23,034**
	Others	**2,555**	(34,827)	37,382	—	**22,026**
	Total	**(672,998)**	(138,846)	(534,152)	—	**(5,801,707)**
	Eliminations	**(75)**	(3,916)	3,841	—	**(646)**
	Consolidated	**¥(673,073)**	¥(142,762)	¥(530,311)	—	**$(5,802,353)**

Notes:
1) Segment sales total includes intersegment transactions.
2) Segment operating income (loss) is derived by deducting the segment's cost of sales, selling, general and administrative expenses and loss on impairment of goodwill from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges and legal settlement costs have been excluded from segment operating income (loss) presentation herein.
3) Prior-period data relating to the discontinued operation has been deducted.
4) Prior-period data relating to the consolidated segment information has been reclassified to conform with the current classification.
5) From this fiscal year, expenses such as basic R&D expenses previously allocated to "Corporate and Eliminations," and partial profit and loss previously allocated to each segment, are now included in the "Others" segment.

Net Sales by Region

1. Nine Months ended December 31

(¥ in millions, US$ in thousands)

		Nine months ended December 31				
		2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Japan		**¥1,528,234** **(40%)**	¥1,543,579 (38%)	¥(15,345) (2%)	99%	**$13,174,431**
Overseas		**2,318,618** **(60%)**	2,469,942 (62%)	(151,324) (-2%)	94%	**19,988,086**
	Asia	**1,158,344** **(30%)**	1,189,281 (30%)	(30,937) (-)	97%	**9,985,724**
	North America	**695,904** **(18%)**	645,543 (16%)	50,361 (2%)	108%	**5,999,172**
	Europe	**325,176** **(8%)**	419,231 (10%)	(94,055) (-2%)	78%	**2,803,241**
	Others	**139,194** **(4%)**	215,887 (6%)	(76,693) (-2%)	64%	**1,199,949**
Net Sales		**¥3,846,852** **(100%)**	¥4,013,521 (100%)	¥(166,669)	96%	**$33,162,517**

2. Third Quarter ended December 31

(¥ in millions, US$ in thousands)

		Three months ended December 31				
		2016(A)	2015(B)	(A)-(B)	(A)/(B)	**2016**
Japan		**¥505,886** **(40%)**	¥520,828 (39%)	¥(14,942) (1%)	97%	**$4,361,086**
Overseas		**761,969** **(60%)**	799,004 (61%)	(37,035) (-1%)	95%	**6,568,698**
	Asia	**397,920** **(31%)**	415,621 (31%)	(17,701) (-)	96%	**3,430,345**
	North America	**210,137** **(17%)**	194,862 (15%)	15,275 (2%)	108%	**1,811,526**
	Europe	**105,616** **(8%)**	134,551 (10%)	(28,935) (-2%)	78%	**910,483**
	Others	**48,296** **(4%)**	53,970 (5%)	(5,674) (-1%)	89%	**416,344**
Net Sales		**¥1,267,855** **(100%)**	¥1,319,832 (100%)	¥(51,977)	96%	**$10,929,784**

Notes:

1) Net sales by region is determined based upon the locations of the customers.

2) Prior-period data relating to the discontinued operation has been deducted.