

Toshiba medical unit boss fired over accounting fraud

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Toshiba said Wednesday it had fired a renegade manager for falsely inflating profits at a medical subsidiary, and that the unit's chief executive would quit.

The Japanese engineering conglomerate said the unnamed employee had "overstated numbers and made misstatements" in what it described as "inappropriate" accounting at Toshiba Medical Information Systems.

The false accounting happened over a six-year period starting in 2006, the conglomerate said, adding that it inflated the division's profits by about \$100 million in total.

In response, a manager who ordered his underling to fake the financial statements was fired while the unit's [chief executive](#) and directors have agreed to step down, Toshiba said.

"Toshiba Corporation deeply regrets that such a situation has occurred...and is taking the matter very seriously," it added, saying it would take "preventative measures" to prevent a re-occurrence.

However, the vast company said it did not expect the scheme—which saw profits inflated by 9.86 billion yen (\$100 million)—to "materially affect its consolidated financial results for the past fiscal years".

The revelation came as Toshiba said its net profit for the six months to September fell 14.4 percent to 21.5 billion yen (\$218 million) due to a

tax change.

Operating [profit](#) soared 53.7 percent to 105.6 billion yen on sales of 3.04 trillion yen, up 13.2 percent, it added, crediting strong sales of electronic devices and memory chips.

The firm boosted its annual sales forecast by 200 billion yen to 6.3 trillion yen, with a [net profit](#) of 100 billion yen.

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