

(This Convocation Notice is an English summary of the original Japanese notice. The Japanese original is official and this summary is for your convenience only. Toshiba does not guarantee the accuracy of this summary.)

Security Code (in Japan) 6502  
ISIN Code JP3592200004

May 30, 2008

## **CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE 169TH FISCAL PERIOD**

Dear Shareholder:

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 169th fiscal period will be held as described below. Your attendance is cordially requested.

**If you are unable to attend the meeting, after reviewing the Reference Material for Exercising Voting Rights annexed hereto, please express your approval or disapproval of the proposals.**

**Your vote must reach the Company by 5:00 p.m., Tuesday, June 24, 2008.**

Yours very truly,

Atsutoshi Nishida  
Director  
Representative Executive Officer  
President and Chief Executive Officer  
Toshiba Corporation  
1-1, Shibaura 1-chome,  
Minato-ku, Tokyo, Japan

1. Date and Time: Wednesday, June 25, 2008, at 10:00 a.m.
2. Place: Kokugikan  
3-28, Yokoami 1-chome, Sumida-ku, Tokyo, Japan
3. Agenda for the Meeting

### Subject for Report

Business report, consolidated financial statements and financial statements (non-consolidated) for the 169th fiscal period (from April 1, 2007 to March 31,

2008) and audit report for the consolidated financial statements.

The Company proposal

First Proposal: Election of fourteen (14) directors

Shareholder Proposals

Second Proposal: Election of directors

Third Proposal: Amendment to the articles of incorporation regarding disclosure of the detailed facts surrounding the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO)

Fourth Proposal: Amendment to the articles of incorporation regarding disclosure of the detailed facts surrounding the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) (additional proposal)

Fifth Proposal: Amendment to the articles of incorporation regarding individual disclosure of information concerning directors inaugurated from FY 1995 to FY 2007

Sixth Proposal: Amendment to the article of incorporation regarding individual disclosure of information concerning advisors and counselors inaugurated from FY 1995 to FY 2007

Seventh Proposal: Amendments to the articles of incorporation regarding disclosure of information concerning employees who entered the company from a ministry, agency or other public institution from FY 1995 to FY 2007

Eighth Proposal: Amendments to the articles of incorporation regarding labor issues

- \* If you exercise the voting rights more than once, the exercise of the voting rights that reaches the Company later will be treated as effective.
- \* When you exercise the voting rights through an attorney-in-fact, such attorney-in-fact must be a shareholder of the Company and only 1 (one) attorney-in-fact may attend the general meeting of shareholders. In this case, please submit a written power of attorney to the Company.
- \* Business report, consolidated financial statements and financial statements (non-consolidated) for the 169th fiscal period (from April 1, 2007 to March 31, 2008)

and copies of audit reports are as shown in the Reports for the 169th Fiscal Period annexed hereto.

\* Any changes in the Reports for the 169th Fiscal Period or the Reference Material for the Ordinary General Meeting of Shareholders will be reported on the Company's website (<http://www.toshiba.co.jp/about/ir/>).

**Note: Payment of the Dividends**

The Company decided to pay dividends by the approval of the board of directors convened on April 25, 2008.

Thus, we start payment of the dividends (6 yen per one share) from June 2, 2008.

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## REFERENCE MATERIAL FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. Total Number of Voting Rights 3,213,701
2. Reference to Proposal

### First Proposal: Election of Fourteen (14) Directors

The term of office of the current 14 Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed to elect the following fourteen (14) Directors based on the decision of the Nomination Committee.

The Nomination Committee decided the candidates for Directors on the following criteria and judged that the candidates conformed to these criteria and that the candidates have the appropriate endowments for the directors.

1. Being respected, dignified, and highly ethical person
2. Being responsive to compliance with laws and regulations
3. Being in good health to conduct the required duties
4. Having objective judgments on management issues as well as excellent foresight and vision
5. Having no interest in or transaction with the Company's main business fields that might affect management decisions
6. For the outside directors, having a good performance and insight in their field

Messrs. Atsushi Shimizu, Kiichiro Furusawa, Hiroshi Hirabayashi and Takeshi Sasaki are the candidates for Outside Directors. The reasons that we selected them as candidates for Outside Directors and that we considered they could perform their duties as Outside Directors are as follows:

#### Mr. Atsushi Shimizu:

Mr. Shimizu currently properly supervises the Company's management based on his rich experience and knowledge as a specialist in law.

#### Mr. Kiichiro Furusawa:

Mr. Furusawa currently properly supervises the Company's management based on his rich experience and knowledge as a specialist in finance and management.

#### Mr. Hiroshi Hirabayashi:

Mr. Hirabayashi currently properly supervises the Company's management based on his rich experience and knowledge as a diplomat, including the inspection-related tasks of the diplomatic establishments abroad.

#### Mr. Takeshi Sasaki:

Mr. Sasaki currently properly supervises the Company's management based on his rich experience and knowledge as a political scientist and a manager of a university.

Tenure of Messrs. Atsushi Shimizu, Kiichiro Furusawa, Hiroshi Hirabayashi and Takeshi Sasaki will be four years, two years, one year and one year respectively, at the conclusion of this General Meeting of Shareholders.

The Company has concluded a limited liability contract with Messrs. Atsushi Shimizu Kiichiro Furusawa, Hiroshi Hirabayashi and Takeshi Sasaki, to limit their liabilities as provided in Article 423, Paragraph 1 of the Corporate Law to 31.2 million yen or the minimum liability amount stated in Article 425, Paragraph 1 of the Company Law, whichever is larger.

Candidates for Directors are as follows:

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	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
1.	Tadashi OKAMURA  July 26, 1938	Chairman of the Board, Member of the Nomination Committee, Member of the Compensation Committee	April 1962 Joined the Company  June 1994 Vice President and Director  June 1996 Senior Vice President and Director  June 1998 Director Corporate Senior Vice President  June 2000 President and Chief Executive Officer and Director  June 2003 Director Representative Executive Officer	152,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>President and Chief Executive Officer</p> <p>June 2005 – Present</p> <p>Director</p> <p>Chairman of the Board</p> <p>Representation of other entities</p> <p>Chairman, the Japan Chamber of Commerce and Industry</p> <p>Chairman, the Tokyo Chamber of Commerce and Industry</p>	
2.	<p>Atsutoshi NISHIDA</p> <p>December 29, 1943</p>	<p>Representative Executive Officer</p> <p>President and Chief Executive Officer</p> <p>Member of the Compensation Committee</p>	<p>May 1975</p> <p>Joined the Company</p> <p>June 1997</p> <p>Vice President and Director</p> <p>June 1998</p> <p>Corporate Vice President</p> <p>Deputy Group Executive of Information Equipment</p>	93,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>Group</p> <p>April 1999 Corporate Vice President Executive Vice President of Digital Media Equipment &amp; Services Company of Toshiba Corporation</p> <p>March 2000 Corporate Vice President Responsible for Corporate Strategic Planning Division</p> <p>June 2000 Corporate Senior Vice President Responsible for Corporate Strategic Planning Division</p> <p>April 2001 Corporate Senior Vice President</p>	



	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>President and Chief Executive Officer of Digital Media Network Company of Toshiba Corporation</p> <p>April 2003 Corporate Senior Vice President Responsible for Digital Products Group and Information Systems Center</p> <p>June 2003 Director Executive Officer Corporate Executive Vice President</p> <p>June 2005 – Present Director Representative Executive Officer President and Chief Executive Officer</p>	
3.	Shigeo KOGUCHI  August 13, 1945	Representative Executive Officer Corporate Senior Executive Vice President	July 1976 Joined the Company	36,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
		Support of the President Managing Director, New Lighting Systems General Executive of Innovation Division General Executive of Information & Security Group	June 2001 Corporate Vice President Executive Vice President of Semiconductor Company of Toshiba Corporation  April 2003 Corporate Vice President President and Chief Executive Officer of Semiconductor Company of Toshiba Corporation  June 2003 Executive Officer Corporate Senior Vice President  June 2004 Executive Officer Corporate Executive Vice President  June 2005– Present Director	

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			Representative Executive Officer Corporate Senior Executive Vice President	
4.	Fumio MURAOKA  July 10, 1948	Representative Executive Officer Corporate Executive Vice President General Executive of Finance & Accounting Group	April, 1971 Joined the Company  June, 2001 Deputy Manager of Finance & Accounting Division  June, 2003 Executive Officer Corporate Vice President  June, 2006 – Present Director Representative Executive Officer Corporate Executive Vice President	34,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
5.	Kazuo TANIGAWA  September 8, 1949	Executive Officer Corporate Senior Vice President Managing Director, Network Services General Executive of Legal Affairs Group General Executive of Human Resources Group	April 1972 Joined the Company  October 2002 General Manager of Group Relations Division  June 2004 Executive Officer Corporate Vice President  June 2007 – Present Director Executive Officer Corporate Senior Vice President	29,000
6.	Toshiharu KOBAYASHI  June 17, 1947	Member of the Audit Committee	April 1970 Joined the Company  July 1997 General Manager of Legal Affairs Division  June 2004 Executive Officer Corporate Vice President  June 2007 - Present Director	24,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
7.	Atsushi SHIMIZU  September 24, 1934	Chairman of the Nomination Committee Member of the Audit Committee	<p>April 1960 Assistant Judge, Tokyo Family Court and Tokyo District Court</p> <p>March 1990 Director – General, the Civil Affairs Bureau of the Ministry of Justice of Japan</p> <p>July 1993 Presiding Judge, Tokyo High Court</p> <p>March 1996 Chief Judge, Chiba District Court</p> <p>October 1997 Chief Judge, Hiroshima High Court</p> <p>December 1998 Commissioner, the Financial Reconstruction Commission of Japan (Deputy Minister)</p>	13,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>January 2001 – March 2002 Advisor of Financial Services Agency of Japan</p> <p>April 2001 Chairman, the Information Disclosure Review Board, the Cabinet Office of Japan</p> <p>April 2004 – March 2008 Professor of Law School, Toin University of Yokohama</p> <p>January 2005 – Present Registered as Private Practicing Attorney</p> <p>October 2007 Governor, Tokyo Stock Exchange Regulation</p> <p>June 2004 – Present Outside Director of the Company</p>	

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
8.	Kiichiro FURUSAWA  March 12, 1939	Chairman of the Compensation Committee Member of the Audit Committee	<p>April 1962 Joined Mitsui Trust and Banking Company, Limited</p> <p>April 1999 President, Mitsui Trust and Banking Company, Limited</p> <p>April 2000 - June 2003 President, Chuo Mitsui Trust and Banking Company, Limited</p> <p>February 2002 President, Mitsui Trust Holdings, Incorporated</p> <p>June 2003 – June 2006 Chairman and President, Mitsui Trust Holdings, Incorporated (Currently, Chuo Mitsui Trust Holdings, Inc.)</p> <p>June 2006 – Present</p>	10,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>Chairman, Chuo Mitsui Trust Holdings, Inc.</p> <p>June 2006 – Present</p> <p>Outside Director of the Company</p> <p>Representation of other entities: Chairman, Chuo Mitsui Trust Holdings, Inc.</p>	
9.	<p>Hiroshi HIRABAYASHI</p> <p>May 5, 1940</p>	<p>Member of the Audit Committee</p> <p>Member of the Compensation Committee</p>	<p>April 1963 Joined the Ministry of Foreign Affairs of Japan</p> <p>January 1988 Director, Management and Coordination Division, Minister's Secretariat, Ministry of Foreign Affairs of Japan</p> <p>January 1990 Minister, Embassy of Japan in the United States of America</p> <p>August 1993 Director-General, Economic Cooperation Bureau, Ministry of Foreign Affairs of Japan</p> <p>August 1995</p>	10,000



	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>Cabinet Secretariat, Chief Cabinet Councilors' Office on External Affairs,</p> <p>January 1998 Ambassador Extraordinary and Plenipotentiary to India</p> <p>February 1998 Ambassador Extraordinary and Plenipotentiary to India and Bhutan</p> <p>September 2002 Ambassador Extraordinary and Plenipotentiary to France and Andorra</p> <p>January 2003 Ambassador Extraordinary and Plenipotentiary to France, Andorra and Djibouti</p> <p>June 2006 – April 2007 Ambassador in charge of Inspection, Ministry of Foreign Affairs of Japan</p> <p>April 2008 Visiting Professor, Graduate School of Asia-Pacific</p>	

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>Studies, Waseda University</p> <p>June 2007 – Present Outside Director of the Company</p> <p>Representation of other entities: President, The Japan-India Association</p>	
10.	<p>Takeshi SASAKI</p> <p>July 15, 1942</p>	<p>Member of the Nomination Committee</p> <p>Member of the Compensation Committee</p>	<p>April 1965 Graduate Assistant in the Faculty of Law, The University of Tokyo</p> <p>April 1968 Associate Professor in the Faculty of Law, The University of Tokyo</p> <p>November 1978 Professor in the Faculty of Law, The University of Tokyo</p> <p>April 1991 Professor in the Schools for Law and Politics, The University of Tokyo</p> <p>April 1998</p>	10,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>Dean of the School for Law and Politics and Faculty of Law, The University of Tokyo</p> <p>April 2001 President, The University of Tokyo</p> <p>April 2005 - Present Professor in the Department of Political Studies in the Faculty of Law, Gakushuin University</p> <p>June 2007 – Present Outside Director of the Company</p> <p>Representation of other entities: President, The Association For Promoting Fair Elections President, National Land Afforestation Promotion Organization Chairman, Labo International Exchange Foundation</p>	
11.	Hisatsugu NONAKA  January 11, 1947	Executive Officer Corporate Executive Vice President Responsible for Digital Products Group Managing Director, New DVD	<p>April 1970 Joined the Company</p> <p>April 2003 Executive Vice President of Digital Media Network Company of Toshiba Corporation</p>	31,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			<p>June 2003 Executive Officer Corporate Vice President</p> <p>June 2005 Executive Officer Corporate Senior Vice President</p> <p>June 2007 - Present Executive Officer Corporate Executive Vice President</p>	
12.	Masao NAMIKI  April 2, 1949	Executive Officer Corporate Executive Vice President General Executive of Strategic Planning & Communications Group	<p>April 1975 Joined the Company</p> <p>April 2003 Executive Vice President of Industrial &amp; Power Systems Company of Toshiba Corporation</p> <p>June 2003 Executive Officer Corporate Vice President</p> <p>June 2005 Executive Officer Corporate Senior Vice President</p>	32,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			June 2007 – Present Executive Officer Corporate Executive Vice President	
13.	Norio SASAKI  June 1, 1949	Executive Officer Corporate Executive Vice President Responsible for Social Infrastructure Group	April 1972 Joined the Company  April 2003 Vice President of Nuclear Energy Systems & Services Division, Industrial & Power Systems Company of Toshiba Corporation  June 2005 Executive Officer Corporate Vice President  June 2007 – Present Executive Officer Corporate Executive Vice President	21,000
14.	Masashi MUROMACHI  April 10, 1950	Executive Officer Corporate Executive Vice President Responsible for Electronic Devices Group	April 1975 Joined the Company  April 2002 Vice President of Memory Division, Semiconductor Company of Toshiba Corporation  April 2004	26,000

	Name and Date of Birth	Positions	Career highlights, Representation of other entities, etc	The number of the Company's shares held by the candidate
			Executive Vice President of Semiconductor Company of Toshiba Corporation  June 2004 Executive Officer Corporate Vice President  June 2005 Executive Officer Corporate Senior Vice President  June 2006 – Present Executive Officer Corporate Executive Vice President	

Note:

Directors, Messrs. Yoshiaki Sato, Masao Miwano, Toshio Yonezawa and Sadazumi Ryu will leave their offices at the conclusion of this General Meeting of Shareholders and will not be reelected.

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## Shareholder Proposals (Second Proposal through Eighth Proposal)

Second Proposal through Eighth Proposal are proposed by a single shareholder.

The details of and reasons for Proposals are presented just as they were submitted by the shareholder, although some portions have been immaterially modified such as by being changed to tabular form. **Mr. Kazuo Tanigawa and Mr. Tadashi Okamura are subject to multiple proposals for candidacy, having been proposed as candidates in Second Proposal, as well as by the company in First Proposal (candidates number 5 and 1, respectively), so they will not be treated as candidates to become directors proposed in Second Proposal. When electing Mr. Tanigawa or Mr. Okamura, please exercise your voting rights with respect to First Proposal proposed by the company.**

Also, opinions of the board of directors on the proposals from the shareholder in Second Proposal and Fifth Proposal through Eighth Proposal are presented below each Proposal, and below Fourth Proposal for opinions on the proposals in Third Proposal and Fourth Proposal.

### Shareholder Proposal

Second Proposal: Election of Directors

#### 1. Details of Proposal

The following 15 persons are candidates to become directors:

	Name	Title held in 1996	Title held in 1999
1	Seigo WATANABE	Manager at Keihin Product Operations	
2	Yoshio KOYAMA	Manager at Keihin Product Operations	
3	Jiro OZONO	Senior Manager at Keihin Product Operations	
4	Masataka SHINTANI	Chief Specialist at Keihin Product Operations	
5	Yuichiro ISU	General Manager of Keihin Product Operations	
-	Kazuo TANIGAWA	Senior Manager at Keihin	

	Joined the Company at 1972	Product Operations	
6	Koichi HATANO	Manager at Keihin Product Operations	
7	Yoshiaki MIKI		Manager at Keihin Product Operations
8	Tomohiko SASAKI Joined the Company at 1960	General Executive of Energy System Group	
9	Toshiki MIYAMOTO		Corporate Senior Vice President
10	Yoshiyuki OSHIMA		Corporate Vice President
11	Fumio SATO	President	
12	Taizo NISHIMURO Joined the Company at 1961	Executive Vice President	
-	Tadashi OKAMURA Joined the Company at 1962		Corporate Senior Vice President
13	Kiyoaki SHIMAGAMI Joined the Company at 1961		Executive Vice President

Titles written in the table above represent the titles held at the Company.

## 2. Reasons for Proposal

Corporate activities require compliance with laws. A number of issues regarding violation of laws by Toshiba have been reported by the mass media in the past. The candidates to become directors listed above have a wide range of on-the-job business experience as employees of Toshiba and have handled such issues regarding violation of laws from their respective positions. The candidates are well aware of how the violations of laws were committed and how they were handled after being discovered within the company. Any false handling would lead to further violation of laws, interfere with business activities and damage the corporate image. This can be prevented by the Company properly verifying past issues regarding violation of laws,



clarifying any ambiguities, and forming and implementing countermeasures. The candidates to become directors listed above should benefit from their past experiences and manage the Company in a way that does not violate any laws. For such reasons, the above candidates are considered appropriate to become directors.

Opinion of board of directors with respect to Second Proposal

**The board disagrees with this proposal.**

With respect to the candidates to become directors proposed by the Company, we have determined, after reviewing from various points of view, the most appropriate persons to be members of the board of directors under the criteria for nomination of candidates to become directors at the Nomination Committee, the majority of which consists of outside directors, and proposed at First Proposal. Accordingly, the board believes that it is most advantageous for the Company if the candidates proposed by the company are elected.

**Shareholder Proposals**

Third Proposal: Amendment to the articles of incorporation regarding disclosure of the detailed facts surrounding the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO)

1. Details of Proposal

Establish the following provision in the articles of incorporation:

“In regards to the issue of improper billing and unfair receipt of labor research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the detailed fact that the issue was concealed without rectifying unfair receipt of research labor expenses until a request for refund was received from NEDO in July 2002 although the president and relevant officers were aware of those issues no later than June 1996 shall be disclosed to shareholders for review and copy at Toshiba’s headquarters. In the process of the disclosure, the detailed facts shall be specifically disclosed, so that it can be understood how the chairman, president and other officers gave instructions and commands in relation to

the concealment of the issue of improper billing and who took on what responsibility.”

## 2. Reasons for Proposal

The Company discovered the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by NEDO in January 1996. The president and relevant officers were also contacted about the issue of improper billing in early 1996. However, the issue of improper billing was not rectified. At ordinary general meetings of shareholders from 1999, a shareholder asked whether the improper billing had been rectified, but the president and officers in charge continued to respond that the issue was finished with. Toshiba concealed and also failed to rectify the facts of the improper billing. In July 2002, NEDO decided to request refund of the research labor expenses from Toshiba, suspend the new agreement with Toshiba for commissioned research for three years and suspend the delivery of grants to Toshiba for three years. In spite of the issue of improper billing remaining unresolved, Toshiba concealed the issue of improper billing. There is a need to clarify the facts and to define the responsibilities of the officers who instructed to conceal those facts in order to correct the nature of the Company to conceal illegal acts. Accordingly, the detailed fact that the improper billing was concealed should be disclosed to the shareholders.

### **Shareholder Proposal**

Fourth Proposal: Amendment to the articles of incorporation regarding disclosure of the detailed facts surrounding the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) (additional proposal)

#### 1. Details of Proposal

Establish the following provision in the articles of incorporation:

“In regards to the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the detailed fact that the unfair receipt of

research labor expenses was not rectified until a request for refund was received from NEDO in July 2002, the details of the damages incurred due to the acceptance of the disposition of a three-year suspension to the new agreement for the research commissioned by NEDO and for a three-year suspension of grants, and the details of expenses relating to the issue of unfairly received expenses shall be disclosed in business reports of convocation notices for ordinary general meetings of shareholders held on and after June 2009. In the process of the disclosure, the detailed facts shall be specifically disclosed, so that it can be understood how the chairman, president and other officers gave instructions and commands in relation to the concealment of the issue of improper billing and who took on what responsibility.”

## 2. Reasons for Proposal

The Company discovered the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by NEDO in January 1996. The president and relevant officers were also contacted about the issue of improper billing in early 1996. However, the issue of improper billing was not rectified. At ordinary general meetings of shareholders held from 1999, a shareholder asked whether the improper billing had been rectified, but the president and officers in charge continued to respond that the issue was finished with. In July 2002, NEDO decided to request refund of the research labor expenses from Toshiba, suspend the new agreement with Toshiba for commissioned research for three years and suspend the delivery of grants to Toshiba for three years. In spite of the issue of improper billing remaining unresolved, Toshiba’s officers continued to reply that the issue had been resolved. From the perspective of compliance with laws and ordinances, the unfair receipt should have been rectified immediately. However, it was a while before the issue was rectified. There is a need to clarify the facts behind not rectifying the issue of improper billing and unfair receipt revealed in 1996 until the decision by NEDO in 2002, and to define the responsibilities of the officers who were connected to the issue at hand. If this issue had been voluntarily rectified at an early stage, the damages following the accepted disposition from NEDO could have been less. The expenses consequential to this issue could also have been reduced. Accordingly, the detailed fact that the improper billing and unfair receipt was not rectified before the decision by NEDO and the details of the damages following the acceptance of the decision handed down by NEDO should

be disclosed to the shareholders.

Opinion of board of directors with respect to Third Proposal and Fourth Proposal

**The board disagrees with both proposals.**

Both proposals relate to research commissioned by the New Energy and Industrial Technology Development Organization in FY1994 in which excessive research labor expenses of approximately 5 million yen were claimed and in July 2002 NEDO took disciplinary action against the Company including repayment of the over-payment and suspension of the consignment agreement regarding the related new proposals for a fixed period. The Company took disciplinary action against the relevant employees and took measures, such as setting out a compliance program to ensure appropriate operation, to prevent reoccurrence. These measures have already been reported at the 164<sup>th</sup> ordinary meeting of shareholders held in June 2003. Accordingly, the board believes there is no need to introduce such provision in the articles of incorporation.

**Shareholder Proposal**

Fifth Proposal: Amendment to the articles of incorporation regarding individual disclosure of information concerning directors inaugurated from FY 1995 to FY 2007

1. Details of Proposal

Establish the following provision in the articles of incorporation:

“The details of items (i) through (iii) below shall be disclosed for each director inaugurated from FY 1995 to FY 2007 and for each fiscal year so that the shareholders can review and copy the information at Toshiba’s headquarters. The information will also be disclosed in the business report annexed to the convocation notice for the ordinary general meeting of shareholders scheduled to be held in June 2009.

- (i) Specific details and outcome of the services conducted by the director;
- (ii) Amount of remuneration received by the director; and
- (iii) Expenses incurred to employ the director.”

2. Reasons for Proposal

In recent years, TOSHIBA Corporation has undergone extensive restructuring due to poor business operations. Employees were forced into early retirement, transfer or secondment to affiliate companies and change of their job categories. Further, a performance-based compensation system was introduced, and remuneration for each fiscal year and future retirement benefits fluctuated greatly based on the achievement of each employee. Additionally, there was an increase in unpaid overtime and the Company was instructed by the labor standards inspection office to rectify that situation. Shareholders were also burdened with reduced or no dividends. However, the correlation between the results of the directors who led management and their remuneration is ambiguous. Directors are elected by a shareholders' resolution at the shareholders meeting, and therefore the correlation between the results of directors and their remuneration need to be individually disclosed to shareholders so that the shareholders can observe whether the correlation is appropriate.

Opinion of board of directors with respect to Fifth Proposal

**The board disagrees with this proposal.**

Performance of duties by the directors and responsibilities they have are disclosed in the attached Report for the 169th Fiscal Year, "1. Business Environment and Results of the Group" (page 1 through 6)<sup>1</sup> and "7. Names, Responsibilities, etc. of the Company's Directors / Officers" (page 10 through 14) respectively, and the amount of remuneration and other compensation received by the directors is disclosed in "8.(2) Amount of Compensation" (page 15) of the same report. The board considers it vital to shareholders that the total amount of remuneration and other compensation is disclosed as a management cost, and believes the disclosure of the total amount is a sufficient measure. Therefore, the board believes this proposal to establish a provision in the articles of incorporation regarding the remuneration and other compensation for directors serving during a specific period is unnecessary.

**Shareholder Proposal**

Sixth Proposal: Amendment to the article of incorporation regarding individual disclosure of information concerning advisors and counselors inaugurated from FY 1995 to FY 2007

1. Details of Proposal

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<sup>1</sup> Note to English Translation: The number of pages is that of Japanese original of Report for the 169th Fiscal Year.

Establish the following provision in the articles of incorporation:

“The details of items (i) through (iv) below shall be disclosed for each individual advisor and counselor inaugurated from FY 1995 to FY 2007 and for each fiscal year so that shareholders can review and copy the information at Toshiba’s headquarters. The information will also be disclosed in the business report annexed to the convocation notice for the ordinary general meeting of shareholders scheduled to be held in June 2009.

- (i) Specific reason to appoint the advisor or counselor;
- (ii) Specific details and outcome of the services conducted by the advisor or counselor;
- (iii) Amount of remuneration received by the advisor or counselor; and
- (iv) Expenses incurred to employ the advisor or counselor.”

## 2. Reasons for Proposal

Most of the information regarding advisors and counselors has not been disclosed to shareholders. It is doubtful whether the positions of advisor and counselor are necessary. The restructuring of these positions also seems to be necessary. Information regarding such positions should be disclosed as an element in considering such restructuring.

Opinion of board of directors with respect to Sixth Proposal

### **The board disagrees with this proposal.**

The advisors and counselors of the Company give beneficial advice and other services to the Company’s management from a broader perspective, and since their treatment is determined after taking into consideration the treatment of officers and employees, the Company does not consider such treatment of advisors and counselors to be excessive. The necessity and treatment of advisors and counselors should be referred to the board of directors or executive officers, and so the board believes there is no need to establish a provision in the articles of incorporation.

### **Shareholder Proposal**

Seventh Proposal: Amendments to the articles of incorporation regarding

disclosure of information concerning employees who entered the Company from a ministry, agency or other public institution from FY 1995 to FY 2007

#### 1. Details of Proposal

Establish the following provision in the articles of incorporation:

“The number and title of employees who entered the Company from a ministry, agency or other public institution from FY 1995 to FY 2007 shall be disclosed for each public institution and fiscal year so that shareholders can review and copy the information at Toshiba’s headquarters. The information shall also be disclosed in the business report annexed to the convocation notice for the ordinary general meeting of shareholders scheduled to be held in June 2009. The volume of orders from public institutions from FY 1995 to FY 2007 shall also be disclosed in the business report for each public institution and fiscal year.”

#### 2. Reasons for Proposal

The number of retired public officials taken on from public institutions, the number of officers appointed and the volume of orders from public institutions is a social concern. The information regarding retired public officials taken on from public institutions should be disclosed to shareholders from the standpoint of preventing improper transactions.

Opinion of board of directors with respect to Seventh Proposal

**The board disagrees with this proposal.**

The human resources from outside the Company are employed in an appropriate manner, based on their performance and insights in view of their character, and although people from public services are assigned to departments other than the sales department, they contribute to the Company’s business at the department to which they are assigned. The employment of people from public services should be referred to the board of directors or executive officers, and so the board believes there is no need to establish a provision in the articles of incorporation.

#### **Shareholder Proposal**

## Eighth Proposal: Amendments to the articles of incorporation regarding labor issues

### 1. Details of Proposal

Establish the following provision in the articles of incorporation:

“In regards to labor issues, Toshiba shall accept, and accurately implement, the orders determined by the Central Labour Relations Commission or the local labor relations commission”

### 2. Reasons for Proposal

The Central Labour Relations Commission and the local labor relations commission are neutral institutions. The Company should comply with orders determined by a neutral institution and settle labor issues at an early stage. Prolonging labor issues by not accepting such orders will create further hardship for workers whose position is vulnerable and violate human-friendly management. It would also damage the corporate image. Accordingly, the Company is required to accept, and accurately implement, orders determined by the Central Labour Relations Commission and the local labor relations commission.

Opinion of board of directors with respect to Eighth Proposal

**The board disagrees with this proposal.**

The Company properly handles each case through procedures stipulated by law and ordinances. The issue mentioned in this proposal should be referred to the board of directors or executive officers, and so the board believes there is no need to establish a provision in the articles of incorporation.