

June 21, 2021
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice of Disclosure of Investigation Report Prepared by Law Firm
and Opinion Prepared by Audit Committee**

As announced in “Notice Regarding the Date and Venue and the Agenda of an Extraordinary General Meeting of Shareholders, and the Opinion of the Company’s Board of Directors on the Shareholder Proposals” dated February 17, 2021, in response to receiving “Written Demand to Call a General Meeting of Shareholders” from Effissimo Capital Management Pte Ltd and Suntera (Cayman) Limited as Trustee of ECM Master Fund (collectively, “ECM”) on December 17, 2020, Toshiba Corporation (“Toshiba”) has conducted an investigation on so-called “Pressure Issue” at the Audit Committee by engaging Nishimura & Asahi Law Office as an assistant to which a part of the investigation was commissioned. The Audit Committee received an "Investigation Report" and an “Additional Investigation Report”(collectively, the "Law Firm Report") both dated February 17, 2021 as the results of the investigation by Nishimura & Asahi Law Office, and also based on the investigation conducted by the Audit Committee itself, the Audit Committee submitted the "Audit Committee’s Opinion in regard to ECM’s Demand for Convocation of General Meeting of Shareholders" (the "Audit Committee Opinion") to the Board of Directors Meeting held on February 17, 2021 as the results of the Audit Committee’s investigation.

Toshiba has not disclosed the results of the Audit Committee’s investigation (including the results of the investigation by Nishimura & Asahi Law Office) thus far as it has references to the conduct of third parties including the performance of public duties by the administrative authorities.

However, Toshiba received and disclosed an Investigation Report dated June 10, 2021 (the “Investigators Investigation Report”) from the “persons who will be charged to investigate the status of the operations and property of the stock company as set forth in Article 316, Paragraph 2 of the Companies Act” who were elected at Toshiba’s Extraordinary General Meeting of Shareholders held on March 18, 2021, and as the conduct of third parties including the performance of public duties by the administrative authorities has been already referred to in the Investigators Investigation Report, Toshiba decided that there is no reason to keep the results of the Audit Committee’s investigation undisclosed and hereby announces to disclose the Law Firm Report and the Audit Committee Opinion as attached (Note).

Toshiba sincerely accepts the points made in the Investigators Investigation Report about the operation of the 181st Ordinary General Meeting of Shareholders. Toshiba will strive to drastically improve its corporate governance and to improve its corporate value.

(Note) Some of the proper nouns in the Law Firm Report have been anonymized upon the disclosure.

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Investigation Report

February 17, 2021

To: Toshiba Corporation, Audit Committee

Nishimura & Asahi

Attorney-at-Law: Takashi Shibuya

Attorney-at-Law: Jun Katsube

Attorney-at-Law: Keita Asano

Attorney-at-Law: Hitoshi Imaizumi

Per request of the Toshiba Corporation, Audit Committee, our firm has conducted an investigation of the matter described below (“**Investigation**”), and herein makes a report of the results as follows.

The request for convocation of extraordinary general shareholders meeting dated December 17, 2020 from Effissimo Capital Management Pte Ltd (“**Effissimo**”) and Suntera (Cayman) Limited as Trustee of ECM Master Fund states that “some shareholders abstained from exercising their voting rights in response to pressure” at the Toshiba Corporation (“**Toshiba**”) 181st annual general shareholders meeting held on July 31, 2020 (“**General Shareholders Meeting**”). If Mr. M (“**Mr. M**”), who was an advisor to the Ministry of Economy, Trade and Industry (“**METI**”) at the time, did interfere improperly with the exercise of the voting rights of Harvard Management Company, Inc. (“**HMC**”),¹ as reported in the Reuters article dated December 24, 2020,² whether Toshiba was involved in such interference, and any matters related to the same.

¹ HMC is an institutional investor operating the Harvard University endowment fund.

² Article entitled “Japan government adviser pressured Harvard with talk of probe before Toshiba vote -sources”.

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I. Overview of the Investigation

1 Background and Purposes of the Investigation

(1) Relevant News Reports

A Financial Times article dated September 15, 2020³ reported the following, broadly speaking. (a) Because Toshiba was hoping to sway shareholders⁴ and proxy-advisory firms, Mr. M had private discussions with HMC CEO (“HMC CEO”) concerning HMC voting intentions at the General Shareholders Meeting. (b) Effissimo conducted a survey of shareholders asking whether they had voted “in a manner inconsistent with intentions,” and the results suggested that some shareholders may have felt undue pressure to change their votes. (c) Mr. M and HMC CEO held an online meeting about two weeks before the General Shareholders Meeting, following which HMC decided to abstain from voting. (d) a financial advisor (“FA”), which had been retained by Toshiba to handle activists, told Toshiba before the M-HMC CEO meeting that the ballot would be extremely close, and identified HMC as one of the potential swing votes. (e) Mr. M told HMC CEO, in their meeting, that because of Toshiba’s deep connections within the Japanese government, a “no” vote could have an impact on HMC’s reputation. (f) Toshiba retained FA in order to sway the opinions of proxy-advisory firms.

In addition, the Reuters article dated December 24, 2020 reported the following, broadly speaking. (a) Mr. M, who was appointed advisor to METI in May 2020, knew that HMC was frustrated over Toshiba’s corporate governance, and approached his acquaintance HMC CEO a few weeks before the General Shareholders Meeting. (b) Exchanges between Mr. M and HMC CEO were conducted by phone and email, and the initially amicable discussions deteriorated on the weekend before the General Shareholders Meeting, and Mr. M told HMC CEO that if HMC exercised voting rights in a manner opposed to Toshiba, it could be investigated under the Foreign Exchange and Foreign Trade Act (“FEFTA”). (c) Mr. M specifically mentioned HMC’s relationship with Effissimo and HMC in his exchanges with HMC CEO (on the assumption that the FEFTA newly required that notice be given when multiple foreign shareholders reach agreement and jointly exercise voting rights in a listed company, if said shareholders hold a total 10% or more of the voting rights in said company). (d) Mr. M wrote on Twitter, “I am an advisor to METI and a senior fellow at Harvard, and I enjoy a longstanding trust relationship with the Harvard endowment fund, on which basis my input is frequently sought. It is deeply regrettable that this article, which is based on testimony from anonymous sources, would create the impression that I threatened CEOs and CIOs on behalf of METI

³ Article entitled “Former Japan GPIF investment chief intervened in Toshiba AGM”.

⁴ Unless otherwise noted, “shareholders” means Toshiba shareholders; hereinafter the same.

to determine their voting policies.”⁵

(2) Request from Effissimo, etc.

The document sent from Effissimo to Toshiba entitled “Request for Creation of Third-Party Committee” and dated September 23, 2020 stated that: in response to news reports that some shareholders had declined to exercise their voting rights due to pressure, Effissimo had questioned dozens of Toshiba’s shareholder companies, and had found that several shareholders in fact had not exercised voting rights as they intended; and those news reports made clear that proxy-advisory firms had been pressured when making manifestations of intention.

Furthermore, Effissimo’s request for convocation of an extraordinary general shareholders meeting dated December 17, 2020 stated that: there had been news reports of some shareholders declining to exercise their voting rights in response to pressure, and of proxy-advisory firms being pressured; and Effissimo had questioned dozens of Toshiba’s shareholder companies, and had found that in fact, pressure had led some shareholders to abandon the idea of exercising their voting rights.

It shall be noted that up until now, no shareholder has made a complaint, etc. to Toshiba to that effect that it had been pressured regarding exercise of its voting right.

(3) Request for Investigation by Toshiba’s Audit Committee

To facilitate the official decision by Toshiba’s Board of Directors concerning whether to convene an extraordinary general shareholders meeting in response to Effissimo’s request for convocation of an extraordinary general shareholders meeting etc., Toshiba’s Audit Committee requested, on January 22, 2021, that Nishimura & Asahi conduct the Investigation in order to ascertain the facts surrounding the matter described in the preamble, in connection with the news reports and the matters noted by Effissimo described in (1) and (2) above.

None of the attorneys involved in the Investigation at Nishimura & Asahi had provided legal advice in regard to the General Shareholders Meeting, and all such attorneys conducted the Investigation from an impartial and objective standpoint.

2 Period Subject to Investigation

In consideration of the fact that the shareholder proposal from Effissimo was submitted on May 14, 2020 and the General Shareholders Meeting was held on July 31, 2020, to include periods before and after those dates, the period subject to the Investigation was set to April 1 to August 31, 2020

⁵ It should be noted that Reuters released this article on December 23, 2020, and then added Mr. M’s Twitter remarks in an updated version dated December 24.

(“Investigation Period”).

3 Method of Investigation

(1) Detailed Review of Related Materials etc.

Our firm conducted a detailed review of materials related to the General Shareholders Meeting. The materials subjected to this detailed review consisted principally of the following.

- Materials related to communication with Effissimo, HMC, and Toshiba’s other primary shareholders.
- Materials related to the order to collect reports under the FEFTA dated May 22, 2020 (“**Report Collection Order**”), which was issued to Toshiba by the Minister of Finance and Minister of Economy, Trade and Industry.

(2) Interviews

In light of the results of the Toshiba Audit Committee’s initial check of emails etc. to/from related persons, the following related persons of Toshiba were selected to undergo interviews, in consideration of the matters subject to investigation and the time constraints of the Investigation. More specifically, Toshiba Representative Executive Officer and Corporate Senior Executive Vice President (General Executive, Human Resources & Administration Division, and Corporate Communication Division) Mr. Masayasu Toyohara (“**Mr. Toyohara**”), Executive Officer and Corporate Senior Vice President (General Executive, Strategic Planning Division, Group Relations Division, Vice President, Strategic Planning Division) Mr. Masaharu Kamo (“**Mr. Kamo**”), both of whom had been engaged in communication activities during the Investigation Period with METI’s (then) Assistant Vice-Minister for Policymaking, Minister’s Secretariat Mr. A (“**Mr. A**”)⁶ and (then) Director of the IT Industry Division of the Commerce and Information Policy Bureau with jurisdiction over Toshiba Mr. B (“**Mr. B**”),⁷ and Representative Executive Officer, President and CEO Mr. Nobuaki Kurumatani (“**Mr. Kurumatani**”), were selected to undergo interviews. The performance of the interviews is as shown in the table below.

⁶ Mr. A was appointed METI’s Assistant Vice-Minister, Minister’s Secretariat on July 20, 2020.

⁷ Mr. B was appointed Director of the Policy Planning and Coordination Division of METI’s Manufacturing Industries Bureau on July 20, 2020.

Table: Performance of Interviews

Subject	Interview Date(s) ⁸
Mr. Toyohara	January 26
Mr. Kamo	January 27, 28, February 1
Mr. Kurumatani	January 29

(3) Email Data Review

Our firm selected the interview subjects of (2) above to undergo email data review and, in Microsoft Office Outlook, used the search formula “(Mr. A’s surname in kanji)’ OR ‘(romanization of Mr. A’s surname)’ OR ‘(Mr. B’s surname in kanji)’ OR ‘(romanization of Mr. B’s surname)’ OR ‘(Mr. M’s surname in kanji)’ OR ‘(romanization of Mr. M’s surname)’ OR ‘経産省[*METI*]’ OR ‘経済産業省 [*Ministry of Economy, Trade and Industry*]’ OR ‘METI’ OR “エフィッシモ [*effissimo*]’ OR ‘effissimo’ OR ‘ハーバード[*harvard*]’ OR ‘harvard’ OR ‘外為法[*FEFTA*]” to narrow its search of the review subjects’ email data from the Investigation Period (April 1 to August 31, 2020)⁹ to documents whose sender, attention, subject lines, text, or attached files were returned in said search. The firm then reviewed the resulting documents.

4 Reference Date for Investigation

The reference date for the Investigation is February 1, 2021.

II. Facts Found as a Result of Investigation

1 Facts that can be Found Based on Evidence

(1) Requests, Proposals, etc. from Effissimo and Other Shareholders Prior to the General Shareholders Meeting

In approximate 600-billion-yen capital increase through third-party allotment conducted by Toshiba in December 2017, new shares were allocated to foreign investors, and as a result, at the time of the General Shareholders Meeting, Toshiba’s major shareholders were foreign investors including Effissimo, Farallon Capital Management, L.L.C. (“**Farallon**”), 3D Investment Partners Pte. Ltd.

⁸ All dates 2021.

⁹ *I.e.*, all email data received from Toshiba’s Audit Committee that concerns the subjects and is dated to the Investigation Period.

(“3D”), and King Street Capital Management, L.P.¹⁰ These foreign investors had made the following requests, proposals, etc. to Toshiba at the time of the General Shareholders Meeting.

On March 19, 2020, Effissimo, citing a strong awareness of problems with fictitious round-trip transactions at Toshiba IT-Services Corporation, demanded individual meetings with all of Toshiba’s directors, telling Toshiba that depending on circumstances, it might need to consider making a shareholder proposal etc. at the General Shareholders Meeting; thereafter, on May 19, 2020, Effissimo did in fact make a shareholder proposal concerning the appointment of four directors (Mr. Akira Takeuchi, Mr. Tadaaki Sugiyama, Mr. Yoichiro Imai (“**Mr. Imai**”), and Mr. Takushi Takasaka).¹¹ Farallon demanded that Toshiba restructure unprofitable businesses to eliminate conglomerate discounts; on May 13, 2020, Farallon submitted to Toshiba a shareholder proposal requesting the reappointment of Toshiba’s four foreign national external directors. 3D pointed out to Toshiba that the occurrence of conglomerate discounts was a major problem, and that far from cutting non-core businesses, Toshiba was pursuing a policy that undertook them proactively; on April 30, 2021, 3D submitted to Toshiba a shareholder proposal concerning the appointment of two directors (Mr. Allen Chu and Mr. Yuya Shimizu).

(2) State of Enforcement of Amended FEFTA Prior to the General Shareholders Meeting, etc.

a. State of Enforcement of Amended FEFTA

With respect to the amended FEFTA that was enacted on November 22, 2019, the associated revised governmental/ministerial ordinance and public notice was promulgated on April 30, 2020, came into effect on May 8, 2020, and became fully applicable on June 7, 2020 (hereinafter, the amended FEFTA is, collectively with the associated revised governmental/ministerial ordinance and public notice, the “**Amended FEFTA**”).

b. Gist of Amended FEFTA, etc.

The pre-amendment FEFTA stipulated a duty requiring advance notice, to the Minister of Finance and the competent minister for the relevant business, of the business purposes etc. of any inward direct investments etc. attempted by foreign investors which fall under prescribed transactions etc., because

¹⁰ As of May 15, 2020, foreign corporations etc. held a 62.65% share in Toshiba.

¹¹ Effissimo retracted aspects of this shareholder proposal (proposals concerning appointment of Mr. Takushi Takasaka) on June 19, 2020.

such inward direct investments etc. require screening from the standpoint of national security etc.¹² For example, in the case where a foreign investor was to acquire a stake in a listed company operating in an business type requiring advance notice (designated business type) and, as a result of such acquisition, would come to own 10% or more of the outstanding shares in such listed company, such investor was required to give advance notice and undergo a screening.

The Amended FEFTA is intended to “strive for a dynamic and balanced inward direct investment system” by “further promote inward direct investments connected with sound economic expansion” and “the appropriate handling of investments that may harm national security etc.”

In regard to “further promoting inward direct investments connected with sound economic expansion”, an “advance notice exemption system” was introduced which allows exemptions from advance notice and screenings for inward direct investments etc. by foreign investors, even when such investments are directed to companies in designated business types. Under the advance notice exemption system, in the case of, for example, listed company share acquisition, general foreign investors are exempt from advance notice in relation to designated business types (other than core business types¹³) if such investors are compliant with prescribed exemption criteria, and are exempt from advance notice in relation to core business types if they are compliant with more stringent criteria in addition to the these exemption criteria, and if their shareholding ratio after such acquisition will be less than 10%.

Meanwhile, in regard to the “appropriate handling of investments that may harm national security etc.”, any inward direct investment etc. intended to carry out an act that will imperil the ongoing and stable conduct of business in designated business types is set outside the scope of the advance notice exemption. In addition, the threshold value for listed company share acquisitions etc. subject to the advance notice requirement is reduced from 10% to 1%. Furthermore, the definition of “inward direct investment etc.” is expanded to include acts whereby a foreign investor holding 1% or more of the shares in a listed company engaged in business in a designated business type (i) consents in a general shareholders meeting to the appointment as officer of itself or persons closely related to it,¹⁴ or (ii) in a general shareholders meeting, directly proposes and consents to the transfer or abolition of business in a designated business type. Prior to the above amendment, acquisition of consent for joint exercise among foreign investors of voting rights in a listed company after acquisition of such voting rights (if

¹² *I.e.*, screening to determine whether such transactions fall under inward direct investment etc. that may harm national security, impede the maintenance of public order, or hinder the protection of public safety, or that may have a significant adverse effect on the smooth operation of the Japanese economy.

¹³ Core industries include, for example, weapons, aircraft, nuclear power, space exploration, and manufacture of general-purpose items with potential military applications.

¹⁴ As detailed in (1) above, Effissimo made a shareholder proposal concerning the appointment as director of its founder and director Mr. Imai; affirmative voting by Effissimo in the Shareholders’ Meeting for the proposal to appoint Mr. Imai as director would have been subject to advance notice and screening under the Amended FEFTA.

such investors own a total of at least 10% of the voting rights in said company) was added to the definition of inward direct investment etc., in view of the fact that modes of investment were diversifying prior to the revision.^{15 16}

(3) Exchanges etc. between METI and Toshiba before the General Shareholders Meeting

Because Toshiba is engaged in the defense business, the nuclear business, the semi-conductor business, and other businesses that fall under designated businesses or core businesses under the FEFTA, it has been providing reports etc. to METI on the state of its businesses, with Representative Executive Officer Corporate Senior Executive Vice President Mr. Toyohara (General Executive, Human Resources & Administration Division, and Corporate Communication Division) as the contact point for Toshiba. Mr. Toyohara has also been conveying demands and proposals etc. of foreign investors, such as those discussed above, to METI (meaning Mr. B, who serves as Director, IT Industry Division, the department with jurisdiction over Toshiba, or Mr. A, who served as Director, IT Industry Division in the past, and at the time was the Assistant Vice-Minister for Policymaking, Minister's Secretariat; hereinafter the same) from time to time.

Before the General Shareholders Meeting, the issue of how the Amended FEFTA would apply to shareholders proposals by foreign investors at the General Shareholders Meeting was under attention; in early May 2020, Mr. Toyohara and Mr. Kamo¹⁷ received a request from METI to the effect that because evidence, instead of oral explanation, was necessary to enforce the law, METI needed Toshiba to cooperate with METI's investigations relating to the foreign investors' demands and proposals etc. to Toshiba and submit related materials, and to submit documents that would serve to kick off the investigation. Upon receiving such request, on May 3, 2020, Mr. Toyohara and Mr. Kamo sent to METI a draft of a request for an investigation and materials relating to the predicted vote counts at the General Shareholders Meeting, and on May 7, 2020, prepared a document for uniformly explaining to METI Toshiba's thinking about how to handle Effissimo and other foreign investors, and explained its thinking to METI. Subsequently, pursuant to METI's request, a conference call among the Director-General of the Commerce and Information Policy Bureau at that time and Toshiba's several outside directors was arranged, and during the call, the Director-General stated that METI had serious concerns about the protection of nuclear businesses, defense businesses, semi-conductor businesses, and other businesses that are important in terms of national security under the FEFTA. After hearing

¹⁵ Partial Revision of the Cabinet Order on Inward Direct Investment etc. (promulgated September 26, 2019, came into effect October 26, 2019).

¹⁶ We surmise that the December 24, 2020 Reuters article discussed in I.1(1) was referring to this consent for joint exercise of voting rights among foreign investors.

¹⁷ Since assuming the office of Executive Officer Corporate Senior Vice President (General Executive, Strategic Planning Division, Group Relation Division, Vice President of Strategic Planning Division) on April 1, 2020, Mr. Kamo has been acting the contact point for METI along with Mr. Toyohara.

such concerns, Toshiba internally looked into measures that could be taken under the Amended FEFTA with respect to the demands and proposals etc. of foreign investors, but it was determined that in light of the circumstances at that time, there were no particular measures that could be taken, and that there were no effective means to address a rejection of a company proposal at the General Shareholders Meeting. Then on May 19, 2020, Toshiba submitted its written request to METI, on May 22, 2020, the Report Collection Order was issued to Toshiba, and on May 28, 2020, Toshiba submitted to METI a report on the state of acquisition of Toshiba shares by foreign investors and other related materials. Subsequently, Toshiba continued to comply with METI's requests, and provided to METI an overview of engagements with foreign investors in preparation for the General Shareholders Meeting and information regarding predicted vote counts.

(4) State of Communications between HMC and Toshiba before the General Shareholders Meeting

On March 3, 2020, HMC sent a letter to Toshiba demanding that a large-scale share buy-back program be announced and implemented immediately, and that Toshiba promise to sell its minority interest in the memory business after the public offering and apply the proceeds from such sale to additional share buy-back. Toshiba tried to meet with HMC, but on May 26, 2020, Toshiba received a response from HMC refusing to meet, and stating that HMC would accept letters addressed to HMC's general counsel, not to HMC CEO. Subsequently, on May 28, 2020, Toshiba sent HMC a letter stating that it would be difficult to comply with the foregoing demand of HMC immediately, and on June 1, 2020, HMC sent a letter to Toshiba repeating the above demand and seeking reappointment of four non-Japanese directors ("**June HMC Letter**"). Subsequently, on June 11, 2020, there were discussions about arranging a meeting between Ms. Ayako Hirota Weissman, an outside director of Toshiba, and HMC, but ultimately, HMC responded that they could not meet until after the General Shareholders Meeting. On June 22, 2020, Toshiba sent HMC a letter stating that if it sold its minority interest in the memory business, it was its intention to return a majority of the sale proceeds to shareholders, and its policy was to reappoint the four non-Japanese outside directors.

Because HMC thus refused to communicate through meetings before the General Shareholders Meeting, communication between Toshiba and HMC was only through the exchange of letters.

(5) Toshiba's Understanding Regarding the Course of Events Leading to Mr. M's Involvement

According to the interviews we conducted, in the course of the above communications with HMC after the receipt of the June HMC Letter, while providing status reports to METI, Mr. Toyohara and Mr. Kamo heard from METI of Mr. M, a special advisor to METI who had contact with HMC as a Harvard University fellow; thus, it was Toshiba's understanding that Mr. M became involved in

communications with HMC because of METI's decision, and at any rate, Toshiba was not the one to cause Mr. M to become involved. The foregoing explanation is consistent with Toshiba's understating regarding the subsequent communications between Mr. M and HMC as described in (6) below, and we do not find it to be unnatural¹⁸. Subsequently, after Mr. Toyohara and Mr. Kamo shared with METI the above draft of the June 22, 2020 letter from Toshiba to HMC, METI gave Toshiba comments on such draft, explaining that they were Mr. M's comments.

(6) Toshiba's Understanding Concerning Communications between Mr. M and Harvard

From July 2020, when Mr. Toyohara and Mr. Kamo received inquiries from METI, Mr. Toyohara and Mr. Kamo provided to METI information regarding circumstances relating to the General Shareholders Meeting as information for METI to convey to Mr. M, and at the same time, METI shared with them Mr. M's comments concerning Toshiba's predicted vote counts and other fragmentary information.

As described in (5) above, it was Mr. Toyohara's and Mr. Kamo's understanding that Mr. M became involved in communications with HMC based on METI's decision, and even subsequently, it was their understanding that Mr. M was communicating with HMC in light of METI's request.

We did not find any direct exchanges between Toshiba and Mr. M, and we did not find that Toshiba tried to contact Mr. M directly.

From late July 2020, immediately prior to the General Shareholders Meeting, while Mr. Toyohara and Mr. Kamo were conveying to METI information on the status of Toshiba's efforts such as Toshiba's predicted vote counts and its communication with shareholders, METI conveyed to them a prediction regarding HMC's voting behavior¹⁹, the fact that Mr. M planned to meet with HMC, and other fragmentary information, and when requested by METI, Mr. Toyohara and Mr. Kamo conveyed

¹⁸ In early June 2020, when there was a concern that if director candidates based on shareholder proposals were elected at the General Shareholders Meeting, the board of directors would be led by directors elected through shareholder proposals, the idea of adding a number of director candidates proposed by Toshiba surfaced and the nomination of additional candidates was considered. At such time, Mr. M's name was brought up by Mr. Kurumatani as one such additional candidate, but ultimately it was decided not to increase the number of candidates, and the idea of adding candidates was not even discussed at the nominating committee meeting held on June 12, 2020. According to the interviews we conducted, Mr. M's name was brought up because of his career history etc., and not because of any personal connections etc., and since the idea of adding additional candidates fell through before any discussions at the nominating committee meeting, Mr. M was not contacted. In light of the fact that the idea of adding directors fell through in a few days, and the fact that the names of several distinguished executives etc. other than Mr. M were brought up as additional candidates, we do not find the above explanation to be unnatural. Accordingly, it is difficult to find that the fact that name of Mr. M was brought up as one of the several additional director candidates suggests that Toshiba had a personal connection with Mr. M, or that Toshiba had any connection with Mr. M becoming involved in communications with HMC.

¹⁹ It appears that prediction that HMC will vote in favor of Mr. Kurumatani, Osamu Nagayama, four non-Japanese directors, and directors proposed by 3D was conveyed.

to METI calculation results based on information on the predicted vote counts of other shareholders in each scenario assuming multiple scenarios of HMC's voting behavior; however, subsequently, METI did not convey the results of any meetings between Mr. M and HMC, predictions of HMC's voting behavior in light of such meetings, or other information.

(7) Communications between HMC and Toshiba after the General Shareholders Meeting

From the results of the interviews we conducted and related evidence, after the General Shareholders Meeting, we did not find that HMC made any remarks or indications etc., either before or after the September 15, 2020 publication of the Financial Times article about pressure on HMC's exercise of its voting rights²⁰, to Toshiba regarding any pressure placed on HMC with respect to the exercise of its voting rights at the General Shareholders Meeting.

2 Whether Toshiba Improperly Interfered or was Involved in Improper Interference with HMC's Exercise of Voting Rights

As discussed in 1(3) through (7) above, it was not found that Toshiba put any pressure on HMC or otherwise improperly interfered with HMC's exercise of its voting rights, asked Mr. M or METI to put any pressure on HMC, discussed such matters with Mr. M or METI, or was otherwise involved in any improper interference.

To elaborate on this point in light of the evidence, we did not find any emails or any other objective evidence indicating the existence of the facts above. Further, all of the interviewees stated that Toshiba has not involved with any improper interference such as putting any pressure on HMC, with respect to HMC's exercise of its voting rights, and that they were not aware of any such improper interference at all.

It was Mr. M's conduct that was problematized in relation to HMC's exercise of its voting rights in both the Financial Times article and the Reuters article, and we did not find any emails or other objective evidence suggesting that there was any direct communication between Mr. M and Toshiba. Rather, the results of the interviews and objective evidence suggest that in relation to the matter with HMC, Toshiba did not have a communication channel for direct exchanges with Mr. M and only obtained fragmentary information from METI regarding Mr. M's conduct and his exchanges with HMC, and it appears that Toshiba did not directly communicate with Mr. M.

²⁰ After the General Shareholders Meeting, Toshiba met with HMC on August 27, 2020, received a letter from HMC on September 14, 2020, met with HMC on October 1, 2020, had a conference call with HMC on October 29, 2020, sent a letter to HMC on November 11, 2020, and met with HMC on November 24, 2020.

Assuming this to be the case, if Toshiba indeed did ask Mr. M to put pressure on HMC in relation to HMC's exercise of voting rights, it must have done so by communication of intent to such effect to Mr. M through another party--based on the state of communication described above, through METI--or in concert with METI. However, the exchanges between METI and Toshiba also revealed no evidence indicating that the above request, intermediation, discussion etc. were carried out.

Further, with respect to communication between Mr. M and HMC, in light of the above facts, we did not find that Toshiba was in a position to ascertain, or that Toshiba actually ascertained, the particulars of such communication in their entirety, and as far as the evidence that was verified in the Investigation, there is nothing that suggests that Mr. M put any kind of pressure on HMC, or that Toshiba was aware of Mr. M engaging in any such conduct.

During the course of the Investigation, we did not find any evidence that suggests that any other shareholders were improperly pressured in relation to the exercise of their voting rights.

3 Conclusion

As discussed above, as far as the evidence verified in the Investigation reveals, we did not find anything to suggest that Mr. M placed any improper pressure on HMC in relation to its exercise of voting rights at the General Shareholders Meeting, and we did not find that Toshiba caused Mr. M to apply any improper pressure or that Toshiba was otherwise involved in improper interference.

End

Additional Investigation Report

February 17, 2021

To: Toshiba Corporation, Audit Committee

Nishimura & Asahi

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Per request of the Toshiba Corporation, Audit Committee, our firm has conducted an additional investigation (“**Additional Investigation**”) in relation to our investigation report dated February 17, 2020 (“**Investigation Report**”); the investigation set forth in the Investigation Report is referred to as the “**Investigation**”), and herein makes a report of the results as follows.

I. Background, Purposes and Method of the Additional Investigation

The request for convocation of extraordinary general shareholders meeting dated December 17, 2020 from Effissimo Capital Management Pte Ltd and Suntera (Cayman) Limited as Trustee of ECM Master Fund states that “some shareholders abstained from exercising their voting rights in response to pressure” at the Toshiba Corporation (“**Toshiba**”) 181st annual general shareholders meeting held on July 31, 2020 (“**General Shareholders Meeting**”); thus, our Firm conducted the Investigation to determine whether, if Mr. M (“**Mr. M**”), who was an advisor to the Ministry of Economy, Trade and Industry at the time, did interfere improperly with the exercise of the voting rights of Harvard Management Company, Inc. (“**HMC**”), as reported in the Reuters article dated December 24, 2020,¹ Toshiba was involved in such interference, and to determine any matters related to the same.

Toshiba Representative Executive Officer, President and CEO Mr. Nobuaki Kurumatani, Toshiba Representative Executive Officer and Corporate Senior Executive Vice President (General Executive,

¹ Article entitled “Japan government adviser pressured Harvard with talk of probe before Toshiba vote -sources”.

Human Resources & Administration Division, and Corporate Communication Division) Mr. Masayasu Toyohara, and Executive Officer and Corporate Senior Vice President (General Executive, Strategic Planning Division, Group Relations Division, Vice President, Strategic Planning Division) Mr. Masaharu Kamo (the “**Three Interview Subjects**”), who were selected to undergo interviews in the Investigation, stated at the interviews that nobody at Toshiba, including themselves, put any pressure or were otherwise involved with improper interference with HMC’s exercise of its voting rights, that they were not aware of any improper interference, and that they did not put any improper pressure, or instructed that any improper pressure be placed, on the exercise of voting rights by any shareholders other than HMC.

Further, as stated in I.3(3) of the Investigation Report, for the email data review in the Investigation, in line with the matters subject to the Investigation, the Three Interview Subjects were selected to undergo email data review and, in Microsoft Office Outlook, we used the search formula ““(Mr. A²’s surname in kanji)’ OR ‘(romanization of Mr. A’s surname)’ OR ‘(Mr. B³’s surname in kanji)’ OR ‘(romanization of Mr. B’s surname)’ OR ‘(Mr. M’s surname in kanji)’ OR ‘(romanization of Mr. M’s surname)’ OR ‘経産省[METI]’ OR ‘経済産業省[Ministry of Economy, Trade and Industry]’ OR ‘METI’ OR “エフィッシモ[*effissimo*]’ OR ‘effissimo’ OR ‘ハーバード[*harvard*]’ OR ‘harvard’ OR ‘外為法[*FEFTA*]”” to narrow our search of the review subjects’ email data from the Investigation Period (April 1 to August 31, 2020) to documents whose sender, attention, subject lines, text, or attached files were returned in said search, and as stated in II.2 of the Investigation Report, in the course of the Investigation, we did not find any evidence that would suggest that any improper pressure was placed on shareholders other than HMC in relation to the exercise of their voting rights.

After receiving the results of such report, the Toshiba Audit Committee, in order to verify further whether there is any objective evidence that would suggest that any improper pressure was placed on shareholders other than HMC in relation to the exercise of their voting rights, requested that Nishimura and Asahi conduct supplementary email data review.

Consequently, our Firm selected the Three Interview Subjects to undergo email data review of the Additional Investigation; and, in Microsoft Office Outlook, used the search formula “‘farallon’ OR ‘ファラロン[*farallon*]’ OR ‘3d’ OR ‘king street’ OR ‘ks’ OR ‘finepoint’ OR ‘canyon’ OR ‘senrigan’ OR ‘argyle’ OR ‘アーガイル[*argyle*]’ NOT ‘(Mr. A’s surname in kanji)’ NOT ‘(romanization of Mr. A’s surname)’ NOT ‘(Mr. B’s surname in kanji)’ NOT ‘(romanization of Mr. B’s surname)’ NOT ‘(Mr. M’s surname in kanji)’ NOT ‘(romanization of Mr. M’s surname)’ NOT ‘経産省[METI]’ NOT ‘経済産業省[Ministry of Economy, Trade and Industry]’ NOT ‘METI’ NOT ‘エフィッシモ[*effissimo*]’

² Meaning Mr. A as set forth in I.3(2) of the Investigation Report.

³ Meaning Mr. B as set forth in I.3(2) of the Investigation Report.

NOT 'effissimo' NOT 'ハーバード[*harvard*]' NOT 'harvard' NOT '外為法[*FEFTA*]'”⁴ to narrow its search of the review subjects' email data from the Investigation Period (April 1 to August 31, 2020)⁵ to documents whose sender, attention, subject lines, text, or attached files were returned in said search.

II. Results of the Additional Investigation

In the Additional Investigation as well, we did not find any evidence that would suggest that Toshiba placed any improper pressure on shareholders other than HMC in relation to the exercise of their voting rights at the General Shareholders Meeting.

End

⁴ The search formula was set to include the names of major shareholders other than HMC as search keywords, and in light of the above email data review results of the Investigation, documents that were already reviewed in the Investigation were excluded from the review in the Additional Investigation.

⁵ *I.e.*, all email data received from Toshiba's Audit Committee that concerns the Three Interview Subjects during the subject period.

<Translation - For Reference Purpose Only>

February 17, 2021

Toshiba Corporation Board of Directors

Toshiba Corporation Audit Committee

Junji Ota

Yuki Furuta

Nobuyuki Kobayashi

Takashi Yamauchi

Audit Committee's Opinion in regard to
ECM's Demand for Convocation of General Meeting of Shareholders

By the "Written Demand for Convocation of General Meeting of Shareholders" dated December 17, 2020, (the "Demand"), Effissimo Capital Management Pte. Ltd. and Suntera (Cayman) Limited as Trustee of ECM Master Fund (collectively "ECM") have alleged that in regard to the 181st Annual General Meeting of the Company (the "AGM"), (1) "there were in fact shareholders that have given up exercising their voting rights due to pressure" (the "Pressure Issue"); and, (2) "there are a number of abnormal facts related to the counting of the voting rights which cannot be explained" (the "Voting Rights Counting Issue").

In regard to such allegations, this Committee has undertaken certain investigation procedures, including, where it deemed necessary, the use of outside law firms. The Committee hereby expresses its opinion as per below.

(1) The Pressure Issue

The Committee requested ECM to clarify the concrete facts surrounding the Pressure Issue at the dialogue with ECM on October 14, 2020, and has also confirmed with the Company's management, through numerous engagements, that they requested ECM to limit and clarify the scope of the investigation it requested in respect of the Pressure Issue.

However, notwithstanding such requests, ECM has not provided any further substantial information, and other shareholders have neither claimed nor provided information on receiving undue pressure. Therefore, on January 22, 2021 the Committee has decided to start investigation by engaging Nishimura & Asahi to assist the Committee. The Investigation has mainly verified that, if undue intervention on exercise of voting rights by Harvard Management Company, Inc. ("HMC") have had taken place per the December 24, 2020, news report by Reuters, whether the Company had taken part in such intervention. The investigative procedures undertaken by the Committee included review of Company documents, interviews of three senior management of the Company considered as relevant and review of their email correspondence, by the assisting attorneys.

As the result of the such investigation, as far as the evidence verified in the investigation reveals, we did not find anything to suggest that any undue pressure had been placed on HMC in relation to its exercise of voting rights at the AGM, and we did not find that the Company had taken part in applying any improper pressure or that the Company was otherwise involved in improper interference.

<Translation - For Reference Purpose Only>

In the meantime, on February 5, 2021 the Committee wrote to HMC to ask whether or not it has been the subject of any undue pressure in relation to the exercise of its voting rights at the AGM, and on February 9, 2021, the Committee has received from HMC a response mentioning that they did not exercise their voting rights at the AGM because they had interaction with a highly improper contents and at a highly improper timing. Since the name, position of person who had interaction, and the detailed contents of the interaction are not specified in the response from HMC, the Committee has sent a letter to HMC on February 10 and 12, encouraging to provide concrete information, however, no response has been received up to this moment. The Committee is unable to find necessity of further investigation, and considers it inappropriate to request the Board of Directors to further prolong its decision. In addition, the Committee did not find that request was made by the Company to the individual reported in the news to have contacted with HMC.

Meanwhile, in its Demand, ECM has stated that “media coverage has reported that proxy advisers were pressured” and, in conversations with the Committee, ECM stated that there was a lack of transparency in existence when voting rights were exercised by certain shareholders, based on follow-up activities on the exercise of such rights by the Company’s agent.

The Committee has, in relation to the AGM, conducted hearings with the related Administrative Divisions of the Company in regard to contact with the proxy advisers, and has received records and reports from the Legal Affairs Division, regarding contact by the Company’s agent with shareholder, and verified them. Based on these hearings and review, nothing came to the Committee’s attention which raises concerns that undue influence, intervention or similar act was exerted, or attempted to exert, by the Company or its agents, against the proxy advisors and, also, in regard to the exercise of shareholders’ voting rights.

(2) Voting Rights Counting Issue

The Committee engaged an Torikai Law Office to verify the appropriateness of method and results of investigation by Sumitomo Mitsui Trust Bank, Limited (“SMTB”) regarding the issue of certain votes being incorrectly excluded from the AGM voting process. Based on this work, the Committee, set out its written opinion to the Company’s Board of Directors on December 17, 2020.

ECM has not amplified its statements in regard to “abnormal facts related to the counting of the voting rights which cannot be explained”. However, the Voting Rights Counting Issue (excluding the matter referred to in (1) above concerning undue pressure) relates to a process in which the Company was not directly involved, and it should be attributed to SMTB, which was responsible for counting pre-exercised voting rights, and to Japan Post Co., Ltd., which was responsible for handling the mailing of voting right exercise forms.

(3) Conclusion

Based upon the Committee’s procedures, described in (1) and (2) above, nothing has come to the Committee’s attention which warrants any further investigation into Pressure Issue or the Voting Rights Counting Issue. Accordingly, the Committee is of the view that the time, disruption and delay in business, as well as the additional cost, of investigating these matters further are not justified and therefore considers it appropriate that the Company’s Board advises shareholders to vote against the ECM proposal.

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