

February 4, 2016

FOR IMMEDIATE RELEASE

Notice on Operating Loss in the Transmission & Distribution Systems Business

TOKYO –Toshiba Corporation (TOKYO: 6502) announces that the company recorded an operating loss in its Transmission & Distribution Systems business (T&D business) in the third quarter of FY2015 (October to December, 2015 in the fiscal year ending March 31, 2016).

The impact of this has been incorporated into the consolidated forecast for FY2015 (April 1, 2015-March 31, 2016), as detailed in the February 4, 2016 announcement, “Notice Regarding Revision of Business Results Forecast.”

As Japanese market has stalled, Toshiba has promoted rapid expansion of the T&D business in overseas markets. However, the current economic slowdown, particularly in the emerging economies, increased uncertainty about future demand. This caused Toshiba to forecast a combined FY2015 operating loss of about 40 billion yen for the T&D and Solar Photovoltaic Systems businesses in its December 21, 2015 forecast announcement, “Notice Regarding Business Results Forecast.”

Since then, the market downturn has intensified, and Toshiba has reviewed its mid-term plan and conducted impairment testing for both businesses. As the result, the Company has now recorded an impairment loss for fixed assets and goodwill of 31,324 million and 16,864 million yen, respectively, a total of 41,188 million yen, with the T&D business accounting for the larger part. This total will be reported as an operating loss in the company’s third quarter results.

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