

[Translation]  
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For Immediate Release

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### **Notice on Action for Compensatory Damages against Former Company Executives**

Toshiba Corporation (the “Company”) announces as follows an outline of the explanation to be given at a press conference today at 5:45 PM by the members of the Audit Committee of the Company regarding the action for compensatory damages filed against former executives of the Company.

As announced by the Company in its November 7, 2015 press release “Notice on Receipt of Investigation Report from Executive Liability Investigation Committee, Filing of Action for Compensatory Damages Against Former Company Executives, an Action Filed in the U.S., and Other Matters,” on November 7 the Company filed an action for compensatory damages with the Tokyo District Court against five former executives of the Company—Atsutoshi Nishida, Norio Sasaki, Hisao Tanaka, Fumio Muraoka, and Makoto Kubo (the “Defendants”)—in respect of the inappropriate accounting issue. At the time of the filing of the action, the Company had sought damages from the Defendants for the amount of 300,000,000 yen, but as the Company was today subject to a recommendation by the Securities and Exchange Surveillance Commission (the “Commission”) for an administrative monetary penalty payment order of 7,373,500,000 yen and thus it is almost certain that the Company will incur new damage in the form of such penalty being issued, the Audit Committee intends to increase the amount sought in the action.

If an administrative monetary penalty payment order is issued by the Financial Services Agency based on the above recommendation by the Commission, the amount of the penalty will, at the time it is paid by the Company, be finalized as damage incurred by the Company, so the Company will increase the amount sought in the action at such time.

The Company’s basic approach regarding the amount sought in the action is as follows.

- (1) This action is one in which the Company is seeking compensation for damage incurred by the Company that was caused by the inappropriate accounting issue

and that is within the scope of reasonable and probable causation in terms of those acts of the Defendants that are held to be legally negligent.

- (2) The report by the Executive Liability Investigation Committee states that there is scope to consider fines and administrative monetary penalties as constituting damage incurred by the Company (in addition to damage such as compensation paid to accounting experts for restatements of inappropriate accounting, listing agreement violation penalties, and damage to credit), and the Company is seeking from the Defendants an amount of such damage that is within the scope of reasonable and probable causation in terms of the negligent acts of the Defendants.
- (3) The amount of damage incurred by the Company as of November 7 (the time at which the action was filed) was evaluated as being
  - (i) approximately 900,000,000 yen for compensation paid to accounting experts;
  - (ii) approximately 100,000,000 yen for a listing agreement violation penalty; and
  - (iii) at least 100,000,000 yen for damage to credit,and thus the damage as of such time is considered to exceed 1,000,000,000 yen, and the amount of such damage that is within the scope of reasonable and probable causation in terms of the negligent acts of the Defendants has been determined to be no less than 300,000,000 yen. Today, the specific amount of administrative monetary penalty to be paid by the Company was mostly finalized, and the Company will determine the amount by which the amount sought in the action will be increased following the payment of the administrative monetary penalty, by examining the amount of such payment that is within the scope of reasonable and probable causation in terms of the negligent acts of each Defendant, based also on consultations with the legal counsel representing the Company.

According to the Executive Liability Investigation Committee, liability for negligence has been found on the part of the five Defendants regarding certain aspects of the accounting that was deemed to be inappropriate, and legal liability regarding the inappropriate accounting was not able to be found on the part of any directors or executive officers (those who were in office between fiscal 2008 and the third quarter of fiscal 2014) other than the five Defendants, including on the part of the current President & CEO, Masashi Muromachi. This conclusion was reached by the Executive Liability Investigation Committee following detailed investigation of multiple materials, including the materials investigated by the Independent Investigation Committee as well as materials gathered by the Executive Liability Investigation Committee itself. The Audit Committee carefully examined the methodologies and conclusions of the investigation contained in the report it received from the Executive Liability Investigation Committee, and determined that such methodologies and conclusions were reasonable and that it is thus appropriate to rely on such investigation report.

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