

(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

March 15, 2017

Satoshi Tsunakawa,  
Director  
Representative Executive Officer  
President and Chief Executive Officer  
TOSHIBA Corporation  
1-1, Shibaura 1-chome, Minato-ku, Tokyo

## **CONVOCATION NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that an Extraordinary General Meeting of Shareholders 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 Extraordinary General Meeting of Shareholders annexed hereto, please exercise your voting rights by sending back the attached Voting Right Exercise Form to the company expressing your approval or disapproval of the proposal or by filling in your votes for or against the proposal on the website (<http://www.web54.net>).**

**Your vote must reach the Company by 5:15 p.m., Wednesday, March 29, 2017.**

Yours very truly,

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

1. Date and Time: Thursday, March 30, 2017, at 10:00 a.m. (Doors open at 8:30 a.m.)
2. Place: Makuhari Event Hall, Makuhari Messe  
2-1, Nakase, Mihama-ku, Chiba-city, Japan

The venue for the Extraordinary General Meeting of Shareholders is different from the venue for the Ordinary general meeting of shareholders for 177th fiscal year held in June 2016.
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3. Agenda for the Meeting

Subject for Resolution

Approval of the absorption-type company split agreement

Present

If you attend the meeting, please submit the enclosed Voting Rights Exercise Form to the reception desk.

Absent

By Mail : Please exercise your voting rights by sending back the attached Voting Right Exercise Form to the Company expressing your approval or disapproval of the proposals by 5:15 p.m., Wednesday, March 29, 2017.

Via the Internet: Please see the “Request upon the Exercise of the Voting Rights through the Internet” and express your approval or disapproval of the proposals.

Precaution:

\* 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 twice or more through the Internet, the most recent exercise of the voting rights will be treated as effective.

\* When you exercise the voting right through a proxy, such proxy 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.

\* When you exercise the voting right through the written form and fail to indicate your approval or disapproval of the proposal, it will be deemed that you indicated your approval.

\* Any changes in the Reference Material for the Extraordinary General Meeting of Shareholders will be reported on the website below.

\* This convocation notice is disclosed on the Company’s website below.

\* The English translation of this convocation notice is available on the Company’s English website below.

Company website: <http://www.toshiba.co.jp/about/ir/jp/stock/meeting.htm>

Company website (English): <http://www.toshiba.co.jp/about/ir/en/stock/meeting.htm>

REFERENCE MATERIAL FOR THE  
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

1. Total Number of Voting Rights Held by the Shareholders Who Can Exercise Voting Rights 4,216,328
2. Reference to Proposal

Proposal: Approval of the absorption-type company split agreement

1. Reasons for the absorption-type company split

In the business of the development, manufacturing, and sales of memory and related products (including SSDs, but excluding image sensors), and related business operated by the Storage & Electronic Devices Solutions Company (the “Transferred Business”), one of the Company’s in-house companies, timely major capital investments, accelerated development time, and the ability to ramp up the production of large capacity, highly reliable 3D flash memory (BiCS FLASH<sup>TM</sup>) are essential to meet the growing demand for stable storage. However, as stated in its February 14, 2017 announcement, “Provisional Outlook for FY2016 3Q Business Results and FY2016 Forecast, and Outline of Loss in Nuclear Power Business and Countermeasures,” impairment loss of goodwill in the Nuclear Power business in FY2016 3Q could reach 712.5 billion yen, and this will lead to a significant deterioration of the financial position, although the disclosed figures are still being reviewed by an independent accounting auditor. Toshiba Group has reached the conclusion that it is necessary to split off the Transferred Business into a single business entity, in order to afford the Transferred Business greater flexibility in rapid decision-making and to enhance its financing options, which will lead to further growth of the Transferred Business.

In addition, Toshiba Group urgently needs to enhance its financial structure, and the Company is, therefore, considering various capital measures. The Company is also considering a restructuring with third-party capital, including a potential sale of a majority stake in the Transferred Business to a third party in order to secure the management resources required for further growth of the Transferred Business in the future, and to enhance the financial structure of Toshiba Group. To implement these measures smoothly, early implementation of the splitting-off of the Transferred Business is necessary.

For these purposes, the Company has decided that the Transferred Business is to be separated from the Company and transferred to its wholly-owned subsidiary, Toshiba Memory Corporation (the “Succeeding Company”), by an absorption-type company split (the “Company Split”) on the effective date of April 1, 2017.

This proposal is to request approval of the absorption-type company split agreement relating to the Company Split between the Company and the Succeeding Company.

2. Overview of the absorption-type company split agreement

The contents of the absorption-type company split agreement are as follows:

## Absorption-Type Company Split Agreement (Copy)

Toshiba Corporation (“Toshiba”) and Toshiba Memory Corporation (“TMC”) enter into this Absorption-Type Company Split Agreement (this “Agreement”) as follows regarding the absorption-type company split (the “Company Split”) by which TMC will succeed to the Business of Toshiba as defined in Article 2 as of February 24, 2017 (the “Execution Date”).

### Article 1 (Trade Names and Addresses of the Companies Involved in the Company Split)

The following are the trade name and address of Toshiba, the splitting company in the Company Split, and the trade name and address of TMC, the succeeding company in the Company Split.

- (1) The splitting company in the Company Split  
Trade name: Toshiba Corporation  
Address: 1-1, Shibaura 1-chome, Minato-ku, Tokyo
- (2) The succeeding company in the Company Split  
Trade name: Toshiba Memory Corporation  
Address: 1-1, Shibaura 1-chome, Minato-ku, Tokyo

### Article 2 (Absorption-Type Company Split)

Toshiba shall transfer to TMC its rights and obligations set out in the succeeding article regarding the business set out below (the “Business”), etc. conducted by Toshiba on the Effective Date (as defined in Article 7, which shall apply hereafter) by way of an absorption-type company split in accordance with the provisions of this Agreement, and TMC shall succeed to such rights and obligations.

The development, manufacturing, and sales of memory and related products (including SSDs, but excluding image sensors), and related business operated by Toshiba’s Storage & Electronic Devices Solutions Company.

### Article 3 (Transferred Rights and Obligations)

1. The rights and obligations to be transferred to TMC from Toshiba (the “Transferred Rights and Obligations”) are set out in the Exhibit, “Schedule of the Transferred Rights and Obligations.” The rights and obligations relating to the Business that Toshiba obtains during the period after the execution of this Agreement and before the Effective Date will be included in the Transferred Rights and Obligations, pursuant to the description in the Exhibit, “Schedule of the Transferred Rights and Obligations.”
2. All of the obligations to be transferred from Toshiba to TMC shall be transferred by way of non-cumulative assumption of obligations. However, the litigation-related obligations relating to the litigations that have already been filed before the Effective Date shall be transferred by way of cumulative assumption of obligations. If any obligation set out to be included as part of the Transferred Rights and Obligations in this Agreement is deemed to be Toshiba’s obligation pursuant to the second sentence of this paragraph, any of the provisions of the Companies Act, or any other laws or regulations (including those other than the laws of Japan), TMC shall be the final bearer of that liability

between Toshiba and TMC.

3. All the expenses required for the registration, filing, notification, and other procedures regarding the transfer of the Transferred Rights and Obligations shall be borne by TMC.

Article 4 (Number of Shares, etc. to Be Issued upon the Company Split)

TMC shall issue 2,000 common shares upon the Company Split, all of which shall be issued to Toshiba in exchange for the Transferred Rights and Obligations.

Article 5 (Amount of the Stated Capital and the Capital Reserves of TMC)

The amount of TMC's stated capital, capital legal reserve, and other capital surplus and the like to be increased upon the Company Split are as follows:

(1)	Stated capital	JPY 9,990,000,000
(2)	Capital legal reserve	JPY 0
(3)	Other capital surplus	To be determined by TMC pursuant to Articles 37 and 38 of the Ordinance on Company Accounting
(4)	Retained legal earnings reserve	JPY 0
(5)	Other accumulated profits	To be determined by TMC pursuant to Articles 37 and 38 of the Ordinance on Company Accounting

Article 6 (Resolution on and Approval of the Company Split, etc.)

By the day before the Effective Date, Toshiba and TMC shall each obtain approval for this Agreement and make other resolutions on the matters necessary for the Company Split in their respective shareholders' meetings.

Article 7 (Date on Which the Company Split Becomes Effective)

The date on which the Company Split becomes effective shall be April 1, 2017 (the "Effective Date"); provided, however, that if it is necessary to be in accordance with the progress of the procedures for the Company Split or on other grounds, Toshiba and TMC may change the Effective Date upon mutual consultation and agreement.

Article 8 (Management of the Company Assets, etc.)

During the period from the Execution Date through the day before the Effective Date (including the day before the Effective Date), Toshiba shall engage in the operation concerning the Business with the due care of a prudent manager, and manage all the assets and conduct the relevant operations. In addition, except as otherwise specified in this Agreement, Toshiba shall perform any acts that will have a material impact on the assets, rights, or obligations related to the Business, only after consulting and agreeing with TMC in advance.

Article 9 (Non-compete Obligation)

Toshiba shall not owe any non-compete obligation to TMC regarding the Business.

Article 10 (Amendments to the Conditions of the Company Split and Termination of this Agreement)

During the period from the Execution Date through the day before the Effective Date (including the day before the Effective Date), if a material change in the asset conditions or management conditions of Toshiba or TMC occurs, due to natural

disasters or other reasons, or if any event arises that materially interrupts the Company Split, then Toshiba and TMC may, upon consultation and agreement, change the conditions prescribed in this Agreement or terminate this Agreement.

Article 11 (Effect of this Agreement)

This Agreement shall lose its effect if it is terminated pursuant to the preceding article or the approval is not obtained at either of the shareholders' meetings of Toshiba and TMC as provided in Article 6 by the day before the Effective Date, or if the approvals of the relevant governmental agencies, etc. that are necessary for the performance of the Company Split under the laws and regulations are not obtained.

Article 12 (Governing Law and Jurisdiction)

This Agreement shall be governed by the laws of Japan. The Tokyo District Court has the exclusive jurisdiction as the court of first instance with regard to any disputes concerning this Agreement.

Article 13 (Matters for Consultation)

Besides the matters set out in this Agreement, matters not set out in this Agreement and other necessary matters concerning the Company Split shall be determined upon consultation and agreement between Toshiba and TMC based on the purpose of this Agreement.

IN WITNESS WHEREOF, Toshiba and TMC have caused this Agreement to be signed and sealed in duplicate, and each party retains one original.

February 24, 2017

Toshiba:

1-1, Shibaura 1-chome, Minato-ku, Tokyo  
Toshiba Corporation  
President and CEO: Satoshi Tsunakawa (Seal)

TMC:

1-1, Shibaura 1-chome, Minato-ku, Tokyo  
Toshiba Memory Corporation  
President and CEO: Noriyuki Hisatomi (Seal)

## Exhibit “Schedule of the Transferred Rights and Obligations”

### 1. Assets

The assets to be transferred from Toshiba to TMC upon the Company Split shall be the following assets belonging to the Business as of the Effective Date (provided, however, that the transfer of intellectual property rights is separately set out in Paragraph 3 of this Exhibit), which are transferrable pursuant to the relevant laws and regulations; provided, however, that, if permission, consent, or authorization from the competent governmental agencies are required by laws and regulations (including those in countries and regions outside of Japan) or third-party consents or approvals are required for the transfer of the transferred assets pursuant to a contract, and such permission, consent, or permit of authorization has not been obtained, the relevant assets are to be excluded. How such exceptional cases are to be handled shall be separately determined upon consultation between Toshiba and TMC.

- (1) Cash and deposits
- (2) Inventory assets
- (3) Advance payments
- (4) Tangible fixed assets
- (5) Intangible fixed assets
- (6) Securities
- (7) Investments
- (8) Loans
- (9) Long-term guarantee deposits, lease deposits (shikikin)
- (10) Deposits for technical assistance contracts
- (11) Other long-term assets
- (12) The equity interest in Toshiba Electronics (CHINA) Co., Ltd. (TELS) owned by Toshiba as of the Effective Date

### 2. Liabilities

The liabilities to be transferred from Toshiba to TMC upon the Company Split shall be the liabilities belonging to the Business as of the Effective Date (provided, however, that the transfer of the contractual status concerning the agreement and the rights and obligations incidental thereto is separately set out in Paragraphs 4 and 5 of this Exhibit, and the litigation-related liabilities are set out in Paragraph 7 of this Exhibit), which are transferrable pursuant to the laws and regulations, excluding the following:

- (1) Accounts payable
- (2) Unpaid accounts (However, unpaid accounts related to the capital investment of Yokkaichi Factory shall be transferred.)
- (3) Accrued tax payable
- (4) Consumption tax related to sales
- (5) Short-term debts
- (6) Guarantee obligations

### 3. Intellectual Property Rights

The patent rights, utility model rights, design patent rights, and trademark rights (including the right to register them), copyrights, and know-how (collectively, the “Intellectual Property Rights”) upon the Company Split shall be treated as follows:

- (1) The Intellectual Property Rights owned by Toshiba  
The Intellectual Property Rights belonging to the Business as of the Effective

Date shall be transferred to TMC from Toshiba.

- (2) Among the Intellectual Property Rights specified to be transferred to TMC in item (1), with respect to those necessary for Toshiba's business other than the Business, the license shall be granted from TMC to Toshiba based on a separate agreement entered into between both parties.
- (3) Among the Intellectual Property Rights other than those specified to be transferred to TMC in item (1), with respect to those necessary for the Business, the license shall be granted from Toshiba to TMC based on a separate agreement entered into between both parties.
- (4) Regarding the remuneration obligations to inventors, designers, and creators concerning inventions and the like related to the Intellectual Property Rights that are specified to be transferred to TMC in item (1), they shall be transferred to TMC from Toshiba.

#### 4. Contracts (Excluding Employment Contracts)

The contractual status and the incidental rights and obligations with regard to contracts concerning sales and purchases, contracts concerning outsourcing, lease agreements, joint development agreements, contracts concerning rebates, land/building lease agreements, license agreements concerning the Intellectual Property Rights, and any other contracts (excluding employment contracts; those contracts concerning the assets or the liabilities not transferred to TMC pursuant to Paragraphs 1 and 2, collectively, the "Contract" in this paragraph) that belong to the Business as of the Effective Date shall be transferred to TMC from Toshiba upon the Company Split.

However, (i) if the transfer to TMC upon the Company Split of the contractual status under the Contract, or the rights and obligations pursuant thereto that are included in the Transferred Rights and Obligations, conflict with the obligations prescribed in the Contract, and whereto no consent of the counterparty to the Contract is obtained for an exemption from such obligations; (ii) if Toshiba is unlikely to perform the procedures necessary to transfer Toshiba's contractual status, etc. to TMC under the Contract by the day before the Effective Date; or (iii) otherwise if the transfer of the status under the Contract, etc. to TMC causes any material disadvantage to either Toshiba or TMC, then Toshiba and TMC may exclude, from the Transferred Rights and Obligations, the contractual status under the Contract and the rights and obligations under the Contract, upon mutual consultation and agreement.

#### 5. Employment Contracts

Upon the Company Split, the contractual status and the incidental rights and obligations with regard to the employment contracts with respect to Toshiba's employees mainly engaged in the Business as of the Effective Date and those Toshiba employees who Toshiba determines ought to be transferred to TMC for the Business (excluding the contractual status and the incidental rights and obligations with regard to the employment contracts with respect to those employees who separately agreed with Toshiba to be excluded from the target of the transfer), as well as collective labor agreements entered into between Toshiba and its labor union that Toshiba and its labor union separately agreed to be transferred to TMC, shall be transferred to TMC from Toshiba



#### 6. Permissions and Authorizations

The permissions and authorizations, or the subsidies to be transferred to TMC from Toshiba upon the Company Split, shall be those of licenses, permissions, authorizations, approvals, registrations, notifications, subsidies, etc., that belong to the Business as of the Effective Date, which are transferrable pursuant to the relevant laws and regulations.

#### 7. Others

The details of the Transferred Rights and Obligations shall be fixed based on the balance sheet as of March 31, 2016, and other calculations as of the same date, and by adjustment in light of any increase or decrease up until the Effective Date.

- END -

### 3. Overview of matters set forth in the respective items of Article 183 of the Ordinance for Enforcement of the Companies Act

#### (1) Matters concerning the appropriateness of assets as a consideration for a company split

- (i) The number of shares to be delivered by the Succeeding Company to the Company, by an absorption-type company split

Upon the Company Split, the Succeeding Company will newly issue 2,000 common shares to the Company, and all the common shares will be allocated and delivered to the Company.

Because the Succeeding Company is a wholly-owned subsidiary of the Company, and all the shares to be issued by the Succeeding Company upon the Company Split will be delivered to the Company, the amount of the Company's net assets before and after the Company Split will not change, and the number of shares delivered to the Company can be determined at its discretion. The number of shares to be delivered to the Company was determined through negotiations between the Company and the Succeeding Company, and the Company believes that the number is appropriate.

- (ii) The amount of stated capital and reserves of the Succeeding Company to be increased by the absorption-type company split

Concerning the amounts of stated capital and reserves to be increased by the Succeeding Company upon the Company Split, the Company believes that these amounts are appropriate in light of the business of the Succeeding Company after the Company Split, as well as the rights and obligations to be succeeded to from the Company:

#### (2) Contents of financial statements

Since the Succeeding Company was formed on February 10, 2017, the last fiscal year does not exist. The balance sheet on the date of its formation of the Succeeding Company is as follows:

( million yen)

Assets		Liabilities	
Current assets	10	Current liabilities	0
Fixed assets	0	Fixed liabilities	0
		Total liabilities	0
		Net assets	
		Stated capital	10
		Capital legal reserves	0
		Total net assets	10
Total assets	10	Sum of total liabilities and net assets	10

- (3) Events that significantly influence the Company's property status, which occurred after the last day of the Company's last fiscal year

1. Company split of PC business

The Company transferred the Company's PC business to its consolidated subsidiary, Toshiba Client Solutions Co., Ltd., by a company split on April 1, 2016.

(1) Overview of the company split

(i) Name of the corporation after the company split

Toshiba Client Solutions Co., Ltd.

The trade name was changed from Toshiba Information Equipments Co., Ltd. on April 1, 2016.

(ii) Contents of the split business

Development, manufacturing, and sales of PCs, tablet products, and IoT solution products for enterprises (excluding license business relating to standard essential patents for DVDs and BDs, as well as business relating to copy protection).

(iii) Main reason for the company split

The company split was effected aiming to concentrate resources in Japan for product development and design, global production management, and sales and services, and to promote efficient asset-light management by consolidating Personal & Client Solutions, one of the Company's in-house companies, and Toshiba Information Equipments Co., Ltd.

(iv) Date of the company split

April 1, 2016

(v) Overview of the transaction including legal form

The absorption-type company split with the Company as the splitting company in the company split and Toshiba Information Equipments Co., Ltd. as the succeeding company in the company split.

(2) Overview of the accounting treatment applied

The company split is accounted for as a transaction under common control based on the "Revised Accounting Standard for Business Combinations" (Accounting

Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2013).

2. Company split of the System LSI business

The Company transferred a part of the system LSI business at the Company’s Oita Operations to its consolidated subsidiary, Japan Semiconductor Corporation by a company split on April 1, 2016.

(1) Overview of the company split

(i) Name of the corporation after the company split

Japan Semiconductor Corporation

On April 1, 2016, its trade name was changed from Iwate Toshiba Electronics Co., Ltd.

(ii) Contents of the split business

Manufacturing and contract manufacturing of system LSI, including analog integrated circuits, mainly with 200mm and 150mm wafer production lines of the Company’s Oita Operations, and other service businesses

(iii) Main reason for the company split

The Company conducted the company split in order to concentrate management resources in business areas where the Company anticipates market growth and enjoys technological advantages, such as analog integrated circuits and motor control drivers for automotive and other applications, and to secure efficient integration of management for the 200mm and 150mm wafer production lines, by consolidating the system LSI business that used the 200mm and 150mm wafer production lines at the Company’s Oita Operations into the system LSI business of Iwate Toshiba Electronics Co., Ltd. as a single business entity.

(iv) Date of the company split

April 1, 2016

(v) Overview of the transaction including legal form

The absorption-type company split with the Company as the splitting company in the company split and Iwate Toshiba Electronics Co., Ltd. as the succeeding company in the company split

(2) Overview of the accounting treatment applied

The company split is accounted for as a transaction under common control based on the “Revised Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2013).

3. Completion of share transfer of Toshiba Lifestyle Products & Services Corporation

Toshiba Lifestyle Products & Services Corporation (“TLSC”), which operated the visual products business and the home appliances business, transferred the visual products business to the Company’s consolidated subsidiary, Toshiba Visual Solutions Corporation (its old trade name is Toshiba Multimedia Devices Co., Ltd.), by a company split on June 30, 2016. After that, the Company transferred 80.1% of its shares in TLSC to a Chinese corporation, Midea Group Co., Ltd. As a result,

TLSC and its subsidiary, Toshiba Consumer Marketing Corporation, were excluded from the Company's consolidated subsidiaries.

4. Reduction in amounts of retained legal earnings reserves and stated capital, and appropriation of other capital surplus

By the resolution at the meeting of the board of directors held on May 23, 2016, the Company decided to post the full amount of retained legal earnings reserves (13,974,891,009 yen) as retained earnings carried forward, which took effect on July 31, 2016. In addition, pursuant to the Companies Act of Japan, at the 177th Ordinary General Meeting of Shareholders held on June 22, 2016, the reduction in the amount of stated capital on the Company's balance sheet (239,901,268,477 yen) was approved in order to fund the Company's deficit. As a result, on July 31, 2016, the reduction in the amount of stated capital and appropriation of other capital surplus (462,049,077,773 yen, which includes an increased amount due to a reduction in the amount of stated capital) became effective. Since there are no corresponding laws or regulations in the U.S., the treatment of funding of the deficit on the Company's balance sheet, as it is, will also be reflected in the consolidated balance sheet.

5. Sale of shares in Toshiba Plant Systems & Services Corporation

On August 24, 2016, the Company sold shares, which had been held by the Company, in the Company's consolidated subsidiary, Toshiba Plant Systems & Services Corporation ("TPSC") (the amount of sales was 15,710 million yen\*). The following is an overview of the sale of shares:

\* Since Toshiba Group continues to hold 51.5% of the total number of voting rights of TPSC's shares after the sale, there is no change in TPSC's status as a consolidated subsidiary of the Company. Therefore, there is no impact on the consolidated business results, although net assets shown on the consolidated balance sheet change.

(1) Overview of the sale of shares

(i) Shares targeted for sale

9,668,000 shares in TPSC held by the Company (9.9% of the total number of voting rights)

(ii) Method of sale

The shares were sold to SMBC Nikko Securities Inc. in a negotiated transaction through ToSTNeT-1. The Company offered the shares and SMBC Nikko Securities Inc. underwrote them.

(2) Purpose of the sale of shares

The Company is evaluating its shareholdings and their significance, and selling them where appropriate, in order to promote business management that emphasizes cash flow and to support the recovery of its weakened financial platform.

The sale of shares was carried out under this policy.

(Overview of TPSC)

Company name: Toshiba Plant Systems & Services Corporation

Head office: 36-5, Tsurumi-Chuo 4-chome, Tsurumi-ku,  
Yokohama-shi, Kanagawa, Japan

Contents of business: Engineering, procurement, installation, commissioning,

and after-services for thermal & hydro power generation systems, nuclear power generation systems, substation systems, systems for public facilities, and general industries, building facilities, and others

6. Absorption-type company split agreement concerning industrial video camera system business  
As part of the sale of shares in Toshiba Medical Systems Corporation (“TMSC”) decided on March 17, 2016, the Company executed an absorption-type company split agreement to have TMSC succeed to the Company’s industrial video camera system business, including video cameras for medical equipment, by an absorption-type company split for a consideration of 12,703 million yen on August 24, 2016, which took effect on October 1, 2016. Due to the company split, the Company is expected to record capital gains of 12,295 million yen (before taxes) for the third quarter of fiscal year 2016.
7. Filing of an action for compensatory damages in relation to the accounting issue  
As of February 24, 2017, multiple actions have been filed against the Company in Japan by shareholders, mainly domestic and foreign institutional investors, seeking compensatory damages in relation to the Company’s accounting issue, and the total amount sought in these actions is approximately 31.9 billion yen. In relation to these actions, the Company has recorded provisions for a reasonably estimable amount, as required for accounting purposes.
8. Recording Write-down of Shares Held by the Company in an Affiliate Company  
Toshiba JSW Power Systems Private Limited (“Toshiba JSW”), is a subsidiary of the Company in India running a manufacturing and sales business of facilities for thermal power stations. The flooding in the southeast of India from mid-November to the beginning of December 2015 forced Toshiba JSW’s factory to suspend operations, at a time when, due to the severe business environment, Toshiba JSW’s profitability was in decline. Consequently, Toshiba JSW had a capital deficit at the end of FY 2015 (March 31, 2016). In response to this, and to secure business continuation, in April and August 2016, Toshiba JSW increased its capitalization by a total of 16.5 billion Indian rupees (approximately 25.1 billion yen). Because this capital increase eliminated the capital deficit in relation to 13.1 billion yen which the Company had recorded as a reserve for affiliate support at the end of March 2016, the Company recorded a carryback of 6.2 billion yen in the first quarter of FY 2016, and 6.9 billion yen in the second quarter of the same fiscal year. Despite the above, the business environment surrounding Toshiba JSW to date has remained severe, the value of the increased shares has fallen below the investment value, and it was determined that the business would be unlikely to recover in the immediate future. Accordingly, in relation to the shares in Toshiba JSW, the Company recorded a write-down of 7.5 billion yen in the first quarter of FY 2016, and 8.3 billion yen in the second quarter of the same fiscal year in its non-consolidated financial results.
9. Continuation of designation as “Securities on Alert”  
In relation to the Company’s shares, as a result of making erroneous statements in its past securities reports, among others, the Company received a notice from the Tokyo Stock Exchange and Nagoya Stock Exchange (the “Stock Exchanges”) which found that the Company had serious problems with its internal management systems, that improvement of the Company’s internal management systems was highly necessary, and that the shares of the Company were designated as “Securities on Alert”

effective as of September 15, 2015. On September 15, 2016, the Company submitted a written confirmation of an internal management system to the Stock Exchanges, and this has subsequently been reviewed. The Stock Exchanges have checked that measures have been implemented toward securing improvement, including a review of a management policy that excessively pursued short-term profit; a review of the composition of and changes to the ways in which the board of directors and the audit committee have operated; and the enhanced reorganization of divisions that are supposed to exercise monitoring functions. However, they also found that some problems related to accounting processes, among others, remained after the securities on alert designation, and that these indicate that the Company needs to implement further measures in such areas as ensuring compliance and affiliate company management. Accordingly, the Stock Exchanges determined that they still need to verify the implementation and progress of such measures. As a result, on December 19, 2016, the Company received notices from the Stock Exchanges to the effect that they will continue to designate the Company's shares as securities on alert. If one year and six months elapse from the date of designation as securities on alert (March 15, 2017), and the Stock Exchanges determine that the internal management system, etc., of the Company has not been improved after further review of the written confirmation of internal management system to be resubmitted by the Company, the shares of the Company will be delisted.

10. Losses incurred in relation to the nuclear power business

On December 31, 2015, the Company's group company, Westinghouse Electric Company LLC ("Westinghouse"), completed the acquisition of CB&I Stone & Webster Inc. ("S&W"). As for evaluating S&W's asset value, Westinghouse has followed proper procedures in accordance with the U.S. GAAP, with which Westinghouse currently complies. In this procedure, Westinghouse has been engaged in purchase accounting and reviewing the actual status based on materials provided by S&W and others after transaction completion. In this process, Westinghouse is evaluating the cost to complete projects. However, at the end of December 2016, during this process, Westinghouse found that the cost to complete the US projects would far surpass the original estimates, mainly due to an increase in key project parameters, resulting in far lower asset value than originally determined, leading to the possible recognition of goodwill far exceeding the original December 2015 estimate. As of February 14, 2017, the amount of goodwill in connection with the acquisition of S&W is expected to be 625.3 billion yen. Together with the existing balance of goodwill of 87.2 billion yen, the total amount of goodwill for the nuclear power business is expected to be 712.5 billion yen. The goodwill is scheduled to be fully written down for the third quarter of fiscal year 2016. Further, as a result of deducting non-controlling interests, reversing deferred tax assets, and the like, a loss of 620.4 billion yen is expected to be recorded for the net profit or net loss for the third quarter of fiscal year 2016. The figures are calculated at the Company's responsibility, and depending on the results of the independent auditors' review of the settlement of accounts of both Westinghouse and the Company for the third quarter of fiscal year 2016, the figures for Westinghouse and Toshiba may be amended.

11. Acquisition of equity in investment in Westinghouse from IHI Corporation

On February 16, 2017, the Company received a notice from IHI Corporation ("IHI"), that IHI has exercised a right by which IHI can transfer, pursuant to certain

conditions, all the shares (3% ownership) that it holds in the holding company of Westinghouse to the Company (the "Put Option"). Minority shareholders of the holding company stated above (IHI and a state-owned company in Kazakhstan, Kazatomprom), pursuant to put option agreements with the Company, can exercise the Put Option from October 1, 2017. However, under the agreement between the Company and IHI, IHI can exercise the Put Option at an earlier date when certain conditions are met. IHI has determined that these conditions have been met, and exercised the Put Option. The Company's purchase price of the shares is approximately 18.9 billion yen, and the date of payment and closing of the acquisition is May 17, 2017. The impact on the Company's accounting and the timing of the recording concerning the acquisition are currently under review.

12. Absorption-type company split of the Transferred Business

On February 24, 2017, an absorption-type company split agreement between the Company and the Succeeding Company was executed, with the effective date of the Company Split as of April 1, 2017, concerning the absorption-type company split in which part of the rights and obligations in relation to the Transferred Business are transferred to the Succeeding Company.

- (4) Events that significantly influence the Succeeding Company's property status, which occurred after the date of incorporation  
None.

- End -

## Request upon the Exercise of Voting Rights through the Internet

Voting rights may be exercised through the Internet using the website for the exercise of voting rights designated by the Company via a PC only by following the instruction below.

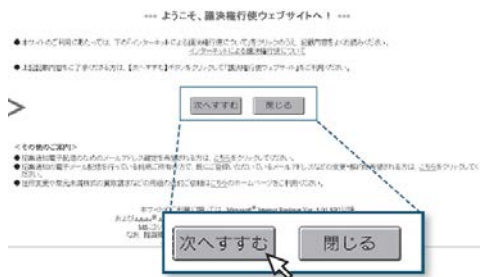
Deadline for the exercise of voting rights: 5:15 p.m., March 29, 2017 (Wednesday)

Website for the exercise of voting rights: <http://www.web54.net><sup>1</sup>

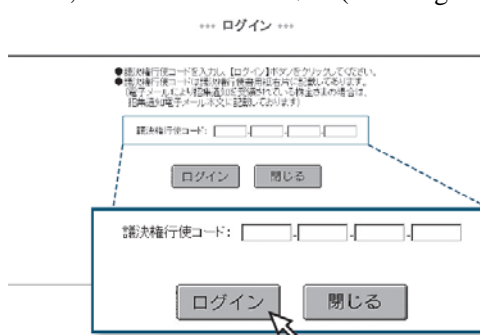
### How to Access

The following are screenshots of the website.

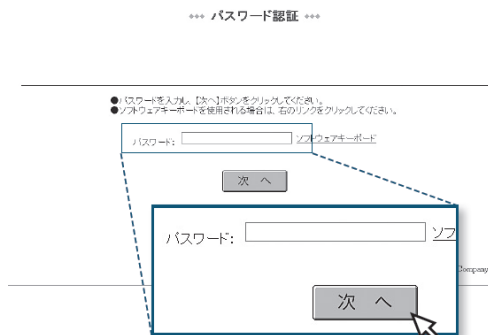
1. Access the website for the exercise of voting rights.  
Click 「次へすすむ(Meaning “Next”）」.



2. Log into the website.  
Input the voting rights exercise code indicated on the right half of the Voting Rights Exercise Form, and click 「ログイン(Meaning “Log in”）」.



3. Input a password.  
Input the password indicated on the right half of the Voting Rights Exercise Form, and click 「次へ(Meaning “Next”）」.



<sup>1</sup> Note for English translation:  
This website is in Japanese only.



Then, please input approval or disapproval in accordance with the input guideline indicated on the screen.

#### Handling of passwords

1. The password that the Company issues this time is only effective for the current extraordinary general meeting of shareholders. A new password will be issued for the next 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.

#### Caution

- 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.
- 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.

#### System requirements

##### (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 Extraordinary General Meeting of Shareholders, etc.:  
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

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.

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

Direct line to Transfer Agent Web Support of Sumitomo Mitsui Trust Bank, Limited:  
Telephone: 0120-652-031<sup>2</sup> (toll free)  
(9:00 a.m. to 9:00 p.m.)

Please contact the following office for other inquiries:

- (1) Shareholders who have an account with a securities company or the like:

The securities company or the like with which your account is held

- (2) Shareholders who do not have an account with a securities company or the like (shareholders who have a special account):

Transfer Agent Department of Sumitomo Mitsui Trust Bank, Limited  
Telephone: 0120-78-6502<sup>3</sup>  
(9:00 a.m. to 5:00 p.m.; Excluding holiday)

- End -

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<sup>2</sup> Note for English translation:  
Only for calls within Japan.

<sup>3</sup> Note for English translation:  
Only for calls within Japan.