

(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

May 31, 2012

**CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE 173RD FISCAL PERIOD**

Dear Shareholder:

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 173rd fiscal period will be held as described below. Your attendance is cordially requested.

**If you are unable to attend the meeting, after reviewing the Reference Material for the Ordinary 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., Thursday, June 21, 2012.**

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: Friday, June 22, 2012, 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 173rd fiscal period (starting from April 1, 2011 and ending on March 31, 2012) and audit report for the consolidated financial statements.

Subject for Resolution

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

First Proposal: Election of fourteen (14) Directors

Second Proposal: Renewal of Countermeasures to Large-Scale Acquisitions of Shares in the Company (Takeover Defense Measures)

## Shareholder's Proposal (Third Proposal)

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

The details of each proposal above are described in the Reference Material for the Ordinary 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 Voting Rights Exercise 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, 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 is 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 173rd fiscal period which are required to be attached to the convocation notice of ordinary general meeting of shareholders are as shown in the Reports for the 173rd Fiscal Period annexed hereto. However, because the following matters are reported on the Company's website (<http://www.toshiba.co.jp/about/ir/jp/stock/meeting.htm>)<sup>1</sup> 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 173rd Fiscal Period:

1. "12. System for Ensuring the Appropriate Performance of the Company's Business (Internal Control System), Etc." and "13. Basic Policy on the Control of the Company and Takeover Defense Measures" of the business report;
2. Consolidated notes of consolidated financial statements; and
3. Individual notes of non-consolidated financial statements.

The consolidated and non-consolidated financial statements audited by the corporate auditors (independent auditors) 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 173rd

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<sup>1</sup> Note for English translation:

English translation is available on <http://www.toshiba.co.jp/about/ir/en/stock/meeting.htm>

Fiscal Period.

The business report, consolidated and non-consolidated financial statements audited by the audit committee are also shown in part of the business report, the consolidated notes and individual notes reported on the above website in addition to each document being included in the Reports for the 173rd Fiscal Period.

\* Please understand that the Company may conserve electricity by diming lights, controlling air-conditioning's temperature settings and taking other measures in Kokugikan.

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

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

The Company decided to pay year-end dividends by the resolution at the Board of Directors meeting held on May 8, 2012.

Therefore, the Company will pay dividends in the amount of 4 yen (including tax) per share on June 1, 2012 which is the first day of such payment. Please be advised that you receive dividends by using the enclosed receipt of year-end dividends at the nearest head office, branch offices and district offices of Japan Post Bank Co., Ltd. and post offices during the payment period (starting from June 1, 2012 and ending on July 31, 2012).

We have separately made funds transfer procedures for the shareholders who designated that method of dividend payments.

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

The Company will answer shareholder's questions at the Ordinary General Meeting of Shareholders. However, the Company plans to collectively answer any questions that you send 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 15, 2012 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 Affairs Division  
1-1-1, Shibaura, Minato-ku, Tokyo, 105-8001

Address to which questions can be sent via e-mail:  
sukai@toshiba.co.jp

REFERENCE MATERIAL FOR THE  
ORDINARY GENERAL MEETING OF SHAREHOLDERS

- |    |                               |           |
|----|-------------------------------|-----------|
| 1. | Total Number of Voting Rights | 4,216,325 |
| 2. | Reference to Proposal         |           |

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

The First and Second Proposals are proposed by the Company.

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

1. Reasons for Proposal

The term of office of the current 13 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 track record and insight in their field

Messrs. Takeo KOSUGI, Hiroyuki ITAMI and Ken SHIMANOUCI, and Ms. Kiyomi SAITO 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:

Notices have been filed regarding Mr. Takeo KOSUGI as being independent directors stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, etc. and a notice will be filed regarding Messrs. Hiroyuki ITAMI and Ken SHIMANOUCI, and Ms. Kiyomi SAITO as being independent directors.

Mr. Takeo KOSUGI:

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

Mr. Hiroyuki ITAMI:

Mr. Itami can be expected to properly supervise the Company's management based on his rich experience and knowledge as a specialist in business administration and as a manager of a university.

Mr. Ken SHIMANOUCHI

Mr. Shimanouchi can be expected to properly supervise the Company's management based on his rich experience and knowledge as a diplomat.

Ms. Kiyomi SAITO

Ms. Saito holds a Master of Business Administration (MBA) from Harvard Business School and can be expected to properly supervise the Company's management based on her rich experience and knowledge as a top executive

The tenure of Mr. Takeo KOSUGI as Outside Directors will be three years, at the conclusion of this General Meeting of Shareholders.

The Company has concluded a limited liability contract with Mr. 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 continue the contract with Mr. Takeo KOSUGI, if reelected. The Company also intends to conclude the same kind of limited liability contract with Messrs. Hiroyuki ITAMI and Ken SHIMANOUCHI, and Ms. Kiyomi SAITO, if elected as directors.

## 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  December 29, 1943	Chairman of the Board; Member, the Nomination Committee Member, the Compensation Committee	<p>May 1975 Joined the Company</p> <p>June 1997 Director</p> <p>June 1998 Corporate Vice President</p> <p>June 2000 Corporate Senior Vice President</p> <p>June 2003 Director Executive Officer Corporate Executive Vice President</p> <p>June 2005 Director Representative Executive Officer President and Chief Executive Officer</p> <p>June 2009 - Present Director, Chairman of the Board</p> <p>Significant concurrent positions: Chairman, Japan Travel and Tourism Association Chairman, Japan Institute of Logistics Systems Chairman, Optoelectronic Industry and Technology Development Association</p>	208
2.	Norio SASAKI  June 1, 1949	Representative Executive Officer President and Chief Executive Officer; Member, the Compensation Committee	<p>April 1972 Joined the Company</p> <p>April 2003 Vice President, Nuclear Energy Systems &amp; Services Division, Industrial &amp; Power Systems Company of Toshiba Corporation</p> <p>June 2005 Executive Officer Corporate Vice President</p> <p>June 2007 Executive Officer Corporate Executive Vice President</p> <p>June 2008</p>	115

			<p>Director Representative Executive Officer Corporate Senior Executive Vice President</p> <p>June 2009 - Present Director Representative Executive Officer President and Chief Executive Officer</p>	
3.	<p>Hidejiro SHIMOMITSU</p> <p>September 21, 1952</p>	<p>Representative Executive Officer; Corporate Senior Executive Vice President; Support of the President Responsible for the Digital Products Group Group Executive, Corporate Social Responsibility Div.</p>	<p>April 1976 Joined the Company</p> <p>June 2006 Executive Officer Corporate Vice President</p> <p>June 2007 Executive Officer Corporate Senior Vice President</p> <p>June 2009 Executive Officer Corporate Executive Vice President</p> <p>June 2011 - Present Director Representative Executive Officer Corporate Senior Executive Vice President</p> <p>Significant concurrent positions: Outside Director, Toshiba TEC Corporation</p>	66
4.	<p>Hisao TANAKA</p> <p>December 20, 1950</p>	<p>Representative Executive Officer; Corporate Senior Executive Vice President; Support of the President Group Executive, Quality Division General Executive, Procurement &amp; Logistics Group General Executive, Productivity &amp; Environment Group</p>	<p>April 1973 Joined the Company</p> <p>June 2006 Executive Officer Corporate Vice President</p> <p>June 2008 Executive Officer Corporate Senior Vice President</p> <p>June 2009 Executive Officer Corporate Executive Vice President</p> <p>June 2011 - Present Director Representative Executive Officer Corporate Senior Executive Vice President</p> <p>Significant concurrent positions: Chairman, Taiwan Toshiba International Procurement Corporation Chairman, Toshiba Hangzhou Co., Ltd.</p>	67

5.	<p>Hideo KITAMURA</p> <p>April 19, 1952</p>	<p>Representative Executive Officer; Corporate Senior Executive Vice President; Support of the President Responsible for the Social Infrastructure Group Project Manager, the Workplace Innovation Project Team General Executive, Legal Affairs Group General Executive, the Export Control Group</p>	<p>April 1975 Joined the Company</p> <p>April 2006 Executive Vice President, Power Systems Company of Toshiba Corporation</p> <p>June 2007 Executive Officer Corporate Vice President</p> <p>June 2008 Executive Officer Corporate Senior Vice President</p> <p>June 2009 Executive Officer Corporate Executive Vice President</p> <p>June 2011 - Present Director Representative Executive Officer Corporate Senior Executive Vice President</p>	60
6.	<p>Makoto KUBO</p> <p>January 31, 1952</p>	<p>Representative Executive Officer; Corporate Executive Vice President; General Executive, Finance &amp; Accounting Group</p>	<p>April 1975 Joined the Company</p> <p>May 2005 General Manager, Finance &amp; Accounting Division</p> <p>June 2008 Executive Officer Corporate Vice President</p> <p>June 2010 President, Toshiba Mobile Display Co., Ltd.</p> <p>June 2011 - Present Director Representative Executive Officer Corporate Executive Vice President</p>	32
7.	<p>Toshiharu WATANABE</p> <p>July 28, 1950</p>	<p>Executive Officer; Corporate Executive Vice President; Managing Director, the Smart Community General Executive, the Marketing Group</p>	<p>April 1974 Joined the Company</p> <p>April 2006 Executive Vice President, Industrial Systems Company of Toshiba Corporation</p> <p>June 2007 Executive Officer Corporate Vice President</p> <p>June 2008 Executive Officer Corporate Senior Vice President</p>	60



			<p>June 2010 Executive Officer Corporate Executive Vice President</p> <p>June 2011 - Present Director Executive Officer Corporate Executive Vice President</p>	
8.	<p>Fumio MURAOKA</p> <p>July 10, 1948</p>	<p>Chairman, the Audit Committee</p>	<p>April 1971 Joined the Company</p> <p>June 2003 Executive Officer Corporate Vice President</p> <p>June 2006 Director Representative Executive Officer Corporate Executive Vice President</p> <p>June 2009 Director Representative Executive Officer Corporate Senior Executive Vice President</p> <p>June 2011 – Present Director</p>	97
9.	<p>Hiroshi HORIOKA</p> <p>June 7, 1953</p>	<p>Member, the Audit Committee</p>	<p>April 1977 Joined Toshiba Corporation</p> <p>June 2003 Director, Shibaura Mechatronics Corporation</p> <p>April 2005 General Manager, HR &amp; Administration Div., Industrial and Power Systems &amp; Services Company of Toshiba Corporation</p> <p>April 2006 General Manager, Group Relations Div.</p> <p>June 2007 General Manager, Human Resources and Administration Div.</p> <p>June 2009 - Present Director</p>	33

10.	Takeo KOSUGI March 23, 1942	Member, the Nomination Committee; Member, the Audit Committee; Member, the Compensation Committee	<p>April 1968 Osaka District Court, Associate Judge</p> <p>September 1972 Kushiro District &amp; Family Court, Associate Judge</p> <p>May 1974 Registered as Private Practicing Attorney</p> <p>June 2009 - Present Outside Director of the Company</p> <p>Significant concurrent positions: Partner, Law Office of Matsuo &amp; Kosugi Outside Corporate Auditor, Nihon Servier Co Ltd.; Outside Corporate Auditor, FUJIFILM Holdings; Supervisory Director, Mori Hills REIT Investment Corp.</p>	22
11.	Shozo SAITO July 9, 1950	Executive Officer; Corporate Executive Vice President; Responsible for Electronic Devices & Components Group; Responsible for the Electronic Devices & Components Group Managing Director, Materials & Devices	<p>April 1973 Joined the Company</p> <p>June 2006 Executive Officer Corporate Vice President</p> <p>June 2007 Executive Officer Corporate Senior Vice President</p> <p>June 2010 - Present Executive Officer Corporate Executive Vice President</p> <p>Significant concurrent positions: Chairman, Reliability Center for Electronic Components of Japan</p>	60
12.	Hiroyuki ITAMI March 16, 1945		<p>April 1973 Full-time instructor, Faculty of Commerce and Management, Hitotsubashi University</p> <p>March 1975 Visiting Assistant Professor, Graduate School of Business, Stanford University</p> <p>April 1977 Assistant Professor, Faculty of Commerce and Management, Hitotsubashi University</p> <p>March 1982 Visiting Associate Professor, Graduate School of Business, Stanford University</p> <p>April 1985</p>	0

			<p>Professor, Faculty of Commerce and Management, Hitotsubashi University (until March 2008)</p> <p>August 1994 Dean, Faculty of Commerce and Management, Hitotsubashi University (until July 1996)</p> <p>April 2008 Professor, Graduate School of Management of Science and Technology (renamed Graduate School of Innovation Studies in April 2011), Tokyo University of Science</p> <p>October 2008 - Present Dean, Graduate School of Management of Science and Technology (renamed Graduate School of Innovation Studies in April 2011) Tokyo University of Science</p> <p>Significant concurrent positions: Dean, Graduate School of Innovation Studies, Tokyo University of Science; Outside Auditor, JFE Holdings, Inc.; Outside Auditor, Mitsui O.S.K. Lines, Ltd.</p>	
13.	<p>Ken SHIMANOUC HI</p> <p>September 17, 1946</p>		<p>April 1971 Joined the Ministry of Foreign Affairs of Japan</p> <p>April 1995 Deputy Press Secretary, Ministry of Foreign Affairs of Japan</p> <p>August 1997 Deputy Director General, Latin American and Caribbean Affairs Bureau, Ministry of Foreign Affairs of Japan</p> <p>August 1998 Consul-General of Japan in Miami</p> <p>March 2000 Minister, Embassy of Japan in the UK</p> <p>January 2002 Director-General, Latin American and Caribbean Affairs Bureau, Ministry of Foreign Affairs of Japan</p> <p>April 2004 Ambassador Extraordinary and Plenipotentiary to Spain</p> <p>August 2006 Ambassador Extraordinary and Plenipotentiary to Brazil</p>	0

			November 2010 Counselor, Mitsui & Co., Ltd.  Significant concurrent positions: Counselor, Mitsui & Co., Ltd.	
14.	Kiyomi SAITO (Name on the Family Register: Kiyomi TAKEI)  December 1, 1950		April 1973 Joined Nikkei Inc.  September 1975 Joined Sony Corporation (until June 1979)  August 1984 Joined Morgan Stanley (until February 1992)  April 2000 - Present President, JBond Co., Ltd. (renamed JBond Totan Securities Co., Ltd. in April 2008)  April 2011 - Present President, the Totan Information Technology Co. Ltd.  Significant concurrent positions: President, JBond Totan Securities Co., Ltd.; President, the Totan Information Technology Co. Ltd.; Outside Auditor, Showa Denko K.K.	0

Notes: Directors Messrs. Masashi MUROMACHI, Hiroshi HIRABAYASHI, and Takeshi SASAKI will retire at the conclusion of this Ordinary General Meeting of Shareholders.

#### Reference

- Information on independent directors

Candidates for Directors Messrs. Takeo KOSUGI, Hiroyuki ITAMI and Ken SHIMANOUCI, and Ms. Kiyomi SAITO meet the independence requirements set out by the Tokyo Securities Exchange, etc.

Although Mitsui & Co., Ltd., for which Mr. Ken SHIMANOUCI is counselor, and the Company had transactions, because the transactions accounted for less than 1% of sales of Mitsui & Co., Ltd. and the Company in Fiscal Year 2011, those transactions are not of any significance that might affect his independence as an outside director.

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## **Second Proposal: Renewal of Countermeasures to Large-Scale Acquisitions of Shares in the Company (Takeover Defense Measures)**

The effective period of the plan for countermeasures to large-scale acquisitions of the shares in the Company (the “Former Plan”) adopted upon approval at the 170th ordinary general meeting of shareholders of the Company held on June 24, 2009 expires and becomes invalid at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Board of Directors resolved at its meeting held on May 8, 2012 to partially revise the Former Plan, while basically preserving the original content, and to renew the plan for countermeasures to large-scale acquisitions of the shares in the Company (that plan after the revision, the “Plan”) for a further three years subject to the shareholders’ approval at the Ordinary General Meeting of Shareholders.

The major changes in this renewal are the following two matters, and other necessary changes have been made, but there is no significant change to the substantive content of the Former Plan:

- (i) new establishment of the procedures for submitting an Acquirer’s Statement (defined below) (2.(1)(b)); and
- (ii) addition of a Trigger Event (defined below) (2.(2)(d)).

The Company therefore proposes to obtain the shareholders’ approval of the Plan as renewed.

### 1. Reasons for Proposal

#### (1) Basic Policy Regarding Persons Who Control Decisions on the Company’s Financial and Business Policies

The management vision of the Toshiba Group (“Group”) stresses the need to make continuous efforts to provide our customers with peace of mind and happiness through the provision of products and services attuned to people’s aspirations and beneficial to society. Through this vision, we believe we will enhance our corporate value and achieve the common interests of our shareholders. In line with this philosophy, we make best efforts to enhance the efficiency and transparency of management and maximize corporate value from the viewpoints of our shareholders.

We create an environment in which individual employees can act and do well and work with enthusiasm, inheriting the passion and spirit of enquiry that inspired the inventiveness of Hisashige Tanaka, Toshiba’s founder. This is Toshiba’s corporate DNA, and it increases the overall strength of our organization. We believe that adherence to our vision is the very essence of the Company’s value. Further, in order for the Group to earn appropriate profit for return to our shareholders, and to achieve sustainable, continuous growth in the corporate value and common interests of shareholders over the medium-to long-term, we believe it is essential to maintain and develop a proper and good relationship with our shareholders and with other stakeholders, such as customers, business partners, vendors, employees and regional communities, and to give adequately consider the interests of these stakeholders.

The Group is one of Japan's largest companies. The scope of the Group's businesses is highly diversified, extending to Digital Products, Electronic Devices, Social Infrastructure, Home Appliances and others. Therefore, when we receive a proposal for acquisition of the Company's shares, in order to make a suitable determination regarding the effect that such acquisition would have on our corporate value and the common interests of our shareholders, we believe it is necessary to gain an adequate understanding of (i) the feasibility, legality and appropriateness of the acquisition plan or business plan being proposed by the acquirer, (ii) the impact on the Company's tangible and intangible management resources and our stakeholders, (iii) the potential effect of the measures in the future, (iv) the synergies that could potentially be achieved through a combination of business fields, (v) the current business condition of the Group, and (vi) other factors that constitute our corporate value and interests of our shareholders.

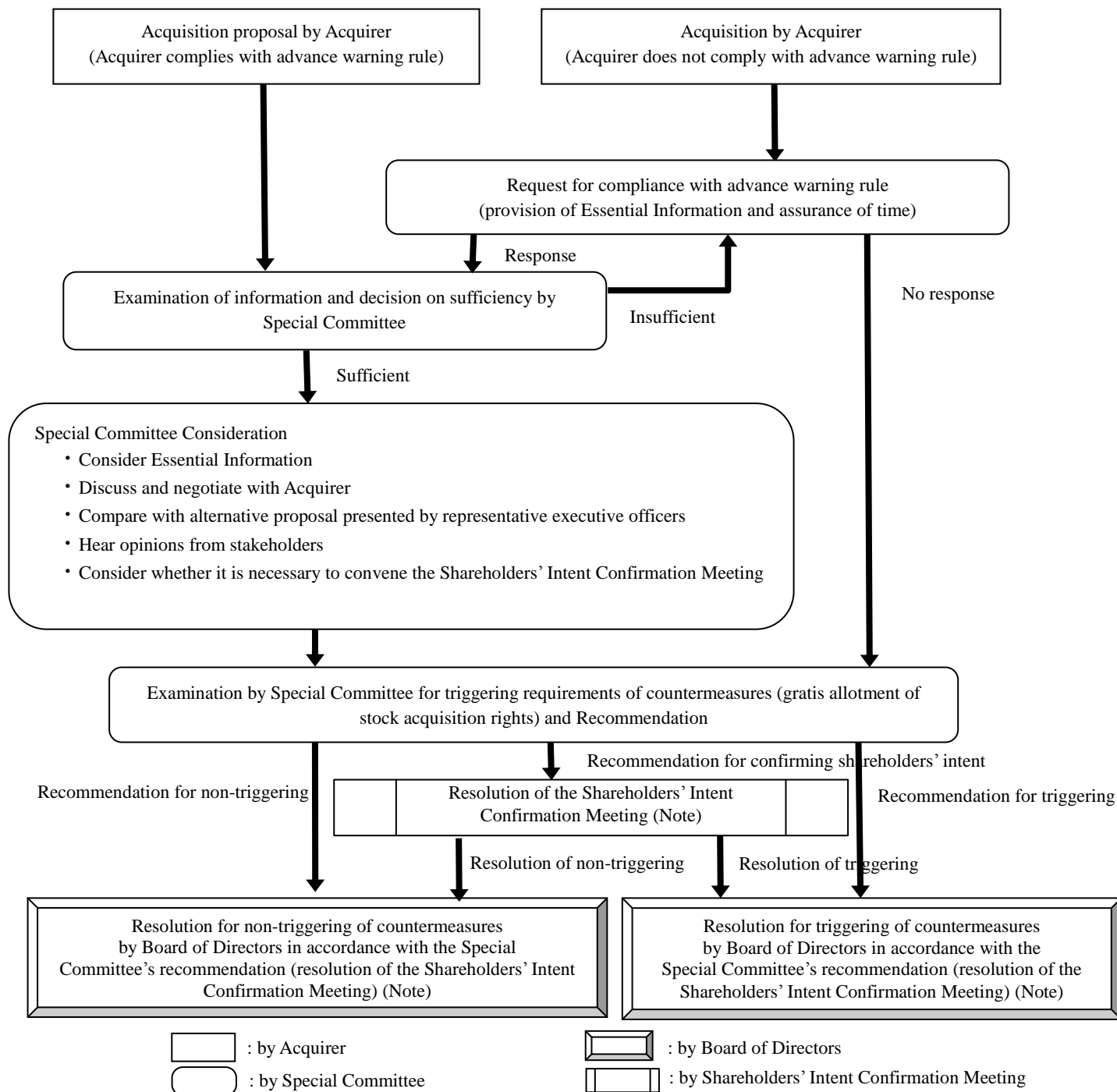
In light of the required considerations described above, the Board of Directors believes that any party acquiring a large amount of the Company's shares, or making a proposal to do so, that does not contribute to protecting and enhancing the corporate value of the Company and the common interests of shareholders, is an inappropriate party to be in control of decisions about the financial and business policy of the Company and that it is necessary to ensure the corporate value of the Company and the common interests of shareholders by taking necessary and reasonable measures against any such acts of large-scale acquisitions of shares in the Company.

(2) Purpose of the Plan

The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons viewed as inappropriate under the Basic Policy and to ensure and enhance the corporate value of the Company and the common interests of its shareholders, by setting out the procedures to be followed by an Acquirer (defined in (a) of 2.(1) 'Procedures for Triggering the Plan') when an Acquisition of the shares in the Company (defined in (a) of 2.(1) 'Procedures for Triggering the Plan') is made and ensuring that shareholders are provided with the necessary and adequate information and time to make an appropriate decision, and to secure the opportunity for the Company to negotiate with the acquirer.

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Chart describing policy for countermeasures to large-scale acquisition of the shares in the Company



(Note) Under certain circumstances, including when the Special Committee sets out a recommendation to directly confirm the shareholders' intent before triggering countermeasures, the Board of Directors will convene the Shareholders' Intent Confirmation Meeting and resolve whether to trigger the countermeasures in accordance with the resolution at the Shareholders' Intent Confirmation Meeting.

The details set out in the above chart are a summary prepared for your reference in order to help you understand the Plan. If any conflict arises between the above chart and 2. 'Details of Proposal', the latter will prevail.

## 2. Details of Proposal

### (1) Procedures for Triggering the Plan

#### (a) Applicable Acquisitions

The Plan will be applied in cases where any purchase or other acquisition that falls under (i) or (ii) below or any similar action, or a proposal (Note 1) for such action (except for such action as the Board of Directors separately determines not to be subject to the Plan; the “Acquisition”), takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*) (Note 2) of a holder (*hoyuusha*) (Note 3) amounting to 20% or more of the share certificates, etc. (*kabuken tou*) (Note 4) issued by the Company; or
- (ii) A tender offer (*koukai kaitsuke*) (Note 5) that would result in the party conducting the tender offer’s ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*) (Note 6) and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*) (Note 7) after the tender offer totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 8) issued by the Company.

A party effecting or proposing the Acquisition (collectively, the “Acquirer”) shall follow the procedures prescribed in the Plan beforehand, and the Acquirer must not effect an Acquisition until and unless the Board of Directors passes a resolution not to implement a gratis allotment of stock acquisition rights in accordance with the Plan.

#### (b) Submission of Acquirer’s Statement

Before commencing or effecting the Acquisition, the Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company and written in Japanese a binding document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan and statements of undertaking that the Acquirer is not an anti-social force or the like (signed by or affixed with the name and seal of the representative of the Acquirer and to which no terms or conditions or reservations are attached) and a qualification certificate of the representative who signed or affixed its name and/or seal (collectively, “Acquirer’s Statement”). The Acquirer’s Statement must specify the name and address of the Acquirer, the location of headquarters or offices of the Acquirer, the law governing incorporation, name of the representative and contact information in Japan regarding the Acquirer, and the outline of the intended Acquisition.

#### (c) Establishment of Special Committee

After the Plan is renewed, the Board of Directors will elect the members of the Special Committee, one of whom is to act as the chairman of the Special Committee, in advance from outside directors who are independent from both the management of the Company that operates the Company’s business and the Acquirer in order to secure the objectivity and rationale of the Special Committee. There will be no less than three members of the Special Committee. Standards for electing members, requirements for resolutions, matters to be resolved, and other matters concerning the Special Committee are set out in the Outline of the



Rules of the Special Committee in Note 9.

If the chairman or a member of the Special Committee is elected or changed, the Company will promptly notify the shareholders. (Note 10)

(d) Request to the Acquirer for the Provision of Information

The Company will furnish the Acquirer with the form for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Board of Directors with a document written in Japanese, which includes the information described in Attachment 'Essential Information' (the "Essential Information") and other information required to examine the details of the Acquisition by the Acquirer (the "Acquisition Document") in accordance with the form furnished by the Company.

If the Special Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reasonable reply period and request directly or indirectly that the Acquirer provide additional Essential Information. In this case, the Acquirer should additionally provide such information within the relevant time limit.

(e) Consideration of Acquisition Terms and Negotiation with the Acquirer

(i) Request to the Company's Representative Executive Officers for the Provision of Information

The Special Committee will, after the Consideration Commencement Time (defined in (e)(ii) of 2.(1) below), set a reply period in which the Company's representative executive officers must present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal, and any other information or materials that the Special Committee considers necessary.

(ii) Special Committee Consideration

The Special Committee should consider the Acquisition terms, any alternative proposal presented by the Company's representative executive officers, collect information on materials such as the business plans from the Acquirer and the Company's representative executive officers and make a comparison thereof, and the like for a period of time that does not, as a general rule, exceed 60 days after the time when the Special Committee reasonably determines that has received the Acquisition Document containing sufficient Essential Information and any information that is requested to be additionally provided in accordance with (d) of 2.(1) above (the "Consideration Commencement Time") from the Acquirer. The Special Committee strives to understand the intent of shareholders and to listen to the opinions of the customers, business partners and employees and the like as necessary. The Special Committee will consider the Acquisition terms to ensure the corporate value of the Company and the common interests of its shareholders (the period for information collection and consideration by the Special Committee is hereinafter referred to as the "Special Committee Consideration Period"). Further, if required in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Special Committee will directly or indirectly discuss and negotiate with the Acquirer. If the Special Committee requests the Acquirer to provide materials for consideration or any other information, or to hold

discussions or negotiations with the Special Committee, the Acquirer must promptly respond to such request.

In order for the Special Committee's decision to contribute to ensuring and enhancing the Company's corporate value and the common interests of its shareholders, the Special Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts).

(f) Procedures for Judgment by the Special Committee

The Special Committee will make a recommendation or the like to the Board of Directors in the following manner based on the procedures set out above.

(i) Recommendations for the Triggering of the Plan by the Special Committee

If the Special Committee determines that the Acquisition falls under one of the requirements set out below at 2.(2), 'Requirements for the Gratis Allotment of Stock Acquisition Rights' ("Trigger Event"), the Special Committee will recommend the implementation of the gratis allotment of stock acquisition rights (as detailed in 2.(3) 'Outline of the Gratis Allotment of Stock Acquisition Rights'; the relevant stock acquisition rights hereinafter referred to as "Stock Acquisition Rights") to the Board of Directors. If it is concerned that an Acquisition does or may fall under one of the requirements set out below in 'Trigger Event (2)' of 2.(2), 'Requirements for the Gratis Allotment of Stock Acquisition Rights, the Special Committee may recommend to convene a meeting to confirm the shareholders' intent (the "Shareholders' Intent Confirmation Meeting") (Note 11) before implementing the gratis allotment of Stock Acquisition Rights to directly confirm the intent of the shareholders. (The quorum of that meeting and other matters will be in compliance with those provided for regarding shareholders meetings in the Companies Act and the Company's articles of incorporation; hereinafter the same.)

Notwithstanding the foregoing paragraph, even after the Special Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Special Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

(A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

(B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

(ii) Recommendations for the Non-Triggering of the Plan by the Special Committee

If the Special Committee determines there is no Trigger Event with respect to the Acquisition, the Special Committee will recommend not to implement the gratis allotment of Stock Acquisition Rights to the Board of Directors.

Notwithstanding the foregoing paragraph, even after the Special Committee has recommended not to implement the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or other matters on which the recommendation decision was made and a Trigger Event arises, the Special Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) Extension of the Consideration Period by the Special Committee

If the Special Committee is not able to make a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights by the conclusion of the initial Special Committee Consideration Period, the Special Committee may, to the extent that it is considered reasonably necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and consultation and negotiation with the Acquirer, resolve to extend the Special Committee Consideration Period, in principle up to 30 days.

(g) Resolutions of the Board of Directors

The Board of Directors will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights in accordance with any recommendation by the Special Committee described above. If the Shareholders' Intent Confirmation Meeting is convened in accordance with (h) below, the Board of Directors will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights in accordance with any resolution by the Shareholders' Intent Confirmation Meeting.

(h) Convocation of the Shareholders' Intent Confirmation Meeting

In connection with implementation of the gratis allotment of the Stock Acquisition Rights pursuant to the Plan, the Board of Directors may convene the Shareholders' Intent Confirmation Meeting and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights, if the Special Committee recommends the Shareholders' Intent Confirmation Meeting be convened before the implementation of the gratis allotment of Stock Acquisition Rights to obtain direct approval at the Shareholders' Intent Confirmation Meeting in accordance with (f)(i) above.

(i) Information Disclosure

When operating the Plan, to enhance transparency, the Company will disclose in a timely manner information on matters that the Special Committee or the Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and the Acquisition Document has been submitted and the Special Committee Consideration Period has commenced, and if the Special Committee Consideration Period has been extended, the fact that it has been extended, the extended period and the reason for the extension), the opinion of the Company's representative executive officers on the Acquisition, an outline of an alternative plan or an outline of recommendations made by the Special Committee, and an outline of resolutions by the Board of Directors and by the Shareholders' Intent Confirmation Meeting, in accordance with the applicable laws and ordinances or the regulations of the financial instruments exchanges.

(2) Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement gratis allotment of Stock Acquisition Rights are as follows. As described above at 2.(1), ‘Procedures for Triggering the Plan,’ the Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which a recommendation by the Special Committee has been obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases in which reasonable time and information necessary for shareholders to consider the details of the Acquisition or to be presented an alternative proposal is not sufficiently offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

Trigger Event (2)

The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and the common interests of its shareholders through any of the following actions:
  - (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company or the Company’s related parties at a high price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company’s management for the low-cost acquisition of the Company’s material assets.
  - (iii) Diversion of the Company’s assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company’s management to bring about the disposal of high-value assets that have no current relevance to the Company’s business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (i.e. acquisitions, including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (c) Acquisitions whose terms (including amount and type of consideration, the timeframe, the legality of the Acquisition method, the feasibility of the Acquisition being effected, post-Acquisition management policies and business plans, and post-Acquisition policies dealing with the Company’s other shareholders, employees, business partners and any other stakeholders in the Company) are inadequate or inappropriate in light of the Company’s corporate value.
- (d) An Acquisition to be effected by an Acquirer who is an anti-social force or where a person related to an anti-social force is included among the management of or the principal shareholders of the Acquirer, as well as an Acquisition that is likely to cause

a material adverse effect on the corporate value of the Company and the common interests of its shareholders as a result of the Acquisition being in conflict with any applicable law or ordinance that involves a criminal punishment.

(3) Outline of the Gratis Allotment of Stock Acquisition Rights

Following is an outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented if the Plan is triggered.

(a) Number of Stock Acquisition Rights

The Company will allot Stock Acquisition Rights in the same number as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) as of a certain date (the “Allotment Date”) that is determined in a resolution by the Board of Directors relating to the gratis allotment of Stock Acquisition Rights (“Gratis Allotment Resolution”).

(b) Shareholders Eligible for Allotment of Stock Acquisition Rights and Number of Stock Acquisition Rights to be Allotted

The Company will allot the Stock Acquisition Rights to those shareholders other than the Company who are recorded in the Company’s most recent register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for each share in the Company held.

(c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights will be determined by the Board of Directors in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The number of shares to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) will be the number determined by the Board of Directors in the Gratis Allotment Resolution up to a maximum of one share.

(e) Amount to be Contributed upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights will be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company.

“Fair market value” means the average closing price for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the 90 day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction of a yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights will, in principle, be a period from one month to six months long commencing on a date separately determined in the Gratis Allotment Resolution (the “Exercise Period Commencement Date”) and continuing until the date separately determined in the Gratis Allotment Resolution.

(g) Conditions for Exercise of Stock Acquisition Rights

Except where any exceptional event (Note 12) occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below are collectively referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders; (Note 13)
- (II) Joint Holders (Note 14) of Specified Large Holders;
- (III) Specified Large Purchasers; (Note 15)
- (IV) Persons having a Special Relationship with Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Board of Directors; or
- (VI) Any Affiliated Party (Note 16) of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out below in (ii) of paragraph (i), ‘Acquisition of the Stock Acquisition Rights by the Company,’ subject to compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants may not exercise the Stock Acquisition Rights.

(h) Restriction on Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires, as a general rule, the approval of the Board of Directors.

(i) Acquisition of Stock Acquisition Rights by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Board of Directors, acquire all of the Stock Acquisition Rights for no consideration.
- (ii) On a day that falls on a date separately determined by the Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Board of Directors, that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for each Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a date that falls on a date determined by the Board of Directors after the date upon which the acquisition described above takes place, acquire any of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Board of Directors and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

(j) Delivery of Stock Acquisition Rights and its Terms and Conditions in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*) and Share Transfer (*kabushiki iten*)

These matters will be determined by the Board of Directors in the Gratis Allotment Resolution.

(k) Other

In addition to the above, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(4) Effective Period, Abolition and Amendment of the Plan

The effective period of the Plan (the “Effective Period”) will be approximately three years commencing from the conclusion of the Ordinary General Meeting of Shareholders and continuing until the conclusion of the ordinary general meeting of shareholders relating to the fiscal year ending March 2015.

However, even before the expiration of the Effective Period, the Board of Directors may pass a resolution to abolish the Plan.

Further, the Plan refers to the prevailing laws, ordinances and rules of financial instruments exchanges as of May 8, 2012, and the Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, if such revision or amendment is not against the purpose of a resolution at the Ordinary General Meeting of Shareholders such as cases where any law, ordinance, rules of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, or cases where such revision or amendment is not detrimental to the Company’s shareholders.

If the Plan is abolished, modified, amended or the like, the Company will promptly disclose the details and any other matters.

(5) Other Matters

The details of the Plan are available on the Company’s website:

[http://www.toshiba.co.jp/about/ir/en/news/20120508\\_1.pdf](http://www.toshiba.co.jp/about/ir/en/news/20120508_1.pdf)  
The Board of Directors may determine other details of the Plan.

- (Note 1) “Proposal” includes solicitation of a third party to perform an acquisition, purchase or similar act.
- (Note 2) Defined in Article 27-23(4) of the Financial Instruments and Exchange Act. This definition is applied throughout this Second Proposal.
- (Note 3) Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this Second Proposal.
- (Note 4) Defined in Article 27-23(1) of the Financial Instruments and Exchange Act. The same is applied throughout this Second Proposal unless otherwise provided for.
- (Note 5) Defined in Article 27-2(6) of the Financial Instruments and Exchange Act. The same is applied throughout this Second Proposal.
- (Note 6) Defined in Article 27-2(8) of the Financial Instruments and Exchange Act. The same is applied throughout this Second Proposal.
- (Note 7) Defined in Article 27-2(7) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act. The same is applied throughout this Second Proposal.
- (Note 8) Defined in Article 27-2(1) of the Financial Instruments and Exchange Act.
- (Note 9) Outline of the Rules of the Special Committee is as follows.
- There will be no less than three members of the Special Committee and the Board of Directors will elect the members and the chairman from several outside directors of the Company, who are independent from the management that executes the business of the Company and an Acquirer.
  - The term of office of members of the Special Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year of their appointment. Unless otherwise determined by the Board of Directors, if a member is reappointed as a director at the ordinary general meeting of shareholders, the term of office will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year of their reappointment. The same will apply thereafter. Members of the Special Committee will retire from office as a matter of course when they retire from the office of outside director.
  - The Special Committee shall make decisions and the like on (i) the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights, (ii) the cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights, and (iii) any other matters that are for determination by the Board of Directors in respect to which it has consulted the Special Committee. If the Board of Directors consults the Special Committee regarding the presentation of its opinions on the Acquisition, the Special Committee shall state its views on the matter.



- Resolutions at meetings of the Special Committee will be passed with a two-thirds majority of attending members when a majority of the members of the Special Committee are in attendance.
- (Note 10) The initial members and chairman of the Special Committee are expected to be Hiroyuki ITAMI (nominated chairman), Takeo KOSUGI, Ken SHIMANOCHI and Kiyomi SAITO subject to approval of the First Proposal: “Election of fourteen (14) Directors” and this Second Proposal proposed at the Ordinary General Meeting of Shareholders. A detailed career summary of these persons is available on pages 8 to 10 of the reference material for the general meeting of shareholders for the Ordinary General Meeting of Shareholders<sup>2</sup>.
- (Note 11) The Shareholders’ Intent Confirmation Meeting is not limited to shareholders meetings under the Companies Act in which the matters for resolution provided for in Article 295 of the Companies Act are resolved but includes any shareholders meetings that are held through the procedures in accordance with the provisions regarding shareholders meetings under the Companies Act at which advisory resolutions are made regarding matters other than those provided for in Article 295. The same applies throughout this Second Proposal.
- (Note 12) Specifically, the Company intends to set out that an “exceptional event” means when (x) an Acquirer cancels or revokes an Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so and (y) the Acquirer’s shareholding ratio determined by the Board of Directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be the Acquirer’s Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the “Non-Qualified Parties Shareholding Ratio”) falls below the lower of (i) the Non-Qualified Parties’ Shareholding Ratio before the Acquisition or (ii) 20%, the Acquirer or other Non-Qualified Parties who has made the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio in either (i) or (ii) above. Detailed conditions and procedures to exercise Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Board of Directors.
- (Note 13) “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or a certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this Second Proposal.
- (Note 14) “Joint Holders” means joint holders as defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including any party deemed to be joint holders

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<sup>2</sup> Note for English Translation: A detailed career summary in English of these persons is available on from page 10 to 12 of this translation.

under Article 27-23(6) of the Financial Instruments and Exchange Act (including any persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this Second Proposal.

(Note 15) “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 15) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 15) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order for Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this Second Proposal.

(Note 16) An “Affiliated Party” of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.

## **Attachment**

### **Essential Information**

- (i) Details (including the specific name, capital composition, financial condition, details of violations of laws or ordinances in the past, and terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including Joint Holders, Persons having a Special Relationship and Persons having a Special Relationship with a person in relation to whom the Acquirer is the controlled corporation, etc. (Note 17)). (Note 18)
- (ii) The purpose, method and terms of the Acquisition (including information regarding the amount and type of consideration for the Acquisition, the timeframe of the Acquisition, the scheme of any related transactions, the legality of the Acquisition method, and the probability that the Acquisition will be effected).
- (iii) The price of and basis for the calculation of the price of the Acquisition.
- (iv) Financial support for the Acquisition (including the specific names of providers of the funds for the Acquisition (including all substantive fund providers), financing methods and the terms of any related transactions).
- (v) Post-Acquisition management policy, business plan, and capital and dividend management policies for the Group.
- (vi) Post-Acquisition policies dealing with the Company group's shareholders (excluding the Acquirer, etc.), employees, business partners, local communities, and other stakeholders in the Company.
- (vii) Regulations under Japanese or foreign law or ordinances, or similar regulations, that may apply to the Acquisition, and the details of and possibility of obtaining approval, permits and licenses under competition law or any other law or ordinance from the Japanese or a foreign government, or a third party.
- (viii) Any permit or license required in Japan or overseas for the management of the Group after the Acquisition, the possibility of retaining those permits or licenses, and the possibility of complying with regulations such as the laws and ordinances of Japan or any applicable foreign country.
- (ix) Any other information that the Special Committee considers reasonably necessary.

(Note 17) Defined in Article 9(5) of the Order for Enforcement of the Financial Instruments and Exchange Act.

(Note 18) If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

### **Shareholder's Proposal (Third Proposal)**

The Third Proposal was proposed by one shareholder.

The details of and reasons for the shareholder's proposal are presented just as they were submitted by the proposing shareholder.

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

**Third 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 indicate for or against a proposal when exercising his/her voting rights in the Voting Rights Exercise Form, such votes shall be treated as void for both any Company proposal and 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 indicate 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 as being invalidated in the same manner as those by the Company's proposals.

**• Dissenting opinion of Board of Directors on the Shareholder's Proposals**  
**The Board disagrees with the shareholder's proposal in the Third Proposal.**

With the content of this proposal, the Company is legally permitted to determine in advance the treatment of the votes not exercised by shareholders through either the Voting Rights Exercise Form or the Internet, and detail such treatment in the Voting Rights Exercise Form, etc. Returning the Voting Rights Exercise Form to the Company without indicating his/her approval or disapproval is generally considered not to be an objection to or waiver of proposals made by the Company, but to be a vote of confidence in the Company. 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 of Directors believes there is no need to establish such a provision proposed by the shareholder's proposal in the Articles of Incorporation and disagrees with the shareholder's proposal.

## **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>)<sup>3</sup>.

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

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<sup>3</sup> Note for English translation:  
Only Japanese is available on this website.

- (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 Ordinary General Meeting of Shareholders or the Reports for the 173rd Fiscal Period:  
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, trademarks and product names of Microsoft Corporation in the United States and other countries. Adobe® Acrobat® Reader and Adobe® Reader® are registered trademarks, trademarks and product names 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 Transfer Agent Web Support of Sumitomo Mitsui Trust Bank,

Limited:

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 Department of Sumitomo Mitsui Trust Bank, Limited  
Telephone: 0120-78-6502 (direct toll free number for the Company)  
(9:00 a.m. to 5:00 p.m.; Monday to Friday)

- End -