

(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<sup>1</sup>

May 31, 2010

## CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE 171ST FISCAL YEAR

Dear Shareholder:

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 171st fiscal year 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 the General Meeting of Shareholders annexed hereto, please exercise your voting rights by sending back to us the attached voting right exercise form with expressing your approval or disapproval of the proposals or filling in your votes for or against the proposals on the website (<http://www.web54.net>).**

**Your vote must reach the Company by 5:00 p.m., Tuesday, June 22, 2010.**

Yours very truly,

Norio Sasaki  
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 23, 2010, 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 171st fiscal year (starting from April 1, 2009 and ending on March 31, 2010) and audit report for the consolidated financial statements.

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<sup>1</sup> Note for English translation: ISIN Code JP3592200004

Subject for Resolution

Company's Proposals (First and Second Proposals)

First Proposal: Reduction of capital reserves

Second Proposal: Election of fourteen (14) directors

Shareholder's Proposals (Third to Eleventh Proposal)

Third Proposal: Amendments to the Articles of Incorporation regarding answers by the Company to questions from shareholders

Fourth Proposal: Amendments to the Articles of Incorporation regarding exercise of voting rights at general meetings of shareholders

Fifth Proposal: Amendments to the Articles of Incorporation regarding claims for damages against the directors

Sixth Proposal: Amendments to the Articles of Incorporation regarding disclosure of the sanction imposed on the officers (directors and executive officers)

Seventh Proposal: Amendments to the Articles of Incorporation regarding disclosure of the facts of improper billing and unfair receipt of the research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO)

Eighth Proposal: Amendments to the Articles of Incorporation regarding disclosure of personalized information of each director and executive officer of the Company

Ninth Proposal: Amendments to the Articles of Incorporation regarding individual disclosure of information of each advisor to the board, advisor and *shayu* of the Company.

Tenth Proposal: Amendments to the Articles of Incorporation regarding disclosure of information concerning employees who entered the Company from a ministry or agency of government or other public organizations

Eleventh Proposal: Amendments to the Articles of Incorporation regarding conditions of employment for temporary employees

The details of each proposal above are described in the Reference Material for the General Meeting of Shareholders annexed hereto.

\* If you attend the meeting, please submit the attached Voting Rights Exercise Form at the reception.

\* If you exercise your voting rights through the Internet, please see the explanation about the exercise of the voting rights through the Internet.

\* If you exercise the voting rights both through the written form and the Internet, the exercise of the voting rights that reaches the Company later will be treated as effective. If you exercise the voting rights through the Internet several times, the most recent exercise of the voting rights will be treated as effective.

\* When you exercise the voting rights through an attorney-in-fact, such attorney-in-fact must be only 1 (one) shareholder who are entitled to attend the general meeting of shareholders. In this case, please submit a written power of attorney to the Company.

\* Business reports, consolidated and non-consolidated financial statements and audit reports for the 171st fiscal year which are required to be attached to the convocation notice of ordinary general meeting of shareholders are as shown in the Reports for the 171st Fiscal Year annexed hereto. However, because the consolidated notes of consolidated financial statements and individual notes of non-consolidated financial statements are reported on the Company's website (<http://www.toshiba.co.jp/about/ir/>) in accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation, they are not shown in the Reports for the 171st Fiscal Year. The consolidated and non-consolidated financial statements audited by the corporate auditors (independent accountant) and the audit committee are also shown in the consolidated notes and individual notes reported on the above website in addition to each document being included in the Reports for the 171st Fiscal Year.

\* Any changes or correction in the business report, consolidated and non-consolidated financial statements or the Reference Material for the General Meeting of Shareholders will be posted on the above website.

#### **Note: Payment of the Year-End Dividends**

As the Company detailed in the Notification for Shareholders delivered in March 2010, the Company regrets to notify you that we decided not to pay year-end dividends of the 171st Fiscal Year by the resolution at the Board of Directors meeting held on January 29, 2010. While Toshiba Group's operating income has substantially improved over the previous term. However, net income (loss) attributable to shareholders of the Company on a consolidated basis remained in the red. In terms of its financial position, the Group is tackling improvements in cash flow and reduction of debt, in order to reinforce its financial structure and to support future growth. We would be grateful if you could kindly understand our decision.

#### **Note: Preliminary Questions**

The Company will answer shareholder's questions at the Ordinary General Meeting of Shareholders. However, the Company plans to collectively answer some of questions sent to the Company in advance that are deemed to be of great interest to the shareholders before the Q&A session to be held at the Ordinary General Meeting of Shareholders. Please be advised that questions should be sent to the Company by 5 p.m. on Friday, June 18, 2010 if possible by the following means so that the Company is able to make preparations. Please also note that the Company does not promise to answer all the questions received from shareholders.

Address to which questions can be sent in writing:  
Toshiba Corporation  
Legal Department  
1-1-1, Shibaura, Minato-ku, Tokyo, 105-8001

Address to which questions can be sent via e-mail:  
[soukai@toshiba.co.jp](mailto:soukai@toshiba.co.jp)

REFERENCE MATERIAL FOR THE GENERAL MEETING OF  
SHAREHOLDERS

- |    |                               |           |
|----|-------------------------------|-----------|
| 1. | Total Number of Voting Rights | 4,215,515 |
| 2. | Reference to Proposal         |           |

**Company's Proposals (First Proposal and Second Proposal)**

The First and Second Proposals are proposed by the Company.

**First Proposal: Reduction of capital reserves**

(1) Reasons for Proposal

The Company plans to reduce the amount of the capital reserves (additional paid-in capital) in accordance with Article 448, Section 1 of the Companies Act to achieve flexible and expeditious capital policies in the future and to make up the deficit of the retained earnings brought forward on the non-consolidated balance sheet.

(2) Substance of Proposal

- |     |  |                     |
|-----|--|---------------------|
| (a) | Amount of Reduction of Capital Reserves (Additional Paid-in Capital) |                     |
|     | Full Amount of Capital Reserves (Additional Paid-in Capital)         | 427,625,991,118 yen |
| (b) | Amount of Increase in Surplus  |                     |
|     | Other Capital Surplus  | 427,625,991,118 yen |
| (c) | Effective Date of Reduction of Capital Reserves                      |                     |
|     | June 30, 2010  |                     |

In accordance with the provisions of Article 459 of the Companies Act and Article 34 of the Articles of Incorporation, the Company decided, through the resolution at the Board of Directors meeting held on May 7, 2010, to make up the deficit in retained earnings brought forward on its nonconsolidated balance sheet by transferring the amount of 46,772,129,409 yen, a portion of other capital surplus, to the retained earnings brought forward, as a disposal of surplus under Article 452 of the Companies Act, on the condition that this First Proposal is approved as submitted and takes effect.

**Second Proposal: Election of fourteen (14) Directors**

(1) Reasons for Proposal

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 a decision by 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 qualifications for directors.

- (a) Being respected, dignified, and highly ethical person

- (b) Being responsive to compliance with laws and regulations
- (c) Being in good health to conduct the required duties
- (d) Having the ability to make objective judgments on management issues as well as excellent foresight and vision
- (e) Having no interest in or transaction with the Company's main business fields that might affect management decisions
- (f) For the outside directors, having a good performance and insight in their field

Messrs. Kiichiro FURUSAWA, Hiroshi HIRABAYASHI, Takeshi SASAKI and Takeo KOSUGI 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:

Notification has been filed regarding these candidates as being independent directors stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and others.

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 ambassador in charge of inspection.

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.

Mr. Takeo KOSUGI:

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

The tenure of Messrs. Kiichiro FURUSAWA, Hiroshi HIRABAYASHI, Takeshi SASAKI and Takeo KOSUGI as Outside Directors will be four years, three years, three years and one year respectively, at the conclusion of this General Meeting of Shareholders.

The Company has concluded a limited liability contract with Messrs. Kiichiro FURUSAWA, Hiroshi HIRABAYASHI, Takeshi SASAKI and Takeo KOSUGI, to limit their liabilities as provided in Article 423, Paragraph 1 of the Companies Act to 31.2 million yen or the minimum liability amount stated in Article 425, Paragraph 1 of the Companies Act, whichever is larger. The Company intends to renew the contract with Messrs. Kiichiro FURUSAWA, Hiroshi HIRABAYASHI, Takeshi SASAKI and Takeo KOSUGI, if elected.

East Japan Railway Company, for which Mr. Takeshi SASAKI has served as an outside director since June 2006, received an administrative penalty in March 2009 in line with the River Act. This is mainly because the Shinanogawa power station of East Japan Railway Company took more than the maximum allowed quantity of water. He monitored compliance with laws and regulations mainly thorough the board of directors meeting. In response to the administrative penalty, he requested to take all necessary measures to ensure

that this kind of misconduct does not reoccur in the future.

Also, it was discovered that a business division of the Kyushu Branch of Mitsui & Co., Ltd., where Mr. Hirabayashi has served as an outside director since June 2007, had been involved in improper circular transactions including certain fictitious transactions of certain agricultural-related materials in the local market from September 2000 to February 2008. In addition, in April 2009 it was also discovered that a large part of Indonesia and other South-East Asian countries-bound overseas trading transactions from April 2004 to August 2008 conducted by a business division of Mitsui's Performance Chemicals Business Unit was recorded inaccurately as purchase and sales transaction while in fact they had no underling trade. Mr. Hirabayashi regularly made various recommendations to strengthen internal control system and compliance at the Board of Directors meetings. Also, after these facts were found, he made various proposals and gave opinions suggesting to further strengthen internal control with a view to preventing other similar events.

(2) Details of Proposal

Candidates for Directors are as follows:

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|    | Name and Date of Birth                     | Positions   | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|----|--|---|--|---|
| 1. | Atsutoshi NISHIDA<br><br>December 29, 1943 | <ul style="list-style-type: none"> <li>➤ Director, Chairman of the Board</li> <li>➤ Member, the Nomination Committee</li> <li>➤ Member, the Compensation Committee</li> </ul> | <p>May 1975<br/>Joined the Company</p> <p>June 1997<br/>Vice President and Director</p> <p>June 1998<br/>Corporate Vice President<br/>Deputy Group Executive, Information Equipment Group</p> <p>April 1999<br/>Corporate Vice President<br/>Executive Vice President, Digital Media Equipment &amp; Services Company of Toshiba Corporation</p> <p>March 2000<br/>Corporate Vice President<br/>Responsible for Corporate Strategic Planning Div.</p> <p>June 2000<br/>Corporate Senior Vice President<br/>Responsible for Corporate Strategic Planning Div.</p> <p>April 2001</p> | 149   |



|  | Name and Date of Birth | Positions | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|--|------------------------|-----------|---|---|
|  |                        |           | <p>Corporate Senior Vice President<br/>President and Chief Executive Officer, Digital Media Network Company of Toshiba Corporation</p> <p>April 2003<br/>Corporate Senior Vice President<br/>Responsible for Digital Products Group and Information Systems Center</p> <p>June 2003<br/>Director<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2005<br/>Director<br/>Representative Executive Officer<br/>President and Chief Executive Officer</p> <p>June 2009 - Present<br/>Director, Chairman of the Board</p> |   |

|    | Name and Date of Birth                  | Positions   | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|----|---|---|--|---|
| 2. | <p>Norio SASAKI</p> <p>June 1, 1949</p> | <ul style="list-style-type: none"> <li>➤ Representative Executive Officer</li> <li>➤ President and Chief Executive Officer</li> <li>➤ Member, the Compensation Committee</li> </ul> | <p>April 1972<br/>Joined the Company</p> <p>April 2003<br/>Vice President, Nuclear Energy Systems &amp; Services Division, Industrial &amp; Power Systems Company of Toshiba Corporation</p> <p>June 2005<br/>Executive Officer<br/>Corporate Vice President</p> <p>June 2007<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2008<br/>Director<br/>Representative Executive Officer<br/>Corporate Senior Executive Vice President</p> <p>June 2009 - Present<br/>Director<br/>Representative Executive Officer<br/>President and Chief Executive Officer</p> | 56  |

|    | Name and Date of Birth              | Positions  | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|----|-------------------------------------|--|--|---|
| 3. | Masashi MUROMACHI<br>April 10, 1950 | <ul style="list-style-type: none"> <li>➤ Representative Executive Officer</li> <li>➤ Corporate Senior Executive Vice President</li> <li>➤ Support of the President</li> <li>➤ Responsible for Electronic Devices Group</li> <li>➤ Responsible for New Lighting Systems</li> <li>➤ Responsible for Materials &amp; Devices</li> <li>➤ Responsible for New Visual Device Group Executive, Quality Div.</li> <li>➤ General Executive, Productivity &amp; Environment Group</li> </ul> | <p>April 1975<br/>Joined the Company</p> <p>June 2004<br/>Executive Officer<br/>Corporate Vice President</p> <p>June 2005<br/>Executive Officer<br/>Corporate Senior Vice President</p> <p>June 2006<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2008 - Present<br/>Director<br/>Representative Executive Officer<br/>Corporate Senior Executive Vice President</p> <p>Significant concurrent positions:<br/>Chairman, Toshiba Hangzhou Co., Ltd.,<br/>Chairman, Toshiba Dalian Co., Ltd.</p> | 51  |

|    | Name and Date of Birth         | Positions  | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|----|--------------------------------|--|---|---|
| 4. | Fumio MURAOKA<br>July 10, 1948 | <ul style="list-style-type: none"> <li>➤ Representative Executive Officer</li> <li>➤ Corporate Senior Executive Vice President</li> <li>➤ Support of the President</li> <li>➤ General Executive, Finance &amp; Accounting Group</li> </ul>   | <p>April 1971<br/>Joined the Company</p> <p>June 2003<br/>Executive Officer<br/>Corporate Vice President</p> <p>June 2006<br/>Director<br/>Representative Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2009 - Present<br/>Director<br/>Representative Executive Officer<br/>Corporate Senior Executive Vice President</p> | 64  |
| 5. | Masao NAMIKI<br>April 2, 1949  | <ul style="list-style-type: none"> <li>➤ Representative Executive Officer</li> <li>➤ Corporate Senior Executive Vice President</li> <li>➤ Support of the President</li> <li>➤ General Executive, Strategic Planning &amp; Communications Group</li> <li>➤ Group Executive, Corporate Social Responsibility Div.</li> <li>➤ General Executive, Information &amp;</li> </ul> | <p>April 1975<br/>Joined the Company</p> <p>June 2003<br/>Executive Officer<br/>Corporate Vice President</p> <p>June 2005<br/>Executive Officer</p>   | 56  |

|    | Name and Date of Birth          | Positions  | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|----|---------------------------------|--|--|---|
|    |                                 | Security Group<br>General Executive, Export Control Group  | <p>Corporate Senior Vice President</p> <p>June 2007<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2008<br/>Director<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2009 - Present<br/>Director<br/>Representative Executive Officer<br/>Corporate Senior Executive Vice President</p> |   |
| 6. | Ichiro TAI<br>November 16, 1948 | <ul style="list-style-type: none"> <li>➤ Representative Executive Officer</li> <li>➤ Corporate Senior Executive Vice President</li> <li>➤ Support of the President</li> <li>➤ Group Executive, Innovation Promotion Div.</li> <li>➤ General Executive, Technology &amp; Intellectual Property Group</li> </ul> | <p>April 1976<br/>Joined the Company</p> <p>June 2003<br/>Executive Officer<br/>Corporate Vice President</p> <p>June 2007<br/>Executive Officer<br/>Corporate Senior Vice President</p>  | 56  |

|    | Name and Date of Birth                  | Positions   | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|----|---|---|--|---|
|    |   |   | <p>June 2008<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2009 - Present<br/>Director<br/>Representative Executive Officer<br/>Corporate Senior Executive Vice President</p>   |   |
| 7. | Yoshihiro MAEDA<br><br>October 16, 1948 | <ul style="list-style-type: none"> <li>➤ Representative Executive Officer</li> <li>➤ Corporate Senior Executive Vice President</li> <li>➤ Support of the President</li> <li>➤ Responsible for Consumer Electronics Group</li> <li>➤ General Executive, Marketing Group</li> </ul> | <p>April 1971<br/>Joined the Company</p> <p>April 2001<br/>Executive Vice President, Digital Media Network Company of Toshiba Corporation</p> <p>June 2003<br/>President and Chief Executive Officer, Toshiba TEC Corporation</p> <p>June 2008<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2009 - Present</p> | 37  |

|    | Name and Date of Birth                        | Positions   | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|----|---|---|---|---|
|    |   |   | Director<br>Representative Executive Officer<br>Corporate Senior Executive Vice President   |   |
| 8. | Kazuo<br>TANIGAWA<br><br>September 8,<br>1949 | <ul style="list-style-type: none"> <li>➤ Executive Officer</li> <li>➤ Corporate Executive Vice President</li> <li>➤ General Executive, Legal Affairs Group</li> <li>➤ General Executive, Human Resources Group</li> </ul> | April 1972<br>Joined the Company<br><br>June 2004<br>Executive Officer<br>Corporate Vice President<br><br>June 2007<br>Director<br>Executive Officer<br>Corporate Senior Vice President<br><br>June 2008 - Present<br>Director<br>Executive Officer<br>Corporate Executive Vice President | 68  |

|    | Name and Date of Birth                       | Positions                              | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|----|--|--|---|---|
| 9. | <p>Shigeo KOGUCHI</p> <p>August 13, 1945</p> | <p>➤ Chairman, the Audit Committee</p> | <p>July 1976<br/>Joined the Company</p> <p>June 2001<br/>Corporate Vice President<br/>Executive Vice President, Semiconductor Company of Toshiba Corporation</p> <p>April 2003<br/>Corporate Vice President<br/>President and Chief Executive Officer, Semiconductor Company of Toshiba Corporation</p> <p>June 2003<br/>Executive Officer<br/>Corporate Senior Vice President</p> <p>June 2004<br/>Executive Officer<br/>Corporate Executive Vice President</p> <p>June 2005<br/>Director<br/>Representative Executive Officer<br/>Corporate Senior Executive Vice President</p> | 60  |



|     | Name and Date of Birth              | Positions   | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|-----|-------------------------------------|---|--|---|
|     |                                     |   | June 2008 - Present<br>Director  |   |
| 10. | Hiroshi HORIOKA<br><br>June 7, 1953 | ➤ Member, the Audit Committee   | April 1977<br>Joined Toshiba Corporation<br><br>June 2003<br>Director, Shibaura Mechatronics Corporation<br><br>April 2005<br>General Manager, HR & Administration Div., Industrial and Power Systems & Services Company of Toshiba Corporation<br><br>April 2006<br>General Manager, Group Relations Div.<br><br>June 2007<br>General Manager, Human Resources And Administration Div.<br><br>June 2009 - Present<br>Director | 18  |
| 11. | Kiichiro FURUSAWA                   | ➤ Chairman, the Compensation Committee<br>➤ Member, the Audit Committee | April 1962<br>Joined Mitsui Trust and Banking Company, Limited   | 13  |

|  | Name and Date of Birth | Positions | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|--|------------------------|-----------|--|---|
|  | March 12, 1939         |           | <p>April 1999<br/>President, Mitsui Trust and Banking Company, Limited</p> <p>April 2000 - June 2003<br/>President, Chuo Mitsui Trust and Banking Company, Limited</p> <p>February 2002<br/>President, Mitsui Trust Holdings, Incorporated</p> <p>June 2003<br/>Chairman and President, Mitsui Trust Holdings, Incorporated (Currently, Chuo Mitsui Trust Holdings, Inc.)</p> <p>June 2006 - Present<br/>Chairman, Chuo Mitsui Trust Holdings, Inc.</p> <p>June 2006 - Present<br/>Outside Director of the Company</p> <p>Significant concurrent positions:<br/>Chairman, Chuo Mitsui Trust Holdings, Inc.<br/>Outside Director, Asagami Corporation</p> |   |

|     | Name and Date of Birth             | Positions   | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|-----|------------------------------------|---|---|---|
|     |                                    |   | Outside Corporate Auditor, FUJIFILM Holdings Corporation  |   |
| 12. | Hiroshi HIRABAYASHI<br>May 5, 1940 | <ul style="list-style-type: none"> <li>➤ Member, the Audit Committee</li> <li>➤ Member, the Compensation Committee</li> </ul> | <p>April 1963<br/>Joined the Ministry of Foreign Affairs of Japan</p> <p>January 1988<br/>Director, Management and Coordination Div., Minister's Secretariat, Ministry of Foreign Affairs of Japan</p> <p>January 1990<br/>Minister, Embassy of Japan in the United States of America</p> <p>August 1993<br/>Director-General, Economic Cooperation Bureau, Ministry of Foreign Affairs of Japan</p> <p>August 1995<br/>Cabinet Secretariat, Chief Cabinet Councilors' Office on External Affairs,</p> <p>January 1998<br/>Ambassador Extraordinary and Plenipotentiary to India</p> <p>February 1998</p> | 16  |

|  | Name and Date of Birth | Positions | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|--|------------------------|-----------|---|---|
|  |                        |           | <p>Ambassador Extraordinary and Plenipotentiary to India and Bhutan</p> <p>September 2002<br/>Ambassador Extraordinary and Plenipotentiary to France and Andorra</p> <p>January 2003<br/>Ambassador Extraordinary and Plenipotentiary to France, Andorra and Djibouti</p> <p>June 2006 - April 2007<br/>Ambassador in charge of Inspection, Ministry of Foreign Affairs of Japan</p> <p>April 2008 - Present<br/>Visiting Professor, Graduate School of Asia-Pacific Studies, Waseda University</p> <p>June 2007 - Present<br/>Outside Director of the Company</p> <p>Significant concurrent positions:<br/>Outside Director, NHK Promotions Co., Ltd.<br/>President, The Japan-India Association</p> |   |

|     | Name and Date of Birth              | Positions  | Career highlights, significant concurrent positions  | Number of Company's shares owned by the candidate (thousands) |
|-----|-------------------------------------|--|--|---|
|     |                                     |  | Outside Director, Mitsui & Co., Ltd.<br>Visiting Professor, Waseda University, Graduate School of Asia-Pacific Studies   |   |
| 13. | Takeshi SASAKI<br><br>July 15, 1942 | <ul style="list-style-type: none"> <li>➤ Chairman, the Nomination Committee</li> <li>➤ Member, the Compensation Committee</li> </ul> | <p>April 1965<br/>Graduate Assistant in the Faculty of Law, The University of Tokyo</p> <p>April 1968<br/>Associate Professor, the Faculty of Law, The University of Tokyo</p> <p>November 1978<br/>Professor, the Faculty of Law, The University of Tokyo</p> <p>April 1991<br/>Professor, the Schools for Law and Politics, The University of Tokyo</p> <p>April 1998<br/>Dean, the School for Law and Politics and Faculty of Law, The University of Tokyo</p> <p>April 2001<br/>President, The University of Tokyo</p> | 10  |

|     | Name and Date of Birth             | Positions   | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|-----|------------------------------------|---|---|---|
|     |                                    |   | <p>April 2005 - Present<br/>Professor, the Department of Political Studies in the Faculty of Law, Gakushuin University</p> <p>June 2007 - Present<br/>Outside Director of the Company</p> <p>Significant concurrent positions:<br/>Professor, the Department of Political Studies in the Faculty of Law, Gakushuin University,<br/>President, The Association For Promoting Fair Elections<br/>Outside Director, ORIX Corporation<br/>President, National Land Afforestation Promotion Organization<br/>Outside Director, East Japan Railway Company<br/>Chairman, Labo International Exchange Foundation</p> |   |
| 14. | Takeo KOSUGI<br><br>March 23, 1942 | <ul style="list-style-type: none"> <li>➤ Member, the Nomination Committee</li> <li>➤ Member, the Audit Committee</li> </ul> | <p>April 1968<br/>Associate Judge, Osaka District Court</p> <p>September 1972<br/>Associate Judge, Kushiro District &amp; Family Court</p> <p>May 1974 - present<br/>Registered as Private Practicing Attorney</p>  | 11  |

|  | Name and Date of Birth | Positions | Career highlights, significant concurrent positions   | Number of Company's shares owned by the candidate (thousands) |
|--|------------------------|-----------|---|---|
|  |                        |           | <p>June 2009 - Present<br/>           Outside Director of the Company</p> <p>Significant concurrent positions:<br/>           Partner, Law Office of Matsuo &amp; Kosugi<br/>           Outside Corporate Auditor, Nihon Servier Co Ltd<br/>           Supervisory Director, Mori Hills REIT Investment Corp.</p> |   |

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### **Shareholder's Proposals (Third Proposal through Eleventh Proposal)**

The Third through Eleventh Proposals were proposed by one shareholder. The details of and reasons for the shareholder's proposals are presented just as they were submitted by the proposing shareholder.

▪ **Dissenting opinion of Board of Directors on the Shareholder's Proposals**  
**The Board disagrees with all of the shareholder's proposals from the Third through the Eleventh Proposal.**

All of the shareholder proposals suggest amendment of the Articles of Incorporation in order to set the limitation upon the discretion of the Board of Directors or the executive officers of the Company with respect to matters that should be otherwise decided by them. The proposals suggested as provisions in the Articles of Incorporation relate to individual matters, and the proposed provisions are not appropriate to be specified in the Articles of Incorporation. In addition, the Board believes that the directors and the executive officers of the Company have been properly addressing these matters according to the surrounding situation and the nature of each event, in compliance with the applicable laws and regulations, under the supervision of the Board of Directors, and the details of such matters have been disclosed in a timely and appropriate manner if necessary. The Board intends to continue these efforts in the future such that there should be no need to establish new provisions as proposed in the Articles of Incorporation.

Moreover, the shareholder's proposals were proposed by one shareholder at the ordinary general meeting of shareholders for the 169th and 170th fiscal year. Although these proposals meet the formal requirements for the shareholder's right to propose, the details of the majority of the proposals are essentially identical to those previously proposed as described below. The proposals were rejected by a wide margin at the ordinary general meeting of shareholders for the 169th and 170th fiscal year, and it is possible that this may be considered as applying as a limitation for the exercise of the shareholder's right to propose as prescribed under the Companies Act under which any proposal that is essentially identical to a proposal with respect to which affirmative votes were less than 10% of the voting rights of all shareholders may be rejected for three years.

Although the Board of Directors of the Company believes that such shareholder proposals can be considered to be an abuse of the shareholder's right, all of the relevant proposals are presented for the record and are put to a vote to confirm the intent of all shareholders.

Supplementary comments regarding the reasons for disagreeing with each proposal are included after the statement for each Proposal.

From the perspective described above, the Board of Directors disagrees with all of the shareholder's proposals

#### **Shareholder's Proposal:**

**Third Proposal: Amendments to the Articles of Incorporation regarding answers by the Company to questions from shareholders**

Establish the following provision in the Articles of Incorporation:



“At general meetings of shareholders, the Company shall answer all questions (including written questions) asked by shareholders. The details of the questions and the answers shall be disclosed on the Toshiba Corporation website. In particular, the Company shall answer questions regarding any illegal activities carried out by Toshiba Corporation (its officers or employees) in the course of business at a question time held at general meetings of shareholders.

The questions on such illegal activities include questions concerning collusive bidding for projects by administrative institutions, falsification of test data for water flow meters used in nuclear power generation, and improper billing and unfair receipt of research labor expenses for research commissioned by NEDO (as described in Attachment 1).”

### Reasons for Proposal

With respect to the illegal activities performed by Toshiba Corporation (its officers and employees), there are cases where similar activities have been repeatedly observed, and the illegal activities were concealed for an extended period of time. The above proposal is presented in order to prevent illegal activities.

The cause of such repetition and concealment of illegal activities is the lack of ability of the Company to purify itself. Questions asked by shareholders at general meetings of shareholders are cut off at the Company’s discretion. In particular, questions on illegal activities are cut off on the grounds that they are not related to the agenda for the meeting (i.e., the Company disrespects the shareholder’s right to question). Because the self-purification capacity of the Company is lacking, the investigation and monitoring by shareholders is necessary. As one of the methods, it is proposed that the Company be required to respond to all of the shareholder’s questions (including written questions) in detail. In particular, it may be effective if the Q&A session for illegal activities is held at a general meeting of shareholders, and the detailed facts, the details of preventive measures, and the assumption of responsibility, etc. regarding those illegal activities are clarified. It is also proposed that the details of the questions and answers be disclosed on the website because it is helpful in preventing repetition or concealment of illegal activities.

### **▪ Dissenting opinion of Board of Directors on the Third Proposal (supplementary comments)**

The Company is required to explain the agenda items at general meetings of shareholders so that the shareholders reasonably understand the agenda items, and the Company strives to give such explanations. It is difficult for the Company to answer all of the questions that the shareholders wish to be answered within the limited time at general meetings of shareholders. Also, the Company believes that it is not appropriate for all questions and answers between the shareholders and the Company to be disclosed on the website in light of the nature of the general meeting of shareholders. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

### **Shareholder’s Proposal:**

#### **Fourth Proposal: Amendments to the Articles of Incorporation regarding exercise of voting rights at general meetings of shareholders**

Establish the following provision in the Articles of Incorporation:

“With respect to exercise of voting rights at general meetings of shareholders, in cases where a shareholder does not vote for or against a proposal when exercising his/her voting rights in the Voting Rights Exercise Form, the shareholder will be deemed to have approved any Company proposal or any shareholder proposal presented. In addition, exercise of voting rights through the Internet shall be treated as the same as that through the Voting Rights Exercise Form.”

#### Reasons for Proposal

With regard to exercise of voting rights through the Voting Rights Exercise Form at a general meeting of shareholders, if a shareholder does not vote for or against a proposal using the said form, it is currently treated as support for proposals made by the Company, but an objection to (vote against) proposals made by shareholders. This is unfair, discriminatory treatment against shareholder proposals. This can also be considered as an act disrespecting shareholders’ rights. Shareholder proposals must be treated in the same manner as those by the Company.

#### ▪ **Dissenting opinion of Board of Directors on the Fourth Proposal (supplementary comments)**

The Company is legally permitted to determine in advance the treatment of the votes in cases where a shareholder does not vote for or against a proposal when exercising his/her voting rights through either the Voting Rights Exercise Form or the Internet and to describe such treatment in the Voting Rights Exercise Form, etc. The current treatment by the Company is clearly lawful as well as the most common and reasonable practice by listed companies who have many shareholders. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

#### **Shareholder’s Proposal:**

#### **Fifth Proposal: Amendments to the Articles of Incorporation regarding claims for damages against the Company**

Establish the following provision in the Articles of Incorporation:

“If a director commits an illegal activity and causes damage to the Company, or if a director fails in its duty of care and causes damage to the Company, the Company may claim damages against that director irrespective of the extent of such damage. A damages committee shall be established with persons other than directors or executive officers of the Company composing the majority of members. The committee shall investigate the facts (the details of the illegal activities or breach of duty of care by a director), damage incurred by the Company and other matters, determine the person against whom damages are claimed and the amount of damages, and make a claim for damages against such person. The details of such determination shall be released on the website of Toshiba Corporation.

Claims subject to the above claims for damages include claims for damages in collusive bidding for projects by governmental agencies, and improper billing and unfair

receipt of research labor expenses for research commissioned by NEDO (as described in Attachment 2).”

### Reasons for Proposal

The above proposal is presented in order to prevent illegal activities, concealment of illegal activities and breach of duty of care by directors. It is rare for a director who commits an illegal activity to be imposed with a sanction by the Company and subject to a claim for damages. The reason is the lacking self-purification capacity of the Company and the audit committee. In order to redeem this situation, it is proposed that a damages committee be established with persons other than directors or executive officers of the Company composing the majority of members, to investigate illegal activities and other such acts performed by directors, and make a claim for damages against the relevant directors irrespective of the extent of damages, and the details of such damages be released on the Company’s website. Such acts would effectively prevent illegal activities, concealment of illegal activities, and breaches of duty of care due to illegal activities by directors.

#### ▪ **Dissenting opinion of Board of Directors on the Fifth Proposal (supplementary comments)**

The Board of Directors and management appropriately respond to the occurrence of violation of laws and regulations in the Company. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

### **Shareholder’s Proposal:**

#### **Sixth Proposal: Amendments to the Articles of Incorporation regarding disclosure of the sanction imposed on the officers (directors and executive officers)**

Establish the following provision in the Articles of Incorporation:

“With respect to officers (directors and executive officers) who are imposed with a sanction by the Company, the details of items (i) through (iv) below shall be disclosed for each individual director and executive officer on Toshiba’s website.

- (i) Details of the sanctions;
- (ii) Reasons for the sanctions;
- (iii) Specific details of the services conducted by the directors or the executive officers and;
- (iv) Remuneration received by the directors or the executive officers.

The disclosure shall include detailed information on the sanctions imposed on the officers in relation to collusive bidding for projects by administrative institutions, falsification of test data for water flow meters used in nuclear power generation, and improper billing and unfair receipt of research labor expenses for the research commissioned by NEDO (as described in Attachment 3)”.

### Reasons for Proposal

Illegal or improper activities might be committed and continued by wrong orders given by officers (directors and executive officers). Illegal or improper activities might also

be committed and continued because the officers (directors and executive officers) failed to manage or supervise the subordinate employees appropriately. A number of illegal or improper activities at Toshiba were reported by the mass media, yet Toshiba has not disclosed the details of the sanctions imposed on the officers (directors and executive officers), etc. How the officers (directors and executive officers) became involved in such illegal or improper activities and what kind of sanctions were imposed on them has not been clarified. The details of the sanctions on the officers (directors and executive officers) need to be disclosed, in respect of election of the directors of the Company and for the purpose of making proper judgments on whether the remuneration and retirement benefits for the officers (directors and executive officers) are appropriate. In addition, such disclosure is essential as it will call on the officers (directors and executive officers) involved in the illegal or improper activities to reflect on their past activities.

▪ **Dissenting opinion of Board of Directors on the Sixth Proposal (supplementary comments)**

Whenever the Company imposes sanctions on any person as a result of an occurrence of an event that leads to the violation of laws and regulations, the details of such sanctions will be disclosed in an appropriate and timely manner if necessary. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

**Shareholder's Proposal:**

**Seventh Proposal: Amendments to the Articles of Incorporation regarding disclosure of the facts of improper billing and unfair receipt of the research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO)**

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 issue was concealed without rectifying unfair receipt of research labor expenses until a request for refund was received from NEDO in July 2002, though Fumio Sato, President, and other relevant officers including Taizo Nishimuro, Executive Vice President, were aware of those issues no later than June 1996. At ordinary general meetings of shareholders from 1999, a shareholder asked whether the improper billing had been rectified; however, Taizo Nishimuro, President, Toshiki Miyamoto, Corporate Senior Vice President, Tadashi Okamura, President, Kiyooki Shimagami, Executive Vice President, and Toshiyuki Oshima, Corporate Vice President, continued to respond that the issue was finished with and concealed the issue without rectifying the unfair receipt. The detailed facts of this issue shall be reported and disclosed in the report on the convocation notice of the ordinary general meeting of shareholders scheduled to be held in June 2011.

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 monetary grants, and the details of expenses relating to the issue of unfairly received expenses shall be also reported and disclosed in the above report.

In addition, the detailed information of how the research labor expenses were improperly billed and received with the fabricated daily reports of research labor shall be reported and disclosed in the above report.

In the process of the disclosure, the detailed facts shall be specifically disclosed in such a way as to let it 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.”

### Reasons for Proposal

As indicated in the above Proposal, the issue of improper billing and unfair receipt of research labor expenses for the research commissioned by NEDO has been concealed for a long time without having been rectified. This is a systematic fraud practiced by the president, the officers, and the employees of the Company. Disclosing the detailed facts of the issue should call on the parties involved including the president and the other relevant officers and employees to reflect on their activities and further serve to help prevent reoccurrence of similar illegal activities. Moreover, disclosure of the responsibility of the officers involved in the illegal activities and of the amount of damage caused at Toshiba as a result of this problem is necessary when shareholders are to bring a derivative lawsuit against the officers involved in such activities.

Furthermore, the name(s) of the employee(s) who declined to cooperate with fabrication of the daily research labor reports were used in preparing such reports by having their forged seals placed thereon, against the intention of such employees, without rectifying the problem. This is an act of infringing human rights. Disclosure of the detailed facts of this is necessary for correction of the human rights infringement and prevention of reoccurrence thereof.

### ▪ **Dissenting opinion of Board of Directors on the Seventh Proposal (supplementary comments)**

The proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002. The Company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008. The proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008 and for the 170th fiscal period held in June 2009, and such proposals were rejected. The same proposals were presented for consecutive 3 years. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

### **Shareholder's Proposal:**

#### **Eighth Proposal: Amendments to the Articles of Incorporation regarding disclosure of personalized information of each director and executive officer of the Company**

Establish the following provision in the Articles of Incorporation:

“The details of items (i) through (iii) below shall be disclosed for each individual director and executive officer for each fiscal year in the Official Gazette (*Kampo*):

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

#### Reasons for Proposal

In recent years, Toshiba Corporation has undergone extensive restructuring due to poor business results. Employees were forced into early retirement, transfer or secondment to the affiliated companies, and their job categories were changed. 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, unpaid overtime working has been increased and the Company was instructed by the labor standards inspection office to rectify that situation. The shareholders have been also burdened with reduced or no dividends as well as decline in the stock price, etc. However, the correlation between the results of the directors and the executive officers who manage the Company’s business and their remuneration is unclear. The directors are elected by the resolution of the shareholders meeting, and therefore the correlation between the results of directors and their remuneration need to be individually disclosed to the shareholders so that the shareholders can observe whether the correlation is appropriate. The executive officers are deemed to be the same as directors, as they are the candidates of the directors in the future. The information concerning directors and the executive officers in the report annexed to the convocation notice for the ordinary general meeting of shareholders is insufficient.

#### ▪ **Dissenting opinion of Board of Directors on the Eighth Proposal (supplementary comments)**

Performance of duties by the directors and the executive officers and responsibilities they have are disclosed in the attached Report for the 171st Fiscal Year, “1. Business Environment and Results of the Group” and “7. Names, Responsibilities, etc. of the Company’s Directors / Officers” respectively, and the amount of remuneration and other compensation received by the directors and the executive officers is disclosed in “8.(2) Amount of Compensation” of the same report. The Board considers it important to shareholders and adequate that the amount of remuneration and other compensation is disclosed as a management expense in accordance with the provisions of the laws and regulations. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

#### **Shareholder’s Proposal**

**Ninth Proposal: Amendments to the Articles of Incorporation regarding individual disclosure of information of each advisor to the board, advisor and *shayu* of the Company**

Establish the following provision in the Articles of Incorporation:

“The details of items (i) through (iv) below shall be disclosed for each advisor to the

board, individual advisor and *shayu* (retired executive) for each fiscal year in the Official Gazette (*Kampo*):

- (i) Specific reason for appointing each advisor to the board, advisor or *shayu*;
- (ii) Specific details and outcome of the services conducted by each advisor to the board, advisor or *shayu*;
- (iii) Amount of remuneration received by each advisor to the board, advisor or *shayu*; and
- (iv) Expenses incurred to employ each advisor to the board, advisor or *shayu*.”

#### Reasons for Proposal

Most of the information regarding the advisors to the board, the advisors and the *shayu* has not been disclosed to the shareholders. It is doubtful whether the positions of advisor to the board, advisor, and *shayu* are necessary. In addition, most of the advisors to the board, the advisors and the *shayu* seem to be either ex-directors or ex-executive officers. It is also expected that they wouldn't mind providing useful advice to Toshiba, whether or not they were assigned to the positions of advisors or others. The restructuring of these positions also considered to be necessary. Information regarding such positions should be disclosed as an element in considering such restructuring.

#### ▪ **Dissenting opinion of Board of Directors on the Ninth Proposal (supplementary comments)**

The advisors to the board, the advisors and the *shayu* of the Company give valuable advice and other services to the Company's management through their extensive experience, and since their treatment is determined after taking into consideration the treatment of the officers and the employees, the Company does not consider such treatment of the advisors to the board, the advisors and the *shayu* to be excessive. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

#### **Shareholder's Proposal:**

##### **Tenth Proposal: Amendments to the Articles of Incorporation regarding disclosure of information concerning employees who entered the Company from a ministry or agency of the government or other public organizations**

Establish the following provision in the Articles of Incorporation:

“The number and title of employees who entered the Company from a ministry or agency of the government, or other public organizations shall be reported and disclosed for each public organization and fiscal year in detail in the report on the convocation notice of the ordinary general meeting of shareholders scheduled to be held in June 2011. In addition, the volume of orders from public organizations shall also be reported and disclosed for each public organization and fiscal year in the above report.”

#### Reasons for Proposal

The number of retired public officials taken on from public organizations, the number of officers appointed, and the volume of orders from public institutions is a social concern. In addition, Toshiba was reported to have been involved in collusive bidding in government agency projects (e.g. collusive bidding for projects procured by the waterworks

and sewerage bureau; postal code reading machines; etc.). The information regarding retired public officials taken on from public institutions should be disclosed to the shareholders from the standpoint of preventing improper transactions such as collusive bidding.

On the other hand, disclosure of information concerning personnel having public post backgrounds is not relevant to the act of recruiting those personnel by the Board of Directors, etc., nor does it limit such recruiting activities. People may reasonably speculate that the reason why the Board of Directors opposes disclosure of such information is because they would like to conceal the relationship between the number of personnel hired from public organizations and the volume of orders from those institutions or because they do not want to lose their option of becoming involved in the collusive bidding for public organizations initiatives.

▪ **Dissenting opinion of Board of Directors on the Tenth Proposal (supplementary comments)**

The personnel from outside the Company are employed in an appropriate manner, based on their performance and insights in view of their personality, and people who previously worked for public services are assigned to departments other than the sales department. Consequently, the Board believes there is no need to establish new provision as proposed in the Articles of Incorporation.

**Shareholder's Proposal:**

**Eleventh Proposal: Amendments to the Articles of Incorporation regarding conditions of employment for temporary employees**

Establish the following provision in the Articles of Incorporation:

“The hourly wage of temporary employees shall be 2,000 yen or more.”

Reasons for Proposal

Toshiba is treating temporary employees as if they were the “safety valves” for permanent employees. The wages of temporary employees are much lower than those of permanent employees even if they do the same work. In addition, temporary employees will not be paid any retirement benefits or get paid only a small amount, if at all. Furthermore, the welfare expenses for temporary employees are much lower than those for permanent employees. As such, through employment of temporary employees, Toshiba has expanded its valuable workforce significantly with small costs and is able to adjust labor more easily. However, the existing employment system is disadvantageous to and quite strict for the temporary employees. This kind of employment system has become an object of public concern. If Toshiba aims to realize the motto of “Committed to People”, it needs to at least increase the wages of temporary employees. The amounts equivalent to the welfare expenses and retirement benefits, which are not paid today, need to be paid in addition to the current wages. Consequently, as one idea, the increase of temporary employees' hourly wage to 2,000 yen or more is proposed.

▪ **Dissenting opinion of Board of Directors on the Eleventh Proposal (supplementary comments)**



With respect of the wages of temporary employees, the Company has been in compliance with the Act on Improving Management of Part-Time Workers' Employment and has duly determined those wages, trying to keep a balance with the wages for permanent workers, pursuant to the provisions of the said act. Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

## Relating to the Third Proposal

The collusion on bidding for the projects of the administrative institutions mentioned above refers to the collusion on bidding for Mie Prefecture's Waterworks and Sewerage Bureau's project, uncovered in 1995; the collusion on bidding for the postal code reading machines, which invited an order of eliminating collusion by the Fair Trade Commission in 1999; and the collusion on bidding for Sapporo City's Waterworks and Sewerage Bureau, uncovered in 2008. It is particularly worth noting that the collusions on bidding for the work procured by a waterworks and sewerage bureau was first revealed in 1995 and a punitive action was imposed, yet similar activities of collusion were repeated thereafter. With regard to the collusion on bidding for the work procured by Sapporo City's Waterworks and Sewerage Bureau, a shareholder had raised the question to the Company of whether the collusion occurred, in the ordinary general meeting of shareholders held in June 2008. In response, the Company said it would like to wait for the results of the investigation by the relevant administrative authorities; however, whether or not such collusion occurred should have been made clear if the Company had conducted an internal investigation on the personnel in charge and there should have been no need to wait for the results of the relevant administrative authorities' investigation. In addition, Toshiba was exempted from certain administrative sanction including fine to be imposed by admitting such collusion to the Fair Trade Commission prior to commencement of its investigation. This means that Toshiba concealed the facts of collusion to its shareholders at the general meetings of shareholders although the Company was aware of the facts of such collusion after its internal investigation at the time. The repetition of collusive bidding suggests that the preventive measures were insufficient.

The test data falsification for water flow meters used in nuclear power generation above means the test data falsification for water flow meters used in nuclear reactors which was caused by the employees in Keihin Product Operations in 2006. A series of falsified data were revealed by the investigation of the administrative authorities which was conducted after the Company's internal investigation. It may be perceived as though the Company had attempted to hide the falsified test data to the furthest extent possible. Concealment of illegal activities could not be avoided, as the preventive measures to prevent concealment were not sufficient.

The improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) means the following. To explain the background behind this issue of improper billing and unfair receipt of research labor expenses for the research commissioned by the NEDO which was uncovered at Toshiba in 1996: NEDO used to be an organization under control of the Ministry of Trade and Industry (NEDO is currently an independent governmental agency), having being operated by the national budget. Going forward, the research commissioned by NEDO mentioned above means the project for "Research and Development of Molten Carbonate Fuel Cell and Development of Molten Carbonate Fuel Cell Stack for 1,000kW Class Power Plant (Plant Manufacturing – Facilities for waste heat recovery)". The research commissioned was handled mainly by Keihin Product Operations of the Energy System Group of Toshiba from 1985. The issue of improper billing and unfair receipt of research labor expenses had its beginning when certain managers in Keihin Product Operations prepared an instructional sheet on fabrication of daily reports in April 1995, who

then instructed their subordinates to fabricate daily research labor reports for the year of 1994 based on this instructional sheet. Furthermore, these managers fabricated the daily reports by using the names of the employees who had refused to cooperate with the fabrication. In June 1995, by using the fabricated daily reports, they claimed excessive research labor expenses to NEDO and received the excessive amount of the expenses. The issues of improper billing and unfair receipt of research labor expenses was revealed at Keihin Product Operations in January 1996 and were reported to the person responsible, Yuichiro Isu, who was the General Manager of Keihin Product Operations. Yuichiro Isu did not rectify such improper billing and unfair receipt of the research expenses. Subsequently, in February 1996, it was reported to Tomohiko Sasaki, the General Executive of the Energy System Group (Corporate Senior Vice President), who was the supervisor of the senior organization overseeing Keihin Product Operations, and to Fumio Sato, President, as well as to Taizo Nishimuro, Corporate Executive Vice President, in June 1996—who were all responsible personnel at Toshiba. However, these responsible personnel failed to correct the unfair receipt of the expenses even after they were apprised of the problem. At the ordinary general meeting of shareholders in June 1999, a shareholder asked the question of whether the unfair acceptance of research labor expenses had been rectified or not. Mr. Nishimuro, the President, and Toshiki Miyamoto, the Corporate Senior Vice President, replied that the problem had been settled, as the employees who had engaged in illegal activities had been punished, and they declined to respond to any further questions from the shareholders on this matter. Similar questions and answers were repeated between the Company and the shareholder[s] in the subsequent ordinary general meetings of shareholders (held in 2000 and 2001); Tadashi Okamura, the President, Kiyooki Shimagami, Corporate Executive Vice President, and Toshiyuki Oshima, Corporate Vice President, continued to respond that the issue of improper billing was finished with, having declined to accept further questions from shareholders on this matter. In June 2002, NEDO conducted an investigation at Keihin Products Operations regarding this problem. In the investigation, neither the instructional sheets for fabrication of the daily research labor reports nor the daily research labor reports before fabrication were found; it appeared as if those reports had been destroyed prior to the investigation. The mass media reported on improper billing and unfair acceptance of research labor expenses by Toshiba in July 2002, when NEDO had decided to (i) require Toshiba to make a refund of the research labor expenses, (ii) suspend new agreements with Toshiba for commissioned research for three years, and (iii) suspend the monetary grants to Toshiba for three years, due to such improper billing and unfair receipt of research labor expenses by Toshiba. Although the billing of research labor expenses backed by the falsified daily research labor reports constituted criminal fraud, it did not develop into a criminal case because of the statute of limitations. As Toshiba had concealed this issue for approximately six years—from when it found the problem internally in 1996 up to when NEDO's investigation took place in 2002—it led to the expiration of the statute of limitations. It could be presumed that the fact that Toshiba kept giving untrue answers to the effect that the issue of unfair receipt of research labor expenses was rectified, despite there being no such action to correct the situation, was because they were stalling in order to reach the statute of limitations for criminal case and to prevent the chance for charges to be brought against the officers involved. It is against the laws to repeat the false answers at the general meeting of shareholders without correcting the unfair receipt of the research labor expenses.

The Company declined to provide answers to the questions from shareholders regarding the said unfair billing and receipt issue, by saying that the question was not relevant to the agenda of the meeting, or that it was an old issue that had happened in the past, or that the Company had already provided explanations to it. Toshiba concealed the facts of

improper billing and unfair receipt of research labor expenses for six years from 1996. The Company neither disclosed any detailed facts nor explained the responsibilities of the officers of the Company when this issue was raised by a shareholder at the general meetings of shareholders in 2002 and thereafter. More specifically, which officer was responsible for the decisions made and the actual concealment of unfair receipt has not been clarified: who decided to conceal the fact of unfair receipt of research labor expenses without rectifying after it was uncovered at Toshiba in 1996? Is it Fumio Sato, President, or Nishimuro, President, or some other officer? Who actually brought the decision into action: was it Mr. Sasaki, Corporate Senior Vice President, or Toshiki Miyamoto, Corporate Senior Vice President, or Toshiyuki Oshima, Corporate Vice President, or some other officer? The responsibilities of the officers involved (Fumio Sato, President; Nishimuro, President; Okamura, President; Shimagami, Corporate Executive Vice President; Tomohiko Sasaki, Corporate Senior Vice President; Toshiki Miyamoto, Corporate Senior Vice President; Toshiyuki Oshima, Corporate Vice President; etc.) have not been clarified. Why is it that all of the officers (including outside directors) failed to take any preventive action against this even after they learned of it during the general meeting of shareholders in 1999, when the issue of unfair receipt of research labor expenses was put forth? Whether these officers are not liable to the failure to perform their duty of care? Furthermore, the facts that the relevant managers prepared the instructional sheet for fabrication of the daily research labor reports, had their subordinates fabricate the reports accordingly, and then billed the research labor expenses improperly according to the falsified reports, are organizational fraudulent activities: why did they hide these facts? Going forward, the managers involved in this issue were also in charge of the research commissioned in years other than the years in question as well as commissioned research other than the research involved in the revealed unfair billing. It is questionable whether the possibility of similar fraudulent activities for other commissioned researches has been thoroughly investigated. These kinds of long-term concealment of fraudulent activities should have been prevented, had the detailed facts of such fraudulent activities been properly disclosed to shareholders.

## Relating to the Fifth Proposal

The collusion on bidding for projects of the governmental agency mentioned above refers to the collusion on bidding for Mie Prefecture's Waterworks and Sewerage Bureau's project, uncovered in 1995; the collusion on bidding for the postal code reading machines, which invited an order of eliminating collusion by the Fair Trade Commission in 1999; and the collusion on bidding for Sapporo City's Waterworks and Sewerage Bureau, uncovered in 2008. It is particularly worth noting that the collusion on bidding for the work procured by a waterworks and sewerage bureau was first revealed in 1995 and a punitive action was imposed, yet similar activities of collusion were repeated thereafter. With regard to the collusion on bidding for the work procured by Sapporo City's Waterworks and Sewerage Bureau, a shareholder had raised the question to the Company of whether the collusion occurred, in the ordinary general meeting of shareholders held in June 2008. In response, the Company said it would like to wait for the results of the investigation by the relevant administrative authorities; however, whether or not such collusion occurred should have been made clear if the Company had conducted internal investigation on the personnel in charge and there should have been no need to wait for the results of the relevant authorities investigation. In addition, Toshiba was exempted from certain administrative sanction including fine to be imposed by admitting such collusion to the Fair Trade Commission prior to commencement of its investigation. This means that Toshiba concealed the facts of collusion to its shareholders at the general meetings of shareholders although the Company was aware of the facts of such collusion after its internal investigation at the time. No claim for damages has been made against directors.

The improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) means the following. It is the improper billing and unfair receipt of research labor expenses for the research commissioned by the NEDO which was uncovered at Toshiba in 1996; NEDO used to be an organization under control of the Ministry of Trade and Industry (NEDO is currently an independent governmental agency), having being operated by the national budget. Going forward, the research commissioned by NEDO mentioned above means the project for "Research and Development of Molten Carbonate Fuel Cell and Development of Molten Carbonate Fuel Cell Stack for 1,000kW Class Power Plant (Plant Manufacturing – Facilities for waste heat recovery)". The research commissioned was mainly handled by Keihin Product Operations of Energy System Group of Toshiba from 1985. The issue of improper billing and unfair receipt of research labor expenses had its beginning when certain managers in Keihin Product Operations prepared an instructional sheet on fabrication of daily reports in April 1995, who then instructed their subordinate employees to fabricate the daily research labor reports for the year of 1994 based on this instructional sheet. Furthermore, these managers fabricated the daily reports by using the names of the employees who had refused to cooperate with the fabrication. In June 1995, by using the fabricated daily reports, they claimed excessive research labor expenses to NEDO and received the excessive amount of the expenses. The issues of improper billing and unfair receipt of research labor expenses was revealed at Keihin Product Operations in January 1996 and were reported to the person responsible, Yuichiro Isu, who was the General Manager of Keihin Product Operations. Yuichiro Isu did not rectify such improper billing and unfair receipt of the research expenses. Subsequently, it was reported to Tomohiko Sasaki, the General Executive of the Energy System Group (Corporate Senior Vice President), who was in charge

of the higher division overseeing Keihin Product Operations, in February 1996, and to Fumio Sato, President, as well as to Taizo Nishimuro, Corporate Executive Vice President, in June 1996—who were all personnel responsible at Toshiba. However, these responsible personnel failed to correct the unfair receipt of the expenses even after they were apprised of the problem. At the ordinary general meeting of shareholders in June 1999, a shareholder asked the question of whether the unfair acceptance of research labor expenses had been rectified or not. Mr. Nishimuro, the President, and Toshiki Miyamoto, the Corporate Senior Vice President, replied that the problem had been settled, as the employees who had engaged in illegal activities had been punished, and they declined to respond to any further questions from the shareholders on this matter. Similar questions and answers were repeated between the Company and the shareholder[s] in the subsequent ordinary general meetings of shareholders (held in 2000 and 2001); Tadashi Okamura, the President, Kiyooki Shimagami, Corporate Executive Vice President, and Toshiyuki Oshima, Corporate Vice President continued to respond that the improper billing was finished with, having declined to accept further questions from shareholders on this matter in June 2002, NEDO conducted an investigation at Keihin Products Operations regarding this problem. In the investigation, neither the instructional sheets for fabrication of the daily research labor reports nor the daily research labor reports before fabrication were found; it appeared as if those reports had been destroyed prior to the investigation; however, the then personnel in charge have copies of those reports. The mass media reported on improper billing and unfair acceptance of research labor expenses by Toshiba in July 2002, when NEDO had decided to (i) require Toshiba to make a refund of the research labor expenses, (ii) suspend new agreements with Toshiba for commissioned research for three years, and (iii) suspend the monetary grants to Toshiba for three years, due to such improper billing and unfair receipt of research labor expenses by Toshiba. Although the billing of research labor expenses backed by the falsified daily research labor reports constituted criminal fraud, it did not develop into a criminal case because of the statute of limitations. As Toshiba had concealed this issue for approximately six years—from when it found the problem internally in 1996 up to when the investigation of NEDO took place in 2002—it led to the expiration of the statute of limitations. It could be presumed that the fact that Toshiba kept giving untrue answers to the effect that the unfair receipt of research labor expenses was rectified, despite there being no such action to correct the situation, was because they were stalling in order to reach the statute of limitations for criminal case and to prevent the chance for charges to be brought against the officers (directors and executive officers) involved. It is against the laws to repeat the false answers at the general meeting of shareholders without correcting the unfair receipt of the research labor expenses.

The Company declined to provide answers to the questions from shareholders regarding the said unfair billing and receipt issue, by saying that the question was not relevant to the agenda of the meeting, or that it was an old issue that had happened in the past, or that the Company had already provided explanations to it. Toshiba concealed the facts of improper billing and unfair receipt of research labor expenses for six years from 1996. The Company neither disclosed any detailed facts nor explained the responsibilities of the officers of the Company when this issue was raised by a shareholder at the general meetings of shareholders in 2002 and thereafter. More specifically, which officer was responsible for the decision made and the actual concealment of unfair receipt has not been clarified: who decided to conceal the fact of unfair receipt of research labor expenses without rectifying after it was uncovered at Toshiba in 1996? Is it Fumio Sato, President, or Nishimuro, President, or some other officer? Who actually brought the decision into action: was it Mr. Sasaki, Corporate Senior Vice President, or Toshiki Miyamoto, Corporate Senior Vice President, or

Toshiyuki Oshima, Corporate Vice President, or some other officer? The responsibilities of the officers involved (Fumio Sato, President; Nishimuro, President; Okamura, President; Shimagami, Corporate Executive Vice President; Tomohiko Sasaki, Corporate Senior Vice President; Toshiki Miyamoto, Corporate Senior Vice President; Toshiyuki Oshima, Corporate Vice President; etc.) have not been clarified. The decision on, and execution of, the concealment of unfair receipt are illegal activities. All of the officers (including outside directors) failed to take any preventive action against this even after they learned of it during the general meeting of shareholders in 1999, when the unfair receipt of research labor expenses was put forth. These officers failed to perform their duty of care. Although the Company incurs damages due to unfair receipt, it has not made a claim for damages against the relevant directors.

The damages committee for the improper billing and unfair receipt of research labor expenses for research commissioned by NEDO shall be composed of the following fifteen persons as members. The fifteen personnel have experience in addressing the issue of improper billing and unfair receipt of the research labor expenses for the research commissioned by NEDO. They also have extensive work experience at Toshiba as employees thereof. Accordingly, they are deemed qualified as the members of the said committee.

Seigo WATANABE (Manager at Keihin Product Operations (\*1));  
Yoshio KOYAMA (Manager at Keihin Product Operations (\*1));  
Jiro OZONO (Senior Manager at Keihin Product Operations (\*1));  
Masataka SHINTANI (Chief Specialist at Keihin Product Operations (\*1));  
Yuichiro ISU (General Manager of Keihin Product Operations (\*1));  
Kazuo TANIGAWA (Joined the Company in 1972; Senior Manager at Keihin Product Operations (\*1));  
Koichi HATANO (Manager at Keihin Product Operations (\*1));  
Yoshiaki MIKI (Manager at Keihin Product Operations (\*2));  
Tomohiko SASAKI, (Joined the Company in 1960; General Executive of Energy System Group (\*1));  
Toshiki MIYAMOTO (Corporate Senior Vice President (\*2));  
Toshiyuki OSHIMA (Corporate Vice President (\*3));  
Fumio SATO (President (\*1));  
Taizo NISHIMURO (Joined the Company in 1961; Corporate Executive Vice President (\*1));  
Tadashi OKAMURA (Joined the Company in 1962; President (\*3)); and  
Kiyooki SHIMAGAMI (Joined the Company in 1961; Corporate Executive Vice President (\*3)).

The years and the titles in the brackets above represent the year when the person joined the Company and the title held at the Company respectively.

(\*1) Title in 1996; (\*2) Title in 1999; (\*3) Title in 2000”

## Relating to the Sixth Proposal

The collusion on bidding for the projects of the administrative institutions mentioned above refers to the collusion on bidding for Mie Prefecture's Waterworks and Sewerage Bureau's project, uncovered in 1995; the collusion on bidding for the postal code reading machines, which invited an order of eliminating collusion by the Fair Trade Commission in 1999; and the collusion on bidding for Sapporo City's Waterworks and Sewerage Bureau, uncovered in 2008. It is particularly worth noting that the collusions on bidding for the work procured by a waterworks and sewerage bureau was first revealed in 1995 and a punitive action was imposed, yet similar activities of collusion were repeated thereafter. With regard to the collusion on bidding for the work procured by Sapporo City's Waterworks and Sewerage Bureau, a shareholder had raised the question to the Company of whether the collusion occurred, in the ordinary general meeting of shareholders held in June 2008. In response, the Company said it would like to wait for the results of the investigation by the relevant administrative authorities; however, whether or not such collusion occurred should have been made clear if the Company had conducted an internal investigation on the personnel in charge and there should have been no need to wait for the results of the relevant administrative authorities' investigation. In addition, Toshiba was exempted from certain administrative sanction including fine to be imposed by admitting such collusion to the Fair Trade Commission prior to commencement of its investigation. This means that Toshiba concealed the facts of collusion to its shareholders at the general meetings of shareholders although the Company was aware of the facts of such collusion after its internal investigation at the time. The repetition of collusive bidding suggests that the preventive measures were insufficient.

The test data falsification for water flow meters used in nuclear power generation above means the test data falsification for water flow meters used in nuclear reactors which was caused by the employees in Keihin Product Operations in 2006. A series of falsified data were revealed by the investigation of the administrative authorities which was conducted after the Company's internal investigation. It may be perceived as though the Company had attempted to hide the falsified test data to the furthest extent possible. Concealment of illegal activities could not be avoided, as the preventive measures to prevent concealment were not sufficient.

The improper billing and unfair receipt of research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) means the following. To explain the background behind this issue of improper billing and unfair receipt of research labor expenses for the research commissioned by the NEDO which was uncovered at Toshiba in 1996: NEDO used to be an organization under control of the Ministry of Trade and Industry (NEDO is currently an independent governmental agency), having being operated by the national budget. Going forward, the research commissioned by NEDO mentioned above means the project for "Research and Development of Molten Carbonate Fuel Cell and Development of Molten Carbonate Fuel Cell Stack for 1,000kW Class Power Plant (Plant Manufacturing – Facilities for waste heat recovery)". The research commissioned was handled mainly by Keihin Product Operations of the Energy System Group of Toshiba from 1985. The issue of improper billing and unfair receipt of research labor expenses had its beginning when certain managers in Keihin Product Operations prepared an instructional sheet on fabrication of daily reports in April 1995, who



then instructed their subordinates to fabricate daily research labor reports for the year of 1994 based on this instructional sheet. Furthermore, these managers fabricated the daily reports by using the names of the employees who had refused to cooperate with the fabrication. In June 1995, by using the fabricated daily reports, they claimed excessive research labor expenses to NEDO and received the excessive amount of the expenses. The issues of improper billing and unfair receipt of research labor expenses was revealed at Keihin Product Operations in January 1996 and were reported to the person responsible, Yuichiro Isu, who was the General Manager of Keihin Product Operations. Yuichiro Isu did not rectify such improper billing and unfair receipt of the research expenses. Subsequently, in February 1996, it was reported to Tomohiko Sasaki, the General Executive of the Energy System Group (Corporate Senior Vice President), who was the supervisor of the senior organization overseeing Keihin Product Operations, and to Fumio Sato, President, as well as to Taizo Nishimuro, Corporate Executive Vice President, in June 1996—who were all responsible personnel at Toshiba. However, these responsible personnel failed to correct the unfair receipt of the expenses even after they were apprised of the problem. At the ordinary general meeting of shareholders in June 1999, a shareholder asked the question of whether the unfair acceptance of research labor expenses had been rectified or not. Mr. Nishimuro, the President, and Toshiki Miyamoto, the Corporate Senior Vice President, replied that the problem had been settled, as the employees who had engaged in illegal activities had been punished, and they declined to respond to any further questions from the shareholders on this matter. Similar questions and answers were repeated between the Company and the shareholder[s] in the subsequent ordinary general meetings of shareholders (held in 2000 and 2001); Tadashi Okamura, the President, Kiyooki Shimagami, Corporate Executive Vice President, and Toshiyuki Oshima, Corporate Vice President, continued to respond that the issue of improper billing was finished with, having declined to accept further questions from shareholders on this matter. In June 2002, NEDO conducted an investigation at Keihin Products Operations regarding this problem. In the investigation, neither the instructional sheets for fabrication of the daily research labor reports nor the daily research labor reports before fabrication were found; it appeared as if those reports had been destroyed prior to the investigation. The mass media reported on improper billing and unfair acceptance of research labor expenses by Toshiba in July 2002, when NEDO had decided to (i) require Toshiba to make a refund of the research labor expenses, (ii) suspend new agreements with Toshiba for commissioned research for three years, and (iii) suspend the monetary grants to Toshiba for three years, due to such improper billing and unfair receipt of research labor expenses by Toshiba. Although the billing of research labor expenses backed by the falsified daily research labor reports constituted criminal fraud, it did not develop into a criminal case because of the statute of limitations. As Toshiba had concealed this issue for approximately six years—from when it found the problem internally in 1996 up to when NEDO's investigation took place in 2002—it led to the expiration of the statute of limitations. It could be presumed that the fact that Toshiba kept giving untrue answers to the effect that the issue of unfair receipt of research labor expenses was rectified, despite there being no such action to correct the situation, was because they were stalling in order to reach the statute of limitations for criminal case and to prevent the chance for charges to be brought against the officers involved. It is against the laws to repeat the false answers at the general meeting of shareholders without correcting the unfair receipt of the research labor expenses.

The Company declined to provide answers to the questions from shareholders regarding the said unfair billing and receipt issue, by saying that the question was not relevant to the agenda of the meeting, or that it was an old issue that had happened in the past, or that the Company had already provided explanations to it. Toshiba concealed the facts of

improper billing and unfair receipt of research labor expenses for six years from 1996. The Company neither disclosed any detailed facts nor explained the responsibilities of the officers of the Company when this issue was raised by a shareholder at the general meetings of shareholders in 2002 and thereafter. More specifically, which officer was responsible for the decisions made and the actual concealment of unfair receipt has not been clarified: who decided to conceal the fact of unfair receipt of research labor expenses without rectifying after it was uncovered at Toshiba in 1996? Is it Fumio Sato, President, or Nishimuro, President, or some other officer? Who actually brought the decision into action: was it Mr. Sasaki, Corporate Senior Vice President, or Toshiki Miyamoto, Corporate Senior Vice President, or Toshiyuki Oshima, Corporate Vice President, or some other officer? The responsibilities of the officers involved (Fumio Sato, President; Nishimuro, President; Okamura, President; Shimagami, Corporate Executive Vice President; Tomohiko Sasaki, Corporate Senior Vice President; Toshiki Miyamoto, Corporate Senior Vice President; Toshiyuki Oshima, Corporate Vice President; etc.) have not been clarified. Why is it that all of the officers (including outside directors) failed to take any preventive action against this even after they learned of it during the general meeting of shareholders in 1999, when the issue of unfair receipt of research labor expenses was put forth? Whether these officers are not liable to the failure to perform their duty of care? Furthermore, the facts that the relevant managers prepared the instructional sheet for fabrication of the daily research labor reports, had their subordinates fabricate the reports accordingly, and then billed the research labor expenses improperly according to the falsified reports, are organizational fraudulent activities: why did they hide these facts? Going forward, the managers involved in this issue were also in charge of the research commissioned in years other than the years in question as well as commissioned research other than the research involved in the revealed unfair billing. It is questionable whether the possibility of similar fraudulent activities for other commissioned researches has been thoroughly investigated. These kinds of long-term concealment of fraudulent activities should have been prevented, had the detailed facts of such fraudulent activities been properly disclosed to shareholders.

## **Explanation about the Exercise of Voting Rights through the Internet**

- ◎ When exercising voting rights through the Internet, please be aware of the following matters before casting your vote.

1. Voting rights may only be exercised through the Internet using the website for the exercise of voting rights designated by the Company (<http://www.web54.net>).

When exercising voting rights, please access the website and input the voting rights exercise code indicated on the upper right hand corner of the Voting Rights Exercise Form in accordance with the instructions shown on the screen. Shareholders may cast a vote by inputting a new password set up by the shareholder using the password indicated in the upper right hand of the Voting Rights Exercise Form.

2. Shareholders are responsible for paying any fees such as connection fees payable to internet providers and communication fees payable to telecommunications providers in order to use the website for the exercise of the voting rights.
3. When connecting to the Internet from a company or other organization terminal, the Internet may be limited due to firewalls or other measures installed. Please confirm with your system administrator.

- ◎ Handling of passwords

1. The password that the Company issues this time is only effective for the current ordinary general meeting of shareholders. A new password will be issued for the next ordinary general meeting of shareholders. The Company will not respond to any inquiry about the password by telephone or other such means.
2. Please keep your password safe as it is the means by which the identity of the shareholder casting the vote is verified.
3. If the wrong password is inputted a certain number of times, the main screen will no longer be able to be accessed.
4. Shareholders who wish to have a password reissued are advised to follow the instructions shown on the screen.

- ◎ The following system requirements must be in place to use the website to exercise voting rights.

1. Personal computers:
  - (1) Hardware
    - (i) Internet access
    - (ii) Monitor resolution of 800 x 600 pixels (SVGA)

- (2) Software
- (i) Microsoft Internet Explorer  
Ver. 5.01 Service Pack 2 or later versions of Microsoft® Internet Explorer
  - (ii) When accessing the Convocation Notice of the Ordinary General Meeting of Shareholders, the Reference Material for the General Meeting of Shareholders or the Reports for the 171st Fiscal Year:  
Ver. 4.0 or later versions of Adobe® Acrobat® Reader, or Ver. 6.0 or later versions of Adobe® Reader®
    - \* Microsoft® and Internet Explorer are registered trademarks or trademark of Microsoft Corporation in the United States and other countries. Adobe® Acrobat® Reader and Adobe® Reader® are registered trademarks or trademarks of Adobe Systems Incorporated in the United States or other countries.
- (3) A pop-up function is used on the website for exercising voting rights. If a function that automatically blocks the pop-up function such as a pop-up blocker is used, please use the website after allowing or temporarily allowing pop-ups.

2. Mobile phones:

Mobile phones that can access the following services and are models that allow encrypted SSL communication. The website is not registered in the menu list for the following services. Please access the website by directly inputting the URL (<http://www.web54.net>) or using the QR code on the Voting Rights Exercise Form.

- (1) i-mode
- (2) EZweb
- (3) Yahoo! Mobile

\* i-mode is a registered trademark, trademark or service name of NTT DOCOMO, Inc., EZweb is that of KDDI Corporation, Yahoo! is that of Yahoo! Inc., Yahoo! Mobile is that of SOFTBANK MOBILE Corp., and QR code is that of Denso Wave Incorporated.

◎ Inquiries about the method of operation and other matters

Please contact the following office if you are unfamiliar with the method of operation or supported models of personal computers, mobile phones or other items in connection with exercising voting rights through the Internet:

Direct line to Chuo Mitsui Transfer Agent Web Support:  
Telephone: 0120-65-2031 (toll free)  
(9:00 a.m. to 9:00 p.m.; Monday to Friday)

Please contact the following office for other inquiries about the registered address, number of shares and other matters:

Transfer Agent Service Center of Chuo Mitsui Trust and Banking Company  
Telephone: 0120-78-6502 (direct toll free number to the Company)  
(9:00 a.m. to 5:00 p.m.; Monday to Friday)