

[Translation]
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For Immediate Release

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**Notice on the Result of Self-Check by Consolidated Subsidiaries,
Outline of Investigation by Special Investigation Committee
and Relationship to Items Delegated to Independent Investigation Committee**

As previously announced, Toshiba Corporation (the “Company”) had established a Special Investigation Committee and was conducting an internal investigation of the appropriateness of the percentage-of-completion method of accounting used in certain infrastructure projects undertaken by the Company. Later, the Company established an Independent Investigation Committee solely composed of fair and impartial outside experts, and together with this, the Company carried out a self-check in parallel to the investigation.

The results of the self-check have now been compiled, so the Company hereby announces an outline of the results, as well as a progress of the investigation reported to the Independent Investigation Committee by the Special Investigation Committee and the relationship of those investigated matters to those delegated to the Independent Investigation Committee.

The Company asks for your understanding in noting that the following self-check results, etc. are only outlines as of today, and there is a possibility that such details may ultimately differ significantly from the current outlines. The result of the investigation by the Independent Investigation Committee will be announced promptly after its completion, and the Company will also make timely announcements of any matters requiring disclosure.

The Company expresses sincere apologies to its shareholders, investors and all other stakeholders for any concerns or inconvenience caused by the current investigation into accounting practices.

1. The result of self-check

As announced in its May 22, 2015, “Notice on Scope of Investigation by Independent Investigation Committee,” the Company has carried out, in parallel with the investigation by

the Independent Investigation Committee, a comprehensive, Company-wide self-check of the appropriateness of accounting methods within the Company (corporate divisions and in-house companies) and all of the Company's 584 consolidated subsidiaries (i.e., 585 companies in total). Please refer to Attachment 1 for an outline of the objectives, procedures, and results of the self-check.

Please note that all the results from the self-check process have been shared with the Company's accounting firm, Ernst & Young ShinNihon LLC, and the audit has been ongoing.

2. The outline of investigation by Special Investigation Committee

The Company established a Special Investigation Committee chaired by the Chairman of the Board of Directors and whose members included outside directors (and a member of the Audit Committee), executive officers in charge of legal affairs and corporate auditing, and outside experts from a law office and certified public accountants, and conducted an internal investigation by checking documents and conducting interviews on the appropriateness of the percentage-of-completion method of accounting. The process of this investigation was reported and all related documents were provided to the Independent Investigation Committee. Please refer to Attachment 2 for an outline of items identified in the investigation by the Special Investigation Committee.

Please note that Attachment 2 is an outline of the investigation as of the point in time when it was reported to the Independent Investigation Committee by the Special Investigation Committee, and the Special Investigation Committee did not reach any final conclusion. Please also note that the process of the investigation by the Special Investigation Committee has been reported to the Independent Investigation Committee, and now the Independent Investigation Committee is conducting further investigations.

3. Relationship to the items delegated to the Independent Investigation Committee

In addition to conducting the self-check mentioned above, the Company has delegated the Independent Investigation Committee with investigation in respect of:

- 1) Accounting in relation to the percentage-of-completion method;
- 2) Accounting in relation to recording of operating expenses in the Visual Products Business;
- 3) Accounting in relation to the valuation of inventory in the Semiconductor Business, mainly discrete and system LSIs; and
- 4) Accounting in relation to component transactions, etc., in the PC.

A comprehensive investigation is now being conducted by the Independent Investigation Committee, which has informed the Company that it expects to submit its report of the investigation in mid-July.

Regarding item 1) above, in addition to the nine projects in Attachment 2 that had been identified by the time of the Company's May 15 disclosures, the Special Investigation Committee has identified three more projects closed before 2010 as matters needing investigation. Although these projects will not have any impact on the total amount of the restatement of past financial results, they will require consideration on whether or not they require correction in respect of the timing at which losses (provisions) were recorded. The investigation of these matters has been delegated to the Independent Investigation Committee,

and the investigation is currently ongoing.

Also, regarding item 2), the possibility that the timing of the recording of promotion fees and other costs was postponed, regarding item 3), the appropriateness of accounting methods related to accurate expense recordings and recording of production inventories and costs in the Semiconductor Business (mainly discrete and system LSIs), and regarding item 4), the appropriateness of accounting methods related to the timing and amounts of recorded profit and losses regarding the component transactions with ODMs, have been determined to require investigation. The investigation of these matters has been delegated to the Independent Investigation Committee, and the Company is cooperating fully with such investigation. The specific details of items 2) through 4) are extremely complicated, so the Company will separately provide a more detailed explanation of these items at a later date.

The Company will announce the results of the investigation into the matters delegated to the Independent Investigation Committee once such results are submitted by the Independent Investigation Committee. The Company will take full note of the results and recommendations contained in the Independent Investigation Committee's report of its investigation, and reflect them in the Company's management.

A total of 12 items not delegated to the investigation of Independent Investigation Committee and found in the self-check referred to in Attachment 1 (including two items found by the Special Investigation Committee during the course of its investigation), are expected to require the Company to correct its past financial result in the cumulative amount of approximately 3.6 billion yen (*) over the period fiscal 2009 to fiscal 2013.

(* Attention)

The final amount will be determined through auditing by Ernst & Young ShinNihon LLC. Also, this amount does not include that of items delegated by the Company to the Independent Investigation Committee and now under investigation by the Committee.

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June 12, 2015

Report on Self-Check

1. Purpose of self-check

On April 3, 2015, the Company established a Special Investigation Committee and examined the appropriateness of the percentage-of-completion method of accounting used in certain infrastructure projects undertaken by the Company. In the course of its investigation, the Special Investigation Committee found materials, etc. that raised concerns about the appropriateness of accounting regarding issues other than the percentage-of-completion method of accounting. In light of these materials, etc., the Company carried out internal confirmations and examinations, and determined that the following matters required further examination, and delegated the Independent Investigation Committee with the investigation of such matters:

- 1) Accounting in relation to the percentage-of-completion method;
- 2) Accounting in relation to recording of operating expense in the Visual Products business;
- 3) Accounting in relation to valuation of inventory in the Semiconductor Business, mainly discrete and system LSIs; and
- 4) Accounting in relation to component transactions, etc. in the PC Business.

Also, for the purpose of thoroughly checking for and identifying any other matters requiring investigation and normalizing inappropriate accounting, the Company carried out a structured and comprehensive self-check on its own on the appropriateness of accounting covering the entire Company (including its subsidiaries), in parallel to the investigation by the Independent Investigation Committee and irrespective of the scope of matters delegated to the investigation by the Independent Investigation Committee.

2. Method of self-check

The Company requested each of its corporate divisions and in-house companies, as well as each of its 584 consolidated subsidiaries as of the end of March 2015 (i.e. 585 companies in total) to conduct a self-check, and submit the results thereof in writing, on whether they had handled or knew of any accounting that was not in compliance with accounting principles or company rules, or any other inappropriate accounting (including minor instances) for the end of each quarter during the period from fiscal 2009 to fiscal 2014, and for the period from April 2015 to the end of May 2015. The Company sought to ascertain a reliable understanding of the state of inappropriate accounting by providing each self-checking entity, in the instructions from the Company, with a list of specific potential types of inappropriate accounting, including underestimations of total contract costs for projects undertaken, inappropriate allocation of revenues, delayed recording of fixed costs, delayed recording of expenses, deferment of development expenses, delayed depreciation or amortization expenses, delayed disposal of fixed assets, inappropriate adjustment of cost difference adjustment calculations, under-recording or delayed recording of allowances or provisions, and deferred valuation or disposal of inventory.

Further to this, in respect of instances that were identified among the results of the self-check, the Company conducted a second round of self-checks of the Company and

83 consolidated subsidiaries considered particularly important to closing the Company's financial accounts (such as those that are "large companies" as defined under the Companies Act). The potential issues listed in the instructions for the second self-check included overstating profits or failing to record provisions for loss in component supply transactions with ODMs or the like, overstating profits by revising standard costs of semi-manufactured goods, incompatibility of the timing of accounting processes etc. in transactions with affiliates, overstating income by premature recording of unfinalized claims and compensation etc., premature recording of income or deferment of expenses by treating different contract projects as one contract, recording income by using fictitious evidence, adjustment of profits by recording order numbers for one department/product under a different department/product, improper preemptive recording of deliverable cost reductions, recording of expenses or overstating provisions for non-existent transactions, adjustment of profits by excess recording of unused materials, and discrepancy in timing of recording fixed assets.

The Company reported to its independent accounting auditor, Ernst & Young ShinNihon LLC, all of the self-check results submitted from the corporate divisions, in-house companies, and consolidated subsidiaries, including minor instances.

3. Results of self-check

As a result of the self-check, the Company identified 12 cases of inappropriate accounting (stated in 4. below) for the period from fiscal 2009 to fiscal 2013, other than those falling under the scope of the investigation delegated to the Independent Investigation Committee, such as the timing of recording of income and expenses, and the timing of recording of write-downs for inventory assets, etc. Specifically, there were three cases related to the Power Systems Company (cases 1 through 3 below), one case related to the Social Infrastructure Systems Company (case 4), one case relating to the Community Solutions Company (case 5), one case relating to the Healthcare Company (case 6), one case relating to the Materials & Devices Division (case 7), three cases relating to Toshiba Lifestyle Products & Services Corporation (cases 8 through 10), and two cases relating to the Industrial ICT Solutions Company (cases 11 and 12). At the present stage, and after taking into account the above results, the Company is currently not aware of any matters that should be delegated to the investigation by the Independent Investigation Committee in addition to its current scope of investigation.

4. Specific cases

Cases 1 and 2 below are cases where the possibility of inappropriate accounting practices was identified by the Special Investigation Committee in the course of its investigation. Cases 3 through 12 are cases where the Company identified inappropriate accounting practices through the self-check process. Please see the attachment for amounts and impacts on fiscal year results.

Also please note that the specific cases below do not include any matters delegated to and currently under investigation by the Independent Investigation Committee.

Case no.	Case outline
1	Operating expenses before any receipt of order were posted to cost of inventory. When inventory assets were discarded due to discontinuation

	of sales activities, Toshiba should have posted a loss due to inventory revaluation in fiscal 2013 as expenses.
2	At the time of calculating the claim for damages for outstanding accounts receivable following the cancellation of a contract, Toshiba should have posted write-downs for foreign currency exchanges as provision for bad debt in fiscal 2013.
3	Failure to record an increase in the unit cost of an inventory asset resulted in an under-recording of the actual cost. Toshiba should have recorded the cost increase. In addition, some costs were not recorded.
4	A consumables contract, which should have been recognized separately from the main contract, was included in the main contract, with no provision for loss, at the time the order was received. Toshiba should have made provision for loss at the time of entering into the main contract.
5	The company postponed accounting of selling, general and administrative expenses, such as advertisement expenses and promotion expenses, for fiscal 2012 to fiscal 2013. Toshiba should have posted those expenses in fiscal 2012.
6	Failure to register an order received in fiscal 2011 resulted in provision for contract loss being made in fiscal 2012. Toshiba should have made provision for contract loss in fiscal 2011.
7	The company did not posted a provision for loss of inventory that should have been discarded because of the postponement of such discard. Toshiba should have posted an allowance for revaluation losses in fiscal 2012, when the inventory was recognized as obsolete.
8	The company's provision for product warranties was recognized less than required, and the resulting cost was recorded in the next fiscal term. Toshiba should have made timely and adequate provision for anticipated costs.
9	The company postponed recording of advertisement expenses that it incurred in fiscal 2010 to fiscal 2011. Toshiba should have recorded the cost in fiscal 2010.
10	In fiscal 2011, the company recorded an under-estimated cost for materials, and subsequently recorded the difference in fiscal 2012. Toshiba should have recorded the appropriate amount as costs in fiscal 2011.
11	The company started development for a new product based on release data from the customer, and posted development expenses as an asset. However, the orders received in fiscal 2012 fell short of anticipated amounts. The company tried to find uses for the developed technology until fiscal 2014 but failed, and recorded the expense in fiscal 2014. Toshiba should have recorded an impairment loss or provision for loss in fiscal 2012 when the company discovered the order shortfall.
12	A department did not record the cost of labor hours incurred in fiscal 2013 as a departmental cost, and transferred the cost to the costs of a

	different department in fiscal 2014. Toshiba should have recorded the cost in fiscal 2013.
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Sheet 1

Amount of impacts for fiscal year results

(100 million yen)

Items	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total
Gain or loss / Balance						
Operating profit						
Case 1	-	-	-	--	-10	-10
Case 2	-	-	-	-	-12	-12
Case 3	-	-	-	-3	3	0
Case 4	-7	1	1	-2	-	-7
Case 5	-	-	-	-5	5	0
Case 6	-	-	-1	1	-	0
Case 7	-	-	-2	-	-	-2
Case 8	-1	1	-	-	-1	-1
Case 9	-7	7	-	-	-	0
Case 10	-	-0.4	0.4	-	-	0
Case 11	-	-	-	-4	-	-4
Case 12	-	-	-	-	-0.03	-0.03
Total	-15	8.6	-1.6	-13	-15.03	-36.03

[Translation]

Report on the Outline of Special Investigation Committee Investigation

The investigation by the Special Investigation Committee into percentage-of-completion method of accounting found that, from fiscal 2009 to 2013, inappropriate accounting practices were used in a total of nine projects: four projects undertaken by the Power Systems Company (Projects 1 to 4 below); four projects by the Social Infrastructure Systems Company (Projects 5 to 8); and one project by the Community Solutions Company (Project 9). An outline of each project and the respective inappropriate accounting practices are stated below. Please see sheet 1 for the amount of impact on financial results for each fiscal year. Please note that this is only an outline of the investigation as of the point in time when it was reported from the Special Investigation Committee to the Independent Investigation Committee, and that the Special Investigation Committee did not reach any final conclusion.

Please also note that, there are projects, separate to the nine mentioned above, the possible concerns of which were identified by the Special Investigation Committee in the course of its investigation, and reported to the Independent Investigation Committee.

The Special Investigation Committee conveyed its concerns on such projects in the report on the progress of its investigation and the related documents that it provided to the Independent Investigation Committee, but through further investigation by the Independent Investigation Committee, it is possible that the conclusion (including with respect to the nine projects mentioned above) could differ from of the concerns identified by the Special Investigation Committee.

Project 1

Outline of the item	Production of equipment and others for local government (contract awarded: October 2011)
Outline of inappropriate accounting practice	Current costs (aggregated value) at the time the order was received exceeded the contract amount. However, the target cost with anticipated cost reductions was stated as the total estimated contract cost, and no provision was made for contract loss.
Outline of	The target cost was not supported by concrete cost reduction measures.

the Special Investigation Committee Report	At the time the order was received, Toshiba should have stated the aggregate value as the total estimated contract cost, and made a provision for contract loss for the value that exceeded the order received. In addition, Toshiba should have revised the total estimated contract cost at the end of every quarter after the percentage-of-completion method was introduced in the 2 nd quarter of fiscal 2013.
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Project 2

Outline of the item	Production of equipment for off-site facilities of power plant (contract awarded: June 2001)
Outline of inappropriate accounting practice	Many items of contractual post-construction service and maintenance work carried out after an inspection at the end of 2009 were subcontracted to Toshiba's subsidiaries. However, Toshiba did not follow formal ordering processes with the subsidiaries, and subcontracting costs incurred during fiscal 2010 to 2013 were not included in the total estimated contract cost.
Outline of the Special Investigation Committee Report	Since orders for the contractual post-construction service and maintenance work were issued to subsidiaries, Toshiba should have included outsourced construction costs to subsidiaries from fiscal 2010 to 2013 into the total estimated contract cost, and should have posted sales under the percentage-of-completion method and made a provision for contract loss.

Project 3

Outline of the item	Production of power generation equipment and installation for power plant (contract awarded : July 2011)
Outline of inappropriate accounting practice	By revising fiscal 2013 construction costs based on foreign currency to reflect fluctuations in the exchange rate under the Power Systems Company's accounting rules, the total estimated contract cost was expected to exceed the total estimated revenue from the construction. However, Toshiba considered there was room for cost reductions and did not make any provision for contract loss.
Outline of the Special Investigation	Toshiba should have followed its own accounting procedures and revised the total estimated contract cost to reflect fluctuations in exchange rates in fiscal 2013, and should also have made a provision

Committee Report	for contract loss for the excess of the total estimated contract cost over the total estimated revenue from construction.
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Project 4

Outline of the item	Production of equipment for national R&D corporation (contract awarded: May 2013)
Outline of inappropriate accounting practice	Toshiba was aware at the time of receiving the order of the possibility it would make a loss, however the company did not make any provision for contract loss. In addition, the company did not apply the percentage-of-completion method until March 2015, despite the absence of adequate grounds for failing to do so.
Outline of the Special Investigation Committee Report	Toshiba should have applied the percentage-of-completion method in the 1 st quarter of fiscal 2013 when it received the order, and in fiscal 2013 should have made a provision for contract loss for the excess of the total estimated contract cost over the total estimated revenue from construction.

Project 5

Outline of the item	Development and installation of communications system for smart meters installed within the area of a power company (contract awarded: September 2013)
Outline of inappropriate accounting practice	Toshiba was aware at the time of receiving the order of the possibility it would make a loss, however the company did not make provision for contract loss, despite the absence of any reasonable grounds for failing to do so. In addition, the company began applying the percentage-of-completion method in March 2014 using a total estimated contract cost that incorporated cost reduction measures.
Outline of the Special Investigation Committee Report	Toshiba should have made a provision for contract loss in fiscal 2013, as the company was aware when it received the order that it would make a loss. In addition, Toshiba should not have incorporated cost reduction measures that were not supported by concrete proof in calculating the total estimated contract cost, the basis for calculating any potential loss.

Project 6

Outline of the item	Equipment design and manufacturing contract received from subsidiary outside Japan which won orders of electronic equipment for subway rolling stock (contract awarded: December 2010)
Outline of inappropriate accounting practice	Toshiba was aware in March 2012 that there was a possibility it would make a loss. However, the company did not make any provision for contract loss, despite the absence of any reasonable grounds for failing to do so.
Outline of the Special Investigation Committee Report	Toshiba should have made a provision for contract loss at the end of fiscal 2011, as the company was aware in March 2012 of the possibility it would make a loss. In addition, the company should have posted additional losses for fiscal 2012 and 2013.

Project 7

Outline of the item	Construction for specification changes in construction ordered from power company (contract awarded: 2012)
Outline of inappropriate accounting practice	Toshiba was aware in the 2 nd quarter of fiscal 2012 that there was a possibility it would make a loss. However, the company did not make any provision for contract loss at that time.
Outline of the Special Investigation Committee Report	Toshiba should have made a provision for contract loss in the 2 nd quarter of fiscal 2012, as the company was then in a position to estimate that the total estimated contract cost would exceed the estimated total revenue from the construction.

Project 8

Outline of the item	Construction in relation with transformer substation outside of Japan (contract awarded: October 2008)
Outline of inappropriate accounting practice	Toshiba revised down the estimated total contract cost by 1.7 billion yen in the 2 nd quarter of fiscal 2013. However, the actual cost reduction was only as much as 0.1 billion yen.
Outline of the Special	Toshiba should have taken past results of cost reductions into account and should not have revised down the total estimated contract cost by

Investigation Committee Report	1.7 billion yen in the 2 nd quarter of fiscal 2013.
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Project 9

Outline of the item	Construction on renewal of ETC equipment (contract awarded: November 2012)
Outline of inappropriate accounting practice	Toshiba was aware by the end of fiscal 2012 that it was possible it would make a loss, but did not make any provision for contract loss. As a result of incorporating various accurate cost reduction measures even after fiscal 2013, a contract loss was recognized in fiscal 2013 for only 3.5 billion yen.
Outline of the Special Investigation Committee Report	Toshiba was aware by March 2013 of a considerable loss, and the company should have made a provision for contract loss. In addition, Toshiba should have restated the amounts of the total estimated contract cost and provision for contract loss after fiscal 2013, to accord with the actual situation. In addition, in calculating the total estimated contract cost, Toshiba should only have incorporated those cost reductions that were supported by highly dependable estimates.

Amount of impacts for fiscal year results

(million yen)

Items	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Gain or loss / Balance					
Sales					
Project 1	-	-	-	-	-851
Project 2	-	-2	7	-8	62
Project 3	-	-	-	-	-375
Project 4	-	-	-	-	366
Project 5	-	-	-	-	-3,618
Project 6	-	-	-	-	-
Project 7	-	-	-	-	-
Project 8	-	-	-	-	-1,860
Project 9	-	-	-228	-3,008	-713
Total	-	-2	-221	-3,016	-6,989
Gross operating profit					
Project 1	-	-	-1,877	-	123
Project 2	-	-14	-256	-532	-698
Project 3	-	-	-	-	-1,483
Project 4	-	-	-	-	-1,200
Project 5	-	-	-	-	-25,502
Project 6	-	-	-5,736	-828	3,067
Project 7	-	-	-	-1,046	1,046
Project 8	-	-	-	-	-1,859
Project 9	-	-	-21	-15,573	1,187
Total	-	-14	-7,890	-17,979	-25,319

Items	FY2009	FY 2010	FY 2011	FY 2012	FY 2013
Accumulated gain or loss / Balance					
Sales					
Project 1	-	-	-	-	-851
Project 2	-	-2	5	-3	59
Project 3	-	-	-	-	-375
Project 4	-	-	-	-	366
Project 5	-	-	-	-	-3,618
Project 6	-	-	-	-	-
Project 7	-	-	-	-	-
Project 8	-	-	-	-	-1,860
Project 9	-	-	-228	-3,236	-3,949
Total	-	-2	-223	-3,239	-10,228
Gross operating profit					
Project 1	-	-	-1,877	-1,877	-1,754
Project 2	-	-14	-270	-802	-1,500
Project 3	-	-	-	-	-1,483
Project 4	-	-	-	-	-1,200
Project 5	-	-	-	-	-25,502
Project 6	-	-	-5,736	-6,564	-3,497
Project 7	-	-	-	-1,046	-
Project 8	-	-	-	-	-1,859
Project 9	-	-	-21	-15,594	-14,407
Total	-	-14	-7,904	-25,883	-51,202