

[Translation]
November 17, 2015

For Immediate Release

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**Regarding Goodwill Impairment Related to Toshiba's Consolidated Subsidiary,
Westinghouse Electric Company L.L.C.**

Toshiba Corporation (the "Company") hereby provides supplementary explanation in respect of the announcement that it made on November 13, 2015, "Notice on Media Coverage of Nuclear Power Systems Business".

1. Method for Goodwill Impairment Testing at Westinghouse Group and for Toshiba's Consolidation

When Toshiba acquired Westinghouse Group in 2006, goodwill of \$2,930 million (equivalent to ¥350 billion at the then prevailing exchange rate) was recorded by Westinghouse Group, and also by Toshiba in its consolidated results, based on US GAAP. Since then, Westinghouse Group and Toshiba, for its consolidation, have separately carried out goodwill impairment testing for Westinghouse Group every fiscal year, based on US GAAP.

In impairment testing, companies compare the fair value of the relevant businesses, including its goodwill and respective book value. If the fair value exceeds the book value, there is no need to record impairment. If the fair value is lower than the book value, companies measure the fair value of the goodwill, and recognize the difference between measured fair value and the book value of the goodwill as an impairment loss.

Westinghouse Group has four product lines (business areas), and the goodwill for each product line is assessed and allocated as appropriate. In addition, impairment testing is conducted for each product line. For its consolidated statements, impairment testing is conducted for the overall business results of Westinghouse and the division of Toshiba responsible for Westinghouse. (Since the fiscal 2014 consolidation, in pursuit of the Company's global business strategy, impairment testing has been carried out by

combining Westinghouse Group's results with those of the Nuclear Energy Systems & Services Division.).

2. Evaluation of Impairment, Fiscal 2006 to Fiscal 2011

The results of impairment testing conducted each fiscal year found the fair value of the business exceeded the book value for both Westinghouse Group and for Toshiba, for its consolidation, and goodwill impairment was not recognized.

3. Evaluation of Impairment, Fiscal 2012

As a result of its impairment testing, Westinghouse Group recognized impairment losses for goodwill in two of its four product lines. Westinghouse Group recognized impairment losses of approximately \$250 million (approximately ¥20.5 billion) for "Nuclear Automation," which develops, designs, manufactures and provides maintenance and service of equipment for plant monitoring and control; and approximately \$680 million (approximately ¥55.7 billion) for "Nuclear Power Plants," which conduct engineering, equipment manufacturing, procurement, and project management for new plant construction. The total impairment loss was approximately \$930 million (approximately ¥76.2 billion). The main cause of this was the delayed plans for new plant constructions around the world for which Westinghouse had expected to receive orders due to nuclear accident at Fukushima Dai-ichi; this impact also delayed anticipated orders for the installation of plant monitoring systems.

On the other hand, in impairment testing for its consolidation, Toshiba found that the total fair values of Westinghouse's four product lines—the two mentioned above, plus "Nuclear Services," the maintenance, preventive maintenance, equipment manufacture, engineering and large-scale upgrading of commissioned nuclear power plants, and "Nuclear Fuel," the manufacture and sales of nuclear fuels—plus that of the division of Toshiba responsible for Westinghouse, exceeded their book value, and thus goodwill impairment was not recognized.

4. Evaluation of Impairment for Fiscal 2013

As a result of impairment testing, Westinghouse Group recognized an impairment loss for goodwill of approximately \$390 million (approximately ¥39.4 billion) for the "Nuclear Power Plants" product line. The main causes of this were an expectation that the timing of receipt of orders for new construction projects would be pushed back further, and cost overruns on current AP1000® construction projects.

On the other hand, in impairment testing for its consolidation, Toshiba found that the fair value of Westinghouse's product lines other than "Nuclear Power Plants"—"Automation & Field Services," providing plant monitoring and control system and maintenances for existing plants, "Engineering, Equipment & Major Projects," providing engineering, preventive maintenance, equipment manufacturing, large-scale upgrade for new and existing plants, and "Nuclear Fuel," manufacture and sales of nuclear fuel— all exceeded their book values, and thus, goodwill impairment for Westinghouse's four product lines and the division of Toshiba responsible for Westinghouse as a whole was not recognized.

5. Evaluation of Impairment for Fiscal 2014

As a result of impairment testing, Westinghouse Group did not recognize goodwill impairment as the fair value for each product line exceeded the book value, for product

lines which were impaired in fiscal 2013.

In the course of impairment testing for its consolidation, Toshiba also did not recognize goodwill impairment as the fair value of the Nuclear Energy Systems & Services Division as a whole exceeded its book value.

As of September 30, 2015, Westinghouse Group has recorded goodwill of approximately \$1,520 million (approximately ¥182.8 billion), and Toshiba has recorded goodwill of approximately ¥344.1 billion in its consolidation.

Toshiba will continue to make appropriate evaluations of its assets in its accounting, including assessment of Westinghouse's goodwill based on US GAAP.

Although impairment recorded by Westinghouse Group did not influence Toshiba's financial consolidated statement, impairment recorded by Westinghouse Group in fiscal 2012 fell under the guidelines for timely disclosure, and the Company should have disclosed it appropriately at the appropriate timing.

Toshiba will henceforth make prompt announcements in respect of any item that requires disclosure and the Company will also proactively disclose information, including on Westinghouse Group, to the fullest extent possible.

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