

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

Securities Code (in Japan): 6502

March 3, 2021

Nobuaki Kurumatani,
Director, Representative Executive Officer
and President and Chief Executive Officer

Toshiba Corporation
1-1, Shibaura 1-chome, Minato-ku, Tokyo,
Japan

CONVOCATION NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Notice is hereby given that the Extraordinary General Meeting of Shareholders will be held as described below.

This Extraordinary General Meeting of Shareholders will be held in response to shareholder demands, and all of the proposals presented are shareholder proposals. The details of the proposals are as set out in the Reference Material for the General Meeting of Shareholders.

The Board of Directors is **OPPOSED to all of the proposals.**

The opinion of the Board of Directors in opposition to the proposals is set out on pages 9 to 11 and 16 to 18 of this convocation notice.

If you do not attend the meeting, after reviewing the Reference Material for the General Meeting of Shareholders annexed hereto, please exercise your voting rights by sending back the enclosed Voting Right Exercise Form expressing your approval or disapproval of the proposals such that it arrives at the Company by 5:15 p.m. on Wednesday, March 17, 2021 or by filling in your votes for or against the proposals on the website (<https://www.web54.net>).

We recommend that shareholders exercise their voting rights via the Internet. If you elect to exercise voting rights by mail, please make sure to return the Voting Right Exercise Form well in advance of the deadline as there is a possibility that delivery of the Voting Right Exercise Form will be delayed due to situations such as situations relating to the postal service.

Yours sincerely,
Nobuaki Kurumatani,
Director, Representative Executive Officer and
President and Chief Executive Officer

1. Date and Time: Thursday, March 18, 2021 at 10:00 a.m. (Doors open at 9:00 a.m.), Japan time
2. Venue: **Belle Salle Takadanobaba**, 8-2, Okubo 3-chome, Shinjuku-ku, Tokyo, Japan

3. Agenda for the Meeting

Matters for resolution <shareholder proposals>:

Proposal No. 1: Election of persons who will be charged to investigate the status of the operations and property of the Stock Company as set forth in Article 316, Paragraph 2 of the Companies Act

Proposal No. 2: Partial Amendment of the Articles of Incorporation

Proposals Nos.1 and 2 are shareholder proposals. **The Board of Directors is OPPOSED to Proposals Nos. 1 and 2.** We kindly ask our shareholders who are in agreement with the opinion of the Board of Directors to vote **“AGAINST” all of the proposals.**

Reference:

In the interest of preventing the spread of COVID-19, we sincerely request your cooperation in exercising your voting rights in advance and refraining from attending the shareholder meeting in person to the extent possible.

Especially, elderly people and those with underlying conditions are strongly advised not to attend in person on the day.

If you do plan on attending the meeting in person, we ask that you read and accept in advance the “Policy on Preventing the Spread of COVID-19” on page 5.

Present

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

Absent

By Mail:

Please exercise your voting rights by sending back the enclosed Voting Right Exercise Form to the Company expressing your approval or disapproval of the proposals such that it arrives at the Company by 5:15 p.m., Wednesday, March 17, 2021, Japan time.

Via the Internet:

Please see the “Request upon the Exercise of Voting Rights through the Internet” on pages 19 to 21 and express your approval or disapproval of the proposals.

To Institutional investors:

You may vote through the electronic voting platform operated by ICJ, Inc. if you have applied in advance to do so.

We recommend that **shareholders exercise their voting rights via the Internet.** If you elect to exercise voting rights by mail, please make sure to return the Voting Right Exercise Form well in advance of the deadline as there is a possibility that delivery of the Voting Right Exercise Form will be delayed due to situations such as situations relating to the postal service.

Live broadcast

The Extraordinary General Meeting of Shareholders will be broadcast live (Note: **only in Japanese**). For how to view the broadcast, please see the enclosed “Notice of Live Broadcast of the Extraordinary General Meeting of Shareholders”. Please note that voting rights cannot be exercised through the live broadcast and that we are unable to receive questions through the live broadcast.

Notes:

- * If you exercise voting rights both by mail and through the Internet, the exercise of the voting rights that reaches the Company later will be treated as effective. If you exercise voting rights twice or more through the Internet (computer or smartphone), the most recent exercise of voting rights will be treated as effective.
- * When you exercise voting rights through a proxy, such proxy must be only one shareholder who is entitled to vote at the general meeting of shareholders. In this case, please submit a written power of attorney to the Company.
- * When you exercise voting rights by mail and fail to indicate your approval or disapproval of the proposal, it will be deemed that you indicated your disapproval with respect to all of the proposals for this General Meeting of Shareholders.
- * Any changes in the Reference Material for the 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: <https://www.toshiba.co.jp/about/ir/jp/stock/meeting.htm>

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

Submission of Questions in Advance

On the day of the meeting, we will collectively answer questions relevant to the agenda, that have been submitted in advance, and that are considered to be of particular interest to shareholders and that the Company is able to answer, before accepting other questions. For the purposes of preparation, please submit the questions so that they will arrive by 5:15 p.m. on Thursday, March 11, 2021, Japan time, via one of the following methods.

Please understand that we are unable to guarantee that all submitted questions will be answered.

By mail: Legal Department, Toshiba Corporation, 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan

By e-mail: Hdqsoukai-shitsumon@ml.toshiba.co.jp

Policy on Preventing the Spread of COVID-19

In the interest of preventing the spread of COVID-19, we sincerely request your cooperation in refraining from attending the shareholder meeting in person to the extent possible.

The shareholder meeting will be broadcast live on the Internet, so the proceedings of the meeting will be available online. Regardless of the health conditions of the directors and officers on the day of the shareholder meeting, some may not attend the shareholder meeting, and some may attend the shareholder meeting online.

Please exercise voting rights in advance by mail or via the Internet.

Prior submission of questions is also accepted as explained above. If you do plan on attending the meeting in person, we ask that you read and accept in advance the policies below.

- * Please check your body temperature on the day of the meeting at home, and do not attend the meeting if it is 37.5 °C or higher.
- * Please wear a face mask when attending the meeting.
- * We will be using thermal imaging at reception. If you appear to have a fever, we will ask to check your body temperature individually. If your body temperature is 37.5 °C or higher, we will deny your entry.
- * You may be denied entry or asked to leave if you appear to have medical problem.
- * In the interest of preventing the spread of COVID-19, the amount of seating will be limited compared to previous years. Please note that you may be unable to enter once the available seating is filled.

Depending on the circumstances going forward concerning COVID-19, we will give notice on the Company's website if there are any material changes to the way the meeting is convened and operated including the time and venue. As for those who plan to attend the meeting, please check the Company's website beforehand.

The Company's website (Japanese)

<https://www.toshiba.co.jp/about/ir/jp/stock/meeting.htm>

The Company's website (English)

<https://www.toshiba.co.jp/about/ir/en/stock/meeting.htm>

REFERENCE MATERIAL FOR THE GENERAL MEETING OF SHAREHOLDERS

1. Total Number of Voting Rights Held by the Shareholders Who Can Exercise Voting Rights: 4,521,140
2. Agenda and Reference Information

Proposals Nos. 1 and 2 of this Extraordinary General Meeting of Shareholders are both proposed by shareholders. With the exception of some changes in formatting and layout, the content and reasons for each proposal are presented as received from the proposing shareholders.

The Board of Directors is OPPOSED to all of the shareholder proposals.

- Shareholder proposals -

Proposal No.1 at the Extraordinary General Meeting of Shareholders is a proposal by Effissimo Capital management Pte Ltd and Suntera (Cayman) Limited as Trustee of ECM Master Fund.

Proposal No.1:

Election of persons who will be charged to investigate the status of the operations and property of the Stock Company as set forth in Article 316, Paragraph 2 of the Companies Act.

(1) Outline of Proposal

A. Persons to Investigate the Status of the Operations and Property

Yoji Maeda, Takashi Kasaki, and Takao Nakamura shall be elected as persons to investigate the status of the operations and property of the Stock Company (the “Investigators”) as set forth in Article 316, Paragraph 2 of the Companies Act, allowing them to investigate the matters stated in the Objectives of Investigation. The Investigators’ appointment shall become effective upon the approval of this proposal, and no separate agreement with Toshiba Corporation (the “Company”) shall be required.

Name (Date of birth)	Summary of the career, positions, assignments, and status of important concurrent holding of positions	Number of Company shares held
Yoji Maeda (June 15, 1964)	1990: Registered as a lawyer, joined Anderson, Mori & Rabinowitz 1999: Partner at Anderson Mori 2000: Partner at Taiyo Law Office (Paul, Hastings, Janofsky & Walker, Foreign Law Joint Enterprise) 2005: Partner at O’ Melveny & Myers (present) 1991: Registered as a lawyer, joined Kaneko & Iwamatsu 1999: Partner at Kaneko & Iwamatsu (present) 2004: Part-time lecturer at Tokyo Women’s Medical University 2007: Arbitrator at the Medical ADR associated by the three Bar Associations in Tokyo (present)	0 shares
Takashi Kasaki (May 29, 1964)	2012: Mediator at the Financial Instruments Mediation Assistance Center (present) 2013: Practicing-Attorney-Professor for Civil Advocacy at the Legal Training and Research Institute of the Supreme Court of Japan 2015: Secretary of the Board of the Legal Training and Research Institute of the Supreme Court of Japan 2016: Examiner of the bar examination and the preliminary bar examination	0 shares

(Civil Procedure)
 2019: Outside Corporate Auditor of Takachiho Koheki Co., Ltd. (First Section of TSE) (present)
 1989: Bank of Japan
 1996: Director/CFO of Digital Garage, Inc.
 1997: Representative Director and Vice President, COO/CFO of Digital Garage, Inc.
 1999: Representative Director and President of Infoseek Japan K.K.
 2008: Registered as a lawyer, joined Torikai Law Office
 2009: Outside Director of PA Co., Ltd. (Second Section of TSE) (present)
 2015: Partner at Torikai Law Office
 2016: Partner at Wadakura Gate Law Office (present) 0 shares
 2016: Outside Director (Audit and Supervisory Committee Member) of Value Commerce Co., Ltd. (First Section of TSE) (present)
 2018: Outside Director (Audit and Supervisory Committee Member) of Kayak Inc. (TSE Mothers) (present)
 2019: Outside Director of Medical Data Vision Co., Ltd. (First Section of TSE) (present)
 2019: Outside Corporate Auditor of Matsuya Co., Ltd. (First Section of TSE) (present)

Takao Nakamura
 (August 25, 1965)

B. The Objectives of Investigation

All matters deemed necessary by the Investigators concerning whether or not the 181st Ordinary General Meeting of Shareholders of the Company held on July 31, 2020 (hereinafter referred to as the “181st AGM”) was conducted in a fair and impartial manner (including whether or not the resolutions were legally and fairly passed).

C. Method of Investigation and Report

- (i) The Investigators shall conduct the investigation independently of the Company, and independently of the shareholders (Effissimo Capital Management Pte Ltd (“Effissimo”) and Suntera (Cayman) Limited as Trustee of ECM Master Fund), who are requesting this Extraordinary General Meeting of Shareholders.
- (ii) The investigation period shall be three (3) months from the date of the appointment of the Investigators by this Extraordinary General Meeting of Shareholders.
- (iii) By the end of the investigation period, the Investigators shall conduct the necessary investigations and deliver the document(s) to the Company describing the results of such investigations (the “Investigation Report”) and announce the contents thereof in public. The Investigators shall also report the contents of the Investigation Report at the general meeting of shareholders to be held after this Extraordinary General Meeting of Shareholders.
- (iv) The Investigators may request that the Company’s executives and employees disclose and deliver documents, etc., that the Investigators deem necessary for the investigation. The Investigators may also request reports on matters that they deem necessary for the investigation. The Company’s executives and employees may not refuse such requests.
- (v) If any executive or employee of the Company or any other person does not cooperate with the investigation, or refuses or interferes with the investigation, or if the Investigators or any assistants are directly or indirectly pressured by any executive or employee of the Company or any other person, the Investigators shall state this in the Investigation Report.
- (vi) The Investigators shall determine the scope of facts to be investigated (hereinafter referred to as the “Investigation Scope”) in consultation with the Company, etc. Investigation Scope shall be necessary and sufficient to achieve the aim of the Investigators’ appointment, which is to investigate whether or not the 181st AGM was conducted in a fair and impartial manner (including whether or not the resolutions were legally and

fairly passed). In addition, the Investigators can, at their discretion, expand or change the Investigation Scope as necessary. In such cases, the circumstances of such an expansion or change shall be explained in the Investigation Report.

- (vii) The Investigators shall set the Investigation Scope, taking into account the Company's cost and resource allocation, so as not to have a significant adverse impact on the Company's corporate value.

D. Remuneration

- (i) To the extent reasonable in general societal terms, the Company shall reimburse the Investigators for the expenses incurred in the investigation (including the daily allowance for the Investigators and assistants). If the Investigators and assistants charge remuneration based on a time charge in the course of their regular work, the remuneration calculated based on such time charge shall be deemed reasonable in general societal terms.
- (ii) If the Company refuses to pay all or part of the expenses incurred in the investigation in response to the Investigators' request, Effissimo shall indemnify the Investigators for the expenses not paid.

E. Others

The Investigators may elect persons whom they deem appropriate as assistants and delegate a part of the Investigators' work to the assistants. However, executives and employees of the Company may not be elected as assistants.

(2) Reason for the Convocation

It is unclear whether the 181st AGM was conducted in a fair and impartial manner, and the actual situation has not been clarified regarding this matter.

According to the Company's news release, "Counting of voting rights exercised at the Ordinary General Meeting of Shareholders for the 181st Fiscal Period" dated September 18, 2020, 1,139 ballots received through the day before the 181st AGM were not counted as valid votes. Regarding this matter, Sumitomo Mitsui Trust Bank (SMTB), which the Company entrusted with vote tabulation tasks for its voting rights, explained that it illegally excluded the ballots received on the last day of voting from the tally. As a result, the Financial Services Agency has ordered SMTB to submit a report on this matter. However, media coverage about the 181st AGM and our examination and copying of the ballots, etc., revealed several abnormal facts related to the tallying of votes that cannot be resolved solely by the explanation provided.

In addition, media coverage has reported that some shareholders were pressured and did not exercise their voting rights at the 181st AGM. Press reports also state that proxy advisors faced pressure. We have surveyed several dozen major Company shareholders and have confirmed that certain shareholders did not exercise their voting rights due to such pressure.

Given these circumstances, we have asked the Company's management to establish a third-party committee consisting solely of independent members to investigate whether the 181st AGM was conducted in a fair and impartial manner and to clarify the truth. We have also requested that if the third-party committee finds the 181st AGM was not conducted in a fair and impartial manner, the committee investigate the causes of the failure and develop preventive measures so that such a failure is not repeated. However, roughly three months have passed since our request, and, to date, the Company has not established a third-party committee.

The exercise of voting rights is the most fundamental right vested in shareholders. The fair and impartial operation of the shareholders' meeting, where voting rights are exercised, is the foundation of the stock company system. If such ballots were, in fact, valid, and were not counted as valid voting rights, or shareholders were pressured and suppressed from exercising their intended voting rights, this would be nothing more than the denial of the most fundamental right of shareholders. Such a situation cannot be condoned.

To safeguard the necessary transparency that secures the fair and impartial operation of the general meeting of

Company's shareholders, we have concluded that it is necessary to clarify the current situation by having investigators independent of Company's management conduct an investigation. Since this investigation is related to the operation of the general meeting of shareholders, we believe that the investigation should be completed prior to the Ordinary General Meeting of Shareholders for this fiscal year (the 182nd fiscal year). Therefore, we have decided to request the convocation of an Extraordinary General Meeting of Shareholders and propose this resolution.

Under our proposal, Mr. Yoji Maeda, Mr. Takashi Kasaki, and Mr. Takao Nakamura are the candidates who will be charged with investigating the status of the operations and property of the Stock Company as set forth in Article 316, Paragraph 2 of the Companies Act. All candidates have sufficient expertise and experience as attorneys at law. We believe that they will endeavor to unravel the truth in a fair and objective manner as investigators, independent not only from the management of the Company but also from us. If this proposal is approved, the investigation results will be reported to the Company's shareholders at the subsequent general meeting of shareholders, which is expected to be the Ordinary General Meeting of Shareholders for this fiscal year (the 182nd fiscal year).

We kindly ask fellow Company shareholders to understand the significance of this proposal, which aims to protect the most fundamental and important right of shareholders: the ability to exercise voting rights and to safeguard the transparency that secures the fair and impartial operation at future general meetings of shareholders.

Opinion of the Board of Directors in opposition to Proposal No.1
[Opinion]

The Board of Directors of the Company is OPPOSED to and advises shareholders to vote AGAINST this Shareholder Proposal (Proposal No.1).

The Board of Directors of the Company has determined that there is no necessity, validity or reasonable grounds to conduct further investigation, and the election of three investigators as per this Shareholder Proposal (Proposal No. 1) is not acceptable for the following reasons.

- (1) Effisimo Capital Management Pte. Ltd. And Suntera (Cayman) Limited as Trustee of ECM Master Fund (Effisimo) (collectively, the "Demanding Shareholders") have alleged that (i) "some shareholders were pressured and did not exercise their voting rights" (the "Pressure Issue"); and, (ii) there are "several abnormal facts related to the tallying of votes that cannot be resolved solely by the explanation provided" with respect to the Company's explanation regarding the fact that "1,139 ballots received through the day before the 181st AGM were not counted as valid votes" (the "Voting Rights Counting Issue").
- (2) Regarding the Pressure Issue, while the Company requested the Demanding Shareholders to disclose the details of the suspicion and the grounds thereof, the Demanding Shareholders have not made such points clear. However, in light of having received this Shareholder Proposal from the Demanding Shareholders, the Audit Committee of the Company, comprised solely of outside directors, embarked upon further investigation by engaging an outside law firm. This investigation has sought to, inter alia, verify whether the Company had taken part in applying such pressure if a certain large shareholder indirectly owning the shares in the Company (the "Large Shareholder") was in fact subject to undue pressure in respect of the exercise of its voting rights at the 181st Annual General Meeting of the Company (the "AGM") as reported by certain news media. The investigation undertaken by the Audit Committee included review of Company documents, interviews of certain relevant senior management of the Company and review of their email correspondence by the outside law firm. Based on the Audit Committee's review, no material or information was discovered that would lead to a conclusion that the Company was involved in any undue intervention by attempting to exert undue

pressure. Moreover, the Audit Committee wrote to the Large Shareholder to ask whether or not it has been the subject of any undue pressure in relation to the exercise of its voting rights at the AGM that the Company had taken part in, but the Large Shareholder did not provide any specific information as to whether or not there has been any undue pressure that the Company had taken part in.

- (3) In addition, the Audit Committee also received records and reports from the related administrative divisions of the Company, regarding contact by the Company or its agents with shareholders other than the Large Shareholder and reviewed those records and reports; however, nothing came to the Audit Committee's attention which raises concerns that undue influence, intervention or similar act was exerted by the Company or its agents, in regard to the exercise of shareholders' voting rights. In the written demand of a general meeting of shareholders, the Demanding Shareholders have stated that "Press reports also state that proxy advisors faced pressure" The Audit Committee has, in relation to the AGM, conducted hearings with the related administrative divisions of the Company in regard to contact with the proxy advisers. Based on these hearings and review, nothing has come to the Audit Committee's attention which raises concerns that undue influence, intervention or similar act was exerted by the Company or its agents, in regard to the advice by the proxy advisers.
- (4) Regarding the Voting Rights Counting Issue, as described in the release titled "(Update) Counting of voting rights exercised at the Ordinary General Meeting of Shareholders for the 181st Fiscal Period" dated December 18, 2020, the Company requested its Transfer Agent and Shareholder Registration Agent, Sumitomo Mitsui Trust Bank ("SMTB"), to investigate the issue and received a report on the results thereof. Further, in order to ensure objectivity and transparency, the Audit Committee engaged an outside law firm to assist it in evaluating the appropriateness of the process and procedures adopted by SMTB in its investigation of the issue and the results thereof. While the results of such evaluation have already been disclosed in the aforementioned release, its outline is as described below:
The Voting Rights Counting Issue relates to work in which the Company was not involved; SMTB was responsible for counting voting rights, and Japan Post Co., Ltd. was responsible for handling the mailing of voting right exercise forms. As announced by SMTB, it has become clear that the issue of shareholder voting right exercise forms that arrived before the deadline not being counted appropriately is not something limited to the Company.
While the Demanding Shareholders are alleging that there are "several abnormal facts related to the tallying of votes that cannot be resolved solely by the explanation provided" and demanding further investigation, no specific facts have been presented. Against this background, the Audit Committee requested the related Administrative Divisions of the Company to report the facts relating to counting of votes; however, no facts that the Company should further investigate have been discovered.
The Company has taken the issue regarding inappropriate counting of votes seriously and responded sincerely; however, the Company believes that the Voting Rights Counting Issue is an issue relating to work for which the Company's Transfer Agent and Shareholder Registration Agent and the Post Office were responsible, and it would be impossible for the Company to conduct further investigation than it has already done and it is not an issue the Company should further investigate.
While the Company has received explanation regarding measures to prevent recurrence from SMTB, the Company for its part will also make efforts to ensure appropriate counting of votes by encouraging the use of online voting for future general meetings of shareholders and other means, in light of the situation regarding the counting work.
- (5) The Company believes that the voting rights of shareholders are the fundamental and important rights, and has put focus on fair and impartial operation of the general meetings of shareholders. The Company will continue to make efforts to make sure the shareholders' rights are exercised appropriately and to ensure fair and impartial operation of the general meetings of shareholders.

As described above, the Audit Committee of the Company has investigated the Pressure Issue and the Voting Rights Counting Issue to the fullest extent possible; however, no matters, that would lead to a conclusion that further investigation by the Company with respect to those issues is required, has been discovered. Conducting an investigation by forming an independent committee or by electing investigators would give rise to concern that such investigation would create a situation where officers and staff including a management team that

Exemption of Liabilities) (omitted)	Exemption of Liabilities) (omitted)
--	--

(2) Reason for the Proposal

A. Summary

Requester is a corporation that commissions asset management to Farallon Capital Management LLC (“Farallon”). Since 2017, Farallon has engaged in constructive discussions with the Company as a major shareholder. Raymond Zage, who has experience as Farallon’s head of Asia, was appointed as the Company’s director at the Company’s Ordinary General Meeting of Shareholders held in June 2019, based on Farallon’s recommendation.

Farallon highly evaluates the Company for its success in strengthening internal control/governance and revamping its financial structure and business portfolio under CEO Kurumatani’s leadership and for its steady improvement of its earnings structure through the restructuring efforts aimed at “maximizing enterprise value as an infrastructure service company” set forth in the Toshiba Next Plan.

On the other hand, in the Toshiba Next Plan, the Company committed/publicly announced a growth strategy not dependent on major M&A transactions, but on organic growth and small-scale M&A transactions, and a capital policy based on such growth strategy. However, the Company significantly changed such growth strategy in the Toshiba Next Plan progress report titled “Moving on to Growth” dated November 11, 2020 (the “November 11 Progress Report”), and abruptly announced a growth strategy and a capital policy which clearly departs from the Toshiba Next Plan, stating that capital in the order of 1 trillion yen would be used in M&A transactions, etc., without providing any rational reason for changing the policy of the growth strategy.

While the current directors of the Company were appointed based on a public commitment to execute the Toshiba Next Plan, if they are to make major changes in the Toshiba Next Plan and implement a business policy based on risky growth investments such as major M&A transactions, such policy will inevitably entail significant departures from the capital policy set forth in the Toshiba Next Plan (to date, the Company has recorded a total of 1.8 trillion yen in impairment losses after major M&A transactions over the last 20 years, which led the Company to decreased shareholders’ equity and put the Company into a management crisis). Furthermore, at the Ordinary General Meeting of Shareholders held in July 2020, the Company proposed to amend the articles of incorporation to make capital policy as a matter of General Meeting of Shareholders resolution, which was approved by an extremely high 97.74% vote in favor of the proposal.

Based on this background, the Requester believes it adequate that if the Company is to conduct major changes to the growth strategy and the capital policy that were committed in the Toshiba Next Plan, the board should carefully consider the targeted business model to be achieved through strategic investments such as major M&A transactions, provide rational explanations of its execution criteria and policies of the strategic investments such as major M&A transactions, and confirm the shareholders’ intent concerning such policies at a General Meeting of Shareholders. Therefore, the Requester requests the convention of an Extraordinary General Meeting of Shareholders with the proposal stated above (“Proposal”) as an agenda item.

B. Growth Strategy and Capital Policy Committed/Announced in the Toshiba Next Plan

In the Toshiba Next Plan announced on November 8, 2018 and progress reports thereof, we understand that the Company has committed/ publicly announced (1) the strengthening of basic earning power and focused investments in growth areas; (2) transition of business model from capital-heavy businesses, which require significant capital expenditures, to capital-light businesses, which only require limited capital expenditures; (3) achieving growth not through major M&A transactions but through organic growth and programmatic M&A transactions (focusing on areas that are adjacent and complementary to existing businesses and engaging in multiple small-scale M&A transactions every year as a part of business strategy); (4) utilizing leverage (borrowings) for growth investments and

reducing cost of capital; (5) returning excess capital to shareholders; and (6) the step-wise sale of Kioxia Holdings Corporation (“Kioxia”) shares.

The conclusions derived from reasonable interpretation of these 6 commitments/public announcements on growth strategy and capital policy are as follows: (a) the Company will have limited capital need for future capital expenditures and M&A transactions, and therefore proceeds from the sale of Kioxia shares and leverage (borrowings) are sufficient to cover such needs (growth strategy); and (b) as long as the capital of the Company is in excess of the appropriate level, operating cash flows deriving from strengthened basic earning power will be returned to shareholders (capital policy). In other words, the Company has committed/announced such growth strategy and capital policy (“TNP Growth Strategy/Capital Policy”) as a part of the Toshiba Next Plan.

C. Capital Policies of Competing Infrastructure Services Companies

As the Company itself states in the Toshiba Next Plan, the TNP Growth Strategy/Capital Policy is extremely rational and are comparable to those of the Company’s competitor companies with much higher enterprise value and equity value (KONE, Schindler, and Otis (former United Technologies)).

In other words, on a cumulative basis over the last 3 years, KONE, Schindler, and Otis have returned to their shareholders almost all of the amount of (1) operating cash flows less (2) repayment of borrowings (reduction of net debt) and (3) capital expenditures. According to the TNP Growth Strategy/Capital Policy, the Company (3) can fund capital expenditures and M&A transactions with increased borrowings and (2) plans to rather increase borrowings and has no need to reduce them. Thus, when considering the capital policy taken by the Company’s competitors, (1) almost all amount of operating cash flows should be returned to shareholders. Such capital policy is precisely what is set forth in the TNP Growth Strategy/Capital Policy and is a rational capital policy comparable to those of the competitor companies.

We believe that the reason why these 3 competitors have much higher enterprise value and equity value lies in their value-creating growth strategy and capital policy. We believe that the Company’s directors considered this in formulating the TNP Growth Strategy/Capital Policy, which is comparable to those of its competitor companies, in order to enhance shareholder value through maximizing enterprise value, which is the objective of Toshiba Next Plan, and were appointed as directors under public commitment to implement such strategy/policy.

D. The Company’s Track Record in Growth Investments

Based on past disclosures of the Company’s financial statements, the Company invested a cumulative total of approximately 6.7 trillion yen (capital expenditures and M&A transactions) over the past 20 years but recorded total impairment losses of approximately 1.8 trillion yen, leading to a net decrease instead of an increase in shareholders’ equity. In other words, when considering the cost of shareholders’ equity, the Company has significantly impaired its own enterprise value and equity value through aggressive growth investment strategies including major M&A transactions over the last 20 years.

E. Growth Strategy and Capital Policy Announced on November 11, 2020

However, the November 11 Progress Report publicly announced a growth strategy and capital policy for the next 5 years that are completely different from the abovementioned TNP Growth Strategy/Capital Policy.

Cash flows of about 2.3 trillion yen are expected to be generated over the next 5 years, with 1.3 trillion yen from forecasted operating cash flows, around 500 billion yen from estimated proceeds from the sale of Kioxia shares, and 500 billion yen from increased borrowings (*Note), as mentioned in the November 11 Progress Report. On the other hand, even when considering 700 billion yen in capital expenditures the Company anticipates and programmatic M&A transactions in the order of several hundreds of billions of yen for the growth strategy planned/disclosed in the past Toshiba Next Plan and progress reports thereof, there should be excess operating cash flows of about 1.3 trillion

yen.

However, in the November 11 Progress Report, the Company publicly announced its policy that it would use about 1.3 trillion for strategic investments in the form of M&A transactions that remains after subtracting dividends of about 300 billion yen based on a 30% dividend payout ratio and 700 billion yen in capital expenditures from about 2.3 trillion to be obtained from future cash flows, without providing any reasonable explanation for the need thereof, as if such policy had already been decided. Judging from the size, such strategic investments in the form of M&A transactions go beyond the size of programmatic M&A transactions disclosed to be in the order of several hundreds of billions of yen, and can only be interpreted as including major M&A transactions, which the Company committed not to conduct in the TNP Growth Strategy/Capital Policy. Furthermore, there has been no effective explanation of the rationale, other than the formulaic investment criteria of “meeting ROIC/IRR criteria” which is an obvious condition that was most likely formally met even in the Company’s past M&A transaction failures (this policy of the Company is hereinafter referred to as the “2020 Growth Strategy/Capital Policy”).

The 2020 Growth Strategy/Capital Policy is the direct opposite of the previously committed/publicly announced TNP Growth Strategy/Capital Policy and violates the Toshiba Next Plan. In his explanation of the November 11 Progress Report, CEO Kurumatani clearly explained that “shareholders’ equity as of fiscal year end is basically at an appropriate level and financial stability has been achieved.” Considering that the 508.2 billion yen worth of valuation allowance for deferred tax assets stated on page 156 of the Annual Report of the 181st fiscal year is expected to be reversed with assumption that the Company will continue to record profits and that the proceeds from the sales profit of Kioxia shares will create proceeds in the order of several hundreds of billions of yen, the Company’s capital most likely already significantly exceeds the appropriate level. Thus, pursuant to the Toshiba Next Plan, future operating cash flows will become excess capital that should be returned in full amount to shareholders. Toshiba Next Plan publicly announced this as a growth strategy/capital policy to its shareholders.

F. Background for this Request

We understand that the current directors of the Company were appointed based on their public commitment to execute the Toshiba Next Plan to enhance shareholder value through maximizing enterprise value. For a board composed of directors who were appointed for such reason, it is a betrayal of trust from shareholders that appointed the current directors with the presumption of executing the Toshiba Next Plan to significantly change the TNP Growth Strategy/Capital Policy set forth in the Toshiba Next Plan without fulfilling their duty to provide a reasonable explanation or confirmation of shareholders’ intent.

Furthermore, in light of the Company’s track record of total impairment losses of 1.8 trillion yen over the last 20 years as a result of major M&A transaction failures in the past, which led to a decrease in shareholders’ equity and a management crisis including a capital deficit, the Company should not be permitted to invest large amounts of capital in risky growth investments such as M&A transactions once again, without fulfilling their duty to provide a reasonable explanation to shareholders.

In addition, the Company has amended its articles of incorporation making capital policy (dividend distribution and share buyback) as a matter of General Meeting of Shareholders resolution in Proposal 1 (company proposal) of the Ordinary General Meeting of Shareholders held in July 2020 with an extremely high 97.74% vote in favor, which is much higher support rate than the appointment of each of the board of directors. On the other hand, the support rate for reappointment of director and representative executive officer CEO Kurumatani was 57.20% (based on a revised extraordinary report disclosed by the Company). Furthermore, if the facts described in the media coverage are correct such as “Connecting the dots in exercising voting rights at Toshiba: various suspicions in the details” (electronic version of Nikkei Shimbun, October 14, 2020), “Harvard pressured to support Toshiba chief in ‘dark arts’ campaign” (Financial Times, September 15, 2020), and “Summer 2020 Toshiba Ordinary General Meeting of Shareholders: METI Advisor Interferes with Harvard University Fund, According to Close Sources” (Reuters, December 23, 2020),

some major shareholders' voting rights were not appropriately processed or exercised at the Ordinary General Meeting of Shareholders, which makes it difficult to deny the possibility that CEO Kurumatani's effective support rate may have been even lower.

The results for each agenda item at the July 2020 Ordinary General Meeting of Shareholders reflect the Company's shareholders' rational intent that "matters relating to the Company's capital policy should be determined by General Meeting of Shareholders and not by the current board, consisting of directors with a low support rate." In addition, as capital policy is an issue of "how to allocate a company's cash flows between growth investments and returns to shareholders," a major change in growth strategy inevitably leads to a major change in capital policy.

For the reasons stated above, the Requester requests that the Company convene an Extraordinary General Meeting of Shareholders with the Proposal at the General Meeting of Shareholders as an agenda item.

As dividend distribution and share buybacks are issues within the rights of the General Meeting of Shareholders pursuant to both the Companies Act and the Company's articles of incorporation, the Requester requested that the item be made an agenda item of the General Meeting of Shareholders in the form of a precatory resolution instead of a change in the articles of incorporation. However, if the Company rejects this request, the opportunity to confirm shareholders' intent on the Company's capital policy would be lost. Therefore, the Requester had no choice but to make the Proposal an agenda for the Extraordinary General Meeting of Shareholders. Thus, even if the Proposal is rejected by not obtaining favor votes by 2/3 of shareholders participating in the Extraordinary General Meeting of Shareholders, if it obtains a majority vote in favor, the shareholders' intent is clear that they agree with the Proposal. In such case, the Company should not ignore such shareholders' intent and such a result should be respected as if it has the same meaning as the approval of the precatory resolution.

In fact, at Takeda Pharmaceutical Company Limited's Ordinary General Meeting of Shareholders held in June 2019, while a proposal to change the articles of incorporation to introduce a so-called clawback clause (provision which sets forth a return of officers' compensation to the company in the event that fraudulent accounting, etc. is discovered) was rejected, as 52.20% of the votes were in favor of the resolution, the board of directors rapidly decided to introduce a clawback policy as an internal regulation.

Finally, the Requester and Farallon are not asserting that growth investments should be sacrificed in order to prioritize shareholder returns. We understand that the current directors were appointed based on their public commitment to execute the Toshiba Next Plan. If they are to make a major change in the growth strategy described in Toshiba Next Plan and implement a business policy of risky growth investments such as major M&A transactions, because such shift in business policy inevitably involves a significant change in capital policy, we believe it is appropriate for the board to carefully consider the targeted business model to be achieved through strategic investments such as major M&A transactions, provide rational explanations of its execution criteria and policies of strategic investments such as major M&A, and confirm the shareholders' intent at a General Meeting of Shareholders. In light of the fact that the Company has recorded a total of 1.8 trillion yen in impairment losses through major M&A transactions over the last 20 years, leading to a decrease in shareholders' equity and a management crisis, we believe it is clear that the board has a duty to engage in in-depth consideration and to provide an adequate explanation.

(*Note) According to page 10 of the FY 2020 Q2 financial statement dated November 11, 2020, net interest-bearing debt (excluding operating lease liabilities) as of the end of September 2020 was -101.7 billion yen, meaning that the Company effectively has a net cash position. In addition, the November 11 Progress Report states "Expand leverage up to ... 100% net-debt/EBITDA" and sets target EBITDA of 530 billion yen in FY 2025. Based on these assumptions, the Company is planning to increase its borrowings in the order of 500 billion yen by FY 2025.

Opinion of the Board of Directors in opposition to Proposal No.2
[Opinion]

The Board of Directors of the Company is OPPOSED to and advises shareholders to vote AGAINST this Shareholder Proposal (Proposal No.2).

The Company is currently implementing its five-year whole-company transformation plan “Toshiba Next Plan,” published on November 8, 2018. Since its formulation of the “Toshiba Next Plan,” the Company has not made any particular changes to the growth strategy and capital policy it presented up until its publication of the “Toshiba Next Plan Progress Report” on June 5, 2020, even in the “Toshiba Next Plan Progress Report” announced on November 11, 2020. And in the “FY2020 Third Quarter Consolidated Business Results (First nine months cumulative)” published on February 12, 2021, the Company maintained and restated the growth strategy and capital policy presented in the “Toshiba Next Plan” and the “Toshiba Next Plan Progress Reports” while sorting out the details.

In the “Toshiba Next Plan,” the Company presents its growth strategy, divided into three phases. The Company positions the strengthening of core earning power in “Toshiba Next Plan – Phase 1,” and this has already led to significant results in the form of improvements in the marginal profit rate and reductions in fixed costs. This shows that the phase 1 has been steadily implemented.

In “Toshiba Next Plan - Phase 2,” the Company is aiming to achieve further growth by accomplishing its transformation into an infrastructure services company utilizing cyber physical systems (CPS) technology (*Note).

(*Note) “CPS” refers to a system that enables users to create added value by collecting data in the physical world, analyzing it in cyberspace using digital technologies, and then feeding it back to the physical world as information and knowledge that can easily be utilized.

The specific growth factors in “Toshiba Next Plan - Phase 2” comprise three pillars—enhancing the competitiveness of service operations, expanding service locations, and evolving into value-added services. The Company is aiming to expand its infrastructure services revenue by approximately 500 billion yen, 230 billion yen of which is planned to be achieved by acquiring locations through M&A. The M&A will be centered on programmatic M&A (*Note), in which a number of acquisitions on a scale ranging from billions to tens of billions of yen will be made incrementally. The Company is also anticipating growth of approximately 100 billion yen mainly in the field of renewable energy, the market for which is expected to see rapid growth in the future. The Company will shift into a light capital model from a heavy capital model in its approach to invested capital.

(*Note) “Programmatic M&A” means not major M&A encountered opportunistically but planned, small-scale M&A that is carried out every year as part of business strategy and that is focused on areas that are adjacent and complementary to the existing business of a company.

In “Toshiba Next Plan – Phase 3,” with the aim of making significant strides as a CPS technology company, the Company will provide value to users by providing data services and building a data matching platform. The

Company has also engaged in developing new businesses related to areas such as decarbonization and precision medicine, and in doing so it plans to build a next-generation business model.

In its approach to growth investment, the Company has set internal ROIC/IRR benchmarks for strategic investments and implementing stricter investment selection processes. Decisions about whether to make investments will be considered in a fair and open manner based on strict discipline and governance within the framework of the foregoing growth strategy. Further, the Company views strategic investment as a combination of shareholder returns based on appropriate capital measurement and inorganic growth investment such as M&A.

The Company adopts a basic policy of maintaining an average consolidated dividend payout ratio of at least 30% (*Note) and uses capital in excess of the appropriate level of capital to provide shareholder returns, including share repurchases. The appropriate level of capital shall be reviewed every year by the Board of Directors based on the then current balance sheet, portfolio, and business plan. The Board of Directors will also review the appropriate level of capital each time there is a significant change to shareholders' equity, such as upon realization of asset sales or in the event of a large-scale deal that is extremely strategically significant to the Company. Regarding the Company's 40.2% holding in KIOXIA Holdings Corporation, the Company has no strategic intention that its Group remain in the Memory business, so it is continuing to evaluate means of monetizing its investment in order to realize the value of the shares it holds in that company. Once such monetization is completed, the Company, in principle, intends to return a majority portion of the net proceeds to shareholders.

(*Note) For the time being, equity-method income/losses from KIOXIA Holdings Corporation are excluded from this policy.

In this way, since its formulation of the "Toshiba Next Plan," there has been no change to the growth strategy and capital policy the Company presented up until the "Toshiba Next Plan Progress Report" announced on June 5, 2020. There is a misunderstanding in the Shareholder Proposal on this point.

The Company has also been appropriately fulfilling its responsibility to shareholders by providing progress reports at regular intervals regarding the growth strategy and capital policy it presented in the "Toshiba Next Plan." In addition, in managing the Company it confirms and reflects shareholder intentions by submitting director election proposals at the ordinary general meeting of shareholders each year and securing the confidence of shareholders in respect of such proposals. Accordingly, it is not necessary to establish provisions in the Articles of Incorporation to the effect that approval must be obtained at the general meeting of shareholders regarding the content of a "capital policy proposal, including a reasonable explanation of the policy for strategic investment for growth" as demanded in the Shareholder Proposal.

The Shareholder Proposal would also obligate the Company to return to shareholders every year the full amount of operating cash flow defined in the financial statements over the five-year period from April 1, 2021 to March 31, 2026 in the event that the above capital policy proposal submitted by the Board of Directors is not approved at the general meeting of shareholders. However, such rule would have the effect of constraining into the future

the ways in which the Company can use its cash flows and the level of its undistributed profits despite the possibility of future changes to the management situation, financial situation, external environment, etc. The Shareholder Proposal therefore constitutes nothing less than an excessive intervention in a matter of business management that should naturally be recognized as falling within the discretion of the Board of Directors. Moreover, in an environment that is undergoing dramatic changes due to factors such as COVID-19, the ability of the Board of Directors to make agile management decisions tailored to such environmental changes is essential for the Company to realize the growth strategy and capital policy presented in the “Toshiba Next Plan.” The Board of Directors therefore believes that the provisions of the Articles of Incorporation demanded in the Shareholder Proposal are unrealistic provisions that would hinder the realization of such Plan.

Further, the Companies Act prescribes that “each time” a stock company intends to distribute dividends of surplus it shall determine the details of such distribution by resolution of a shareholders meeting (Article 454, Paragraph 1 of the Companies Act), and it is regarded that the question of whether the surpluses or cash balance resulting from the cash flows of the company should be returned to shareholders or retained by the company is a question that should be determined “each time” depending on the current circumstances at the time of such decision (such as the management situation, the financial situation, and the external environment). Accordingly, by rigidly and peremptorily prescribing that the Company must make a decision to return the entire amount of its operating cash flow to shareholders if the capital policy proposal is not approved, the Shareholder Proposal is also contrary to the basic principles of the Companies Act.

Further, the Company is actively engaged in initiatives addressing ESG, and is continually investing resources in those that may not directly contribute to the business of the Company within a short period of time based on a medium-to-long term perspective such as investments necessary for maintaining and expanding production and other capacity. Applying the entire amount of generated operating cash flow to shareholder returns would in this sense also impede the medium-to-long term growth of the Company.

As described above, the Company has not made any particular changes to the growth strategy or capital policy it presented in the “Toshiba Next Plan.” Not only is there a misunderstanding from the very beginning in what is claimed in the Shareholder Proposal, but also the content of the Shareholder Proposal itself is unreasonable, and would prevent the medium-to-long term improvement of the Company’s corporate value. Therefore, the Board of Directors is **OPPOSED** to and advises shareholders to vote **AGAINST** this Shareholder Proposal.

End

Request upon the Exercise of Voting Rights through the Internet

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

Deadline for the exercise of voting rights: 5:15 p.m., March 17, 2021 (Wednesday), Japan time

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

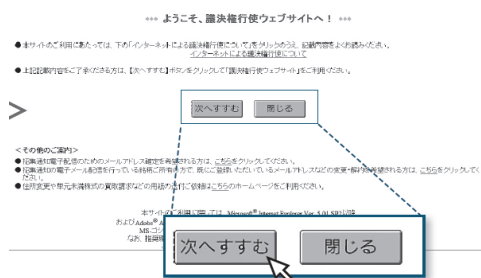
The Board of Directors is OPPOSED to Proposals Nos. 1 and 2. We kindly ask our shareholders who are in agreement with the opinion of the Board of Directors to vote **“AGAINST”** all of the proposals.

How to Access

The following are screenshots of the website.

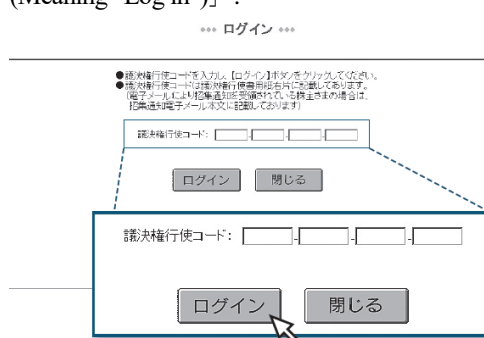
1. Access the website for the exercise of voting rights.

Click 「次へすすむ(Meaning “Next”)」 .



2. Log into the website.

Input the voting rights exercise code indicated in the Voting Rights Exercise Form, and click 「ログイン (Meaning “Log in”)」 .



3. Input a password.

Input the password indicated in the Voting Rights Exercise Form, and click 「次へ(Meaning “Next”)」 .

¹ Note for English translation:
This website is in Japanese only.

*** パスワード認証 ***

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

Password

1. The password provided with this notice is valid only for this Ordinary General Meeting of Shareholders. A new password will be issued for the next Ordinary General Meeting of Shareholders. The Company will not provide your password by telephone or other such means.
2. Your password is used to confirm your identity, so please carefully manage the password.
3. Multiple failed attempts to enter the password will result in your access to the main page being blocked.
4. If you require a new password, please follow the on-screen instructions.

Caution

- Exercising voting rights through the Internet may incur a connection fee, service charge or other charges payable to your Internet provider or telecommunications company. Any such charges are payable by the shareholder.
- If connecting to the Internet from a company or other organization, access to the website may be limited by a firewall or other settings. In such case, please contact your system administrator.

Please contact the following office if you have any question in connection with exercising voting rights through the Internet:

Direct line to Transfer Agent Web Support of Sumitomo Mitsui Trust Bank, Limited:

Telephone: 0120-652-031²

(Operating hours: 9:00 a.m. to 9:00 p.m., Japan time)

Please contact the following office for other inquiries:

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

² Note for English Translation:
Only for calls within Japan.

Telephone: 0120-78-6502³ (Direct line – toll free)
(Operating hours: 9:00 a.m. to 5:00 p.m. weekdays, Japan time)

³ Note for English Translation:
Only for calls within Japan.