

April 26, 2016
Toshiba Corporation

**Regarding Goodwill Impairment Related to Toshiba's Nuclear Power Business
and Write-Downs of Westinghouse Group Stock**

TOKYO—Toshiba Corporation (Tokyo: 6502) hereby announces that it expects to recognize an impairment loss for part of the goodwill of its nuclear power business, including Westinghouse Electric Company L.L.C. and its group companies (“WEC Group”) that has recorded on its consolidated balance sheet since acquiring WEC Group in 2006, and that it will write down the value of WEC Group stock in its non-consolidated financial statements of FY2015 (April 1, 2015-March 31, 2016) business results.

The impact of this impairment on Toshiba's consolidated balance sheet is reflected in the revision to its FY2015 business results forecast that Toshiba announced today, “Notice Regarding Revision of Business Results Forecast”. The write-downs of WEC Group stocks in non-consolidated financial statements will not impact on Toshiba's consolidated business results.

1. Goodwill Impairment Related to Toshiba's Nuclear Power Business on the Consolidated Financial Statements

When Toshiba acquired WEC Group's shares in 2006, \$2,930 million (equivalent to 350 billion yen at the then prevailing exchange rate), the difference between the acquisition price and the fair value (net assets) of WEC Group's business assets, was recorded as goodwill, an intangible fixed asset, on Toshiba's consolidated balance sheet. This move followed US GAAP.

Every fiscal year, again in line with US GAAP, Toshiba has calculated the fair value of its nuclear power business, including WEC Group's business, and conducted impairment testing for the goodwill recorded on its consolidated financial statements.

In two recent announcements this year, February 4 “Revision of FY2015 Consolidated Business Results and the Progress of the ‘Toshiba Rebuilding Initiative’” and March 18 “FY2016 Business Plan”, Toshiba reported that

FY2015-3Q impairment testing (STEP 1) for the nuclear business had found no signs of impairment, as the fair value of the business exceeded the book value.

However, the forecast for Toshiba's financial condition has deteriorated significantly, bringing changes to Toshiba's funding environment, including rating downgrading. Toshiba therefore decided to conduct STEP 1 impairment testing again, with February 29, 2016, as the base date.

In STEP 1 impairment testing, Toshiba changed the discount rate for calculation of the fair value due to the rise in the cost of funding, although no changes were seen in the business potential of the nuclear power business and no important changes were made to its long-term business plan. As the result, the fair value of the nuclear power business was seen as falling below the book value, causing Toshiba to recognize signs of impairment and to conduct STEP 2 impairment testing to determine the extent.

In STEP 2 impairment testing, Toshiba reevaluated the fair value of the nuclear business's assets and debts, excluding goodwill. The value of intangible assets, mainly in the form of technology assets, increased as a result of the progress and growth of the business following the acquisition of WEC Group, causing a relative decrease in the goodwill. Toshiba currently expects to recognize a 260 billion yen impairment loss as an operating loss in its FY2015 consolidated income statement.

2. Write-Downs of WEC Group Stock in Toshiba's Non-Consolidated Financial Statements

Based on Japanese accounting standards, Toshiba has recognized a write-down of WEC Group stock in its non-consolidated financial statements, as the net asset value of WEC Group fell below the book value and Toshiba determined, in FY2015-4Q, that the net asset value cannot be expected to recover in the immediate future. Toshiba expects the write-down to be in the amount of 220 billion yen, which amount will be recognized in its non-consolidated income statement. The write-down of the stock will not impact on Toshiba's consolidated financial statements.

The impairment stated above is not the final amount, as Toshiba is still working on

the business results. The final amount will be announced with the FY2015 business results. Please refer to pages 6 to 8 of the presentation slides, “Revised Forecast for FY2015,” announced today for further details.

3. Future Outlook

Toshiba’s FY2015 business results forecast reflecting the impact of this impairment and the write-down is announced today in “Notice Regarding Revision of Business Results Forecast”.

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