

(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 8, 2022

Satoshi Tsunakawa,  
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.

**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 23, 2022 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 rather than by mail (by mailing the Voting Right Exercise Form). 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,  
Satoshi Tsunakawa,  
Director, Representative Executive Officer and  
President and Chief Executive Officer

1. Date and Time: Thursday, March 24, 2022 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:

Company proposal: (Proposal No. 1)

Proposal No. 1: Confirmation of Shareholders' Views on Proceeding with the Examination of Strategic Reorganization

Shareholder proposals: (Proposals Nos. 2 and 3)

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

Proposal No. 3: Re-examination of strategy adopted by the Strategic Committee and the Board of Directors

Proposals Nos. 2 and 3 are shareholder proposals. The Board of Directors is opposed to Proposals Nos. 2 and 3.

**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 23, 2022, 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** rather than by mail (by mailing the Voting Right Exercise Form). 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). 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.

(\*Note) Simultaneous English interpretation will be provided. However, materials to be projected in the proceedings will be provided only in Japanese. The Japanese version of the audio is official, and the English interpretation is for convenience purposes only. We do not guarantee the accuracy of the interpretation.

**Notes:**

- \* If you exercise voting rights both by mail and through the Internet (computer or smartphone), the exercise of the voting rights through the Internet will be treated as effective, regardless of which reaches the Company first. If you exercise voting rights twice or more through the Internet, 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 approval with respect to the Company proposal and disapproval with respect to the shareholder 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 Comments and Questions in Advance**

As for the shareholders who have any comments relevant to the agendas, please submit them to the meeting for our future reference.

On the day of the meeting, we will also collectively answer questions relevant to the agendas, 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 17, 2022, 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: 4,308,962
2. Agenda and Reference Information  
- Company proposal (Proposal No. 1) -  
Proposal No. 1 is proposed by the Company.

### **Proposal No. 1:**

#### **Confirmation of Shareholders' Views on Proceeding with the Examination of Strategic Reorganization**

##### (1) Outline of the proposal

On November 12, 2021, Toshiba announced a plan for a spin-off aimed at improving shareholder value to become three stand-alone listed companies, including Toshiba itself, through spin-offs of its core businesses - energy & infrastructure business and device & storage business - into two new listed companies. Since then, Toshiba has been in talks with a variety of stakeholders, including its shareholders and relevant authorities, concerning the spin-off scheme. As this is the first spin-off of such size in Japan, after the announcement, Toshiba consulted with parties concerned to confirm the details, and as a result, it turned out there were obstacles which were not initially expected. Therefore, in order to increase the certainty of realization, Toshiba refined the transaction scheme, while maintaining the fundamental policy of operating the two core business domains independently, and announced the outline thereof on February 7, 2022.

Specifically, Toshiba has determined it will conduct a spin-off of Toshiba's core business domain, Device & Storage Business, into a new publicly listed company (referred to herein as Device Co., official name will be announced when available), reorganizing itself into two independent listed companies, Device Co. and Toshiba (referred to herein as "Toshiba" or "Infrastructure Service Co."), which will run the energy and infrastructure business. Toshiba judged that this method can significantly reduce separation costs, secure financial soundness for each company, and significantly reduce spin-off uncertainty. It is planned that the spin-off of Device Co. from Toshiba will be by way of a share distribution to existing shareholders, and after this share distribution takes effect, Toshiba's shareholders will become shareholders of each of the two companies. The purpose of this proposal is to seek shareholders' views to achieve constructive dialogue with shareholders with respect to moving forward with our examination of this strategic reorganization, including the share distribution (the "Strategic Reorganization"). We hope to hear a wide range of views from our shareholders on the Strategic Reorganization, and will strive to improve the Strategic Reorganization based on our shareholders' comments.

The Strategic Reorganization includes a policy to monetize shares in Kioxia Holdings Corporation ("Kioxia") owned by Toshiba ("Kioxia Shares") as soon as practicable while maximizing shareholder value, and to return the net proceeds in full to shareholders, within the limits stipulated by applicable laws and regulations.

This proposal does not have a legally binding effect; given that the implementation of the Strategic Reorganization is a major strategic decision to improve the shareholder value of Toshiba Group, this proposal is intended to confirm the views of our shareholders regarding moving forward with the examination of the Strategic Reorganization. This proposal will be adopted by an ordinary resolution; however, Toshiba will disclose the breakdown and ratio of the shareholders' opinions in favor of, against or to abstain from voting with respect to the proposal in an extraordinary report to be released after this general meeting of shareholders.

The legally binding resolution of the general meeting of shareholders for the implementation of the Strategic Reorganization will be submitted at a general meeting of shareholders to be convened in 2023 after the details of the Strategic Reorganization have been finalized.

The Strategic Reorganization is planned to be implemented as a qualified reorganization utilizing the tax-qualified spin-off system under the Corporation Tax Act. Toshiba is aiming towards completing the Strategic Reorganization by listing Device Co. in the second half of fiscal year 2023 subject to the completion of various procedures, such as approval at the

above-mentioned Toshiba’s general meeting of shareholders to be held in 2023 and approvals, etc., from the authorities concerned, including approval of listing from the Tokyo Stock Exchange, Inc.. A summary of the process as it currently stands is as follows. Toshiba also intends to receive approval for corporate restructuring plans under the Act on Strengthening Industrial Competitiveness in order to ensure the smooth execution of the Strategic Reorganization, but depending on the applicable laws and regulations (including securities listing regulations and U.S. laws and regulations), developments in the application, revision and enforcement of various regulatory regimes including tax regulations, interpretations thereof by the relevant authorities and other factors, the implementation of the Strategic Reorganization may take longer than expected and there may be changes in the structure. Nevertheless, Toshiba will continue to work with the relevant authorities and proceed with its examination of the best and the most effective and efficient way for the Strategic Reorganization to take place.

<Overview of the Strategic Reorganization>

(A) Summary of each company

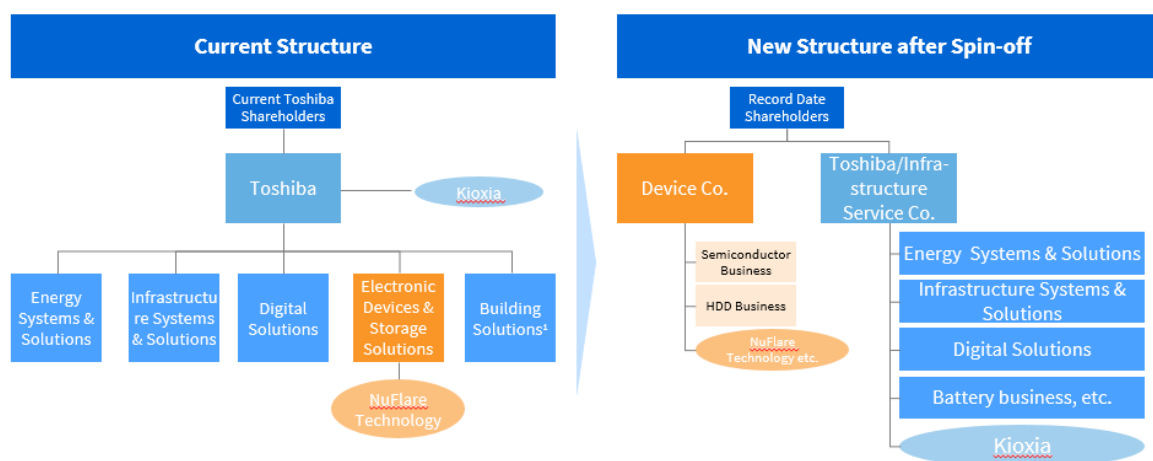
- Infrastructure Service Co. will be formed of the energy system solutions, infrastructure system solutions, digital solutions, battery businesses, etc.. It will also own Kioxia Shares.
- Device Co. will be formed of the electronic devices & storage solutions business.

(B) Summary of the procedures

- Toshiba is planning to transfer the necessary assets, liabilities, and functions to Device Co. through an absorption-type demerger etc.
- Toshiba will obtain legally binding approvals at the general meeting of shareholders by the first half of fiscal year 2023.
- Device Co. will submit an application for listing pertaining to Device Co. to the Tokyo Stock Exchange.
- Around the second half of fiscal year 2023, Toshiba will distribute Device Co.’s shares by way of a share distribution to the existing shareholders of Toshiba on the record date set by Toshiba (the “Record Date Shareholders”).

Toshiba Group will be restructured into two listed companies by the method above, and the Record Date Shareholders will become shareholders of both companies.

<Reference: Figure>



¹ Building Solutions companies: Toshiba Elevator, Toshiba Lighting & Technology, Toshiba Carrier. Toshiba Tec, listed company, is not included in above chart.

(C) Kioxia Shares

- While maximizing shareholders' value, Toshiba will immediately monetize Kioxia Shares to the extent which is practically possible to conduct, and it will return the net proceeds in full to shareholders, within the limits stipulated by applicable laws and regulations.

The Strategic Reorganization will separate Toshiba into two distinctive companies leading their respective industries in realizing the target of carbon neutrality and enhancing infrastructure resilience (Infrastructure Service Co.) and supporting the evolution of social and IT infrastructure (Device Co.). The Strategic Reorganization will allow each business to strengthen its competitiveness through clarifying growth strategies, facilitating more agile decision-making and optimizing cost structures, and deliver sustainable and profitable growth and enhanced shareholder value.

Toshiba will also steadily move forward with the monetization of Kioxia Shares and the return of the proceeds to shareholders.

(2) Reasons, etc. for proposal

Toshiba established the Strategic Review Committee (the "SRC") in June 2021 and had been working on the formulation of a business plan to maximize shareholder value. After evaluating and examining various strategic options over a period of approximately five months with analysis and input from the SRC, Toshiba determined in November 2021 that the best option was to spin-off the two core businesses - the energy & infrastructure business and the electric device & storage business - from the Toshiba Group as new listed companies, making them independent listed companies.

As the above scheme could be the first spin-off of such size in Japan, after the announcement, Toshiba consulted with parties concerned to confirm the details, and as a result, it turned out there were obstacles which were not initially expected. Therefore, in order to increase the certainty of realization, Toshiba refined the transaction scheme, while maintaining the fundamental policy of operating the two core business domains independently, and announced the outline thereof on February 7, 2022. Specifically, Toshiba decided that it would be more appropriate to get Device Co., engaging in Toshiba's electronic device & storage business, listed through a distribution of its shares to Toshiba's shareholders and restructure itself into two independent listed companies - Infrastructure Service Co., which would engage in the energy & infrastructure business, and Device Co., which would engage in Toshiba's electronic device and storage business - and to thereby simplify the spin-off scheme while keeping the essence of the original plan intact.

(i) Significance of the Strategic Reorganization

As Toshiba announced in November 2021, the Strategic Reorganization is the optimal measure to resolve our current issues, eliminate the conglomerate discount, and pursue sustainable and profitable growth and enterprise value creation, and we believe the following concerning the significance of the Strategic Reorganization.

The first point is that this will enable the unlocking of existing value of each business: It will be possible to use the Strategic Reorganization as an opportunity to eliminate conglomerate discount and formulate clear growth strategies optimized for the unique characteristics of each business, including business cycle, market conditions, and CAPEX needs. While examining the strategy in detail, Toshiba carried out a comprehensive review of its portfolio, and as we announced on February 7, 2022, we were able to identify core/non-core businesses and solidify our plan to externalize the non-core businesses. After the announcement in November 2021, the SRC has reviewed the executive officers' considerations, including supervising the implementation of the "7 Recommendations" presented by the SRC. At the same time, the SRC held dialogues with shareholders and potential future shareholders, and utilized the feedback obtained from these dialogues into the review. All of these activities have been reported to the Board of Directors.

Next, this will enable the formulation of capital allocation measures for R&D, CAPEX, M&A, shareholder returns, etc. based on each company's medium-to-long-term growth strategy. As we announced on February 7, 2022, we have also examined robust financial models and capital structure tailored to the operational risks of each business after the separation.



Separation provides an opportunity for the current complicated organizational structure to become specialized, making it possible to establish a management structure comprising members who are equipped with expertise in each business. We believe this will also enable agile and flexible operations according to business characteristics of each in relation to examination of the actual businesses' operational and R&D structures. A streamlining of the management structure will also make it easier to facilitate strategic alliances with partners interested in a specific business domain.

Finally, the Strategic Reorganization will also allow us to create investment opportunities suited to the investment time horizon and risk-return profiles of each investor, providing more options for potential shareholders.

Toshiba has constantly evolved by changing its corporate structure in accordance with the change of the times over its more than 140-year history. The implementation of the Strategic Reorganization aims to make Infrastructure Service Co. and Device Co. leading companies in their respective business categories.

This bold strategic reorganization is aimed at becoming the first qualified reorganization by a large Japanese company to utilize the so-called tax-qualified spin-off system under the Corporation Tax Act, and we believe that this will contribute to the vitalization of Japanese industry. We believe that this will realize value for Toshiba Group's businesses, provide investment opportunities for shareholders and investors, and contribute to the benefit of all stakeholders, including customers, business partners and employees.

(ii) Regarding the refinements to the scheme for the Strategic Reorganization

Toshiba refined the scheme for the Strategic Reorganization from a 3-way split to a 2-way split. The reasons are first, that compared to the 3-way split, the 2-way split allows for a more stable financial structure, eliminating uncertainties about maintaining Toshiba's stock listing.

Next, compared to the 3-way split, the 2-way split makes it easier to establish a strong, disciplined governance structure, by reducing the required number of management structures.

It also turned out that the 2-way split can significantly reduce the separation cost compared to the 3-way split.

The operational burden of the listing review can also be reduced significantly when listing only one company, instead of two, reducing the workload for the personnel in charge handling the listing review.

(iii) Regarding governance

With respect to governance of those companies, both Infrastructure Service Co. and Device Co. are committed to improving governance as set out in the release titled "Notice Regarding Recurrence Prevention Measures Based on Suggestions in Investigation Report of Governance Enhancement Committee" dated December 16, 2021, and the Strategic Reorganization will divide businesses with differing characteristics into separate companies, which we believe will allow them to achieve more efficient and effective governance suited to the business characteristics of each company. It is planned for Device Co. to also adopt the "Company with Three Committees" corporate governance system for the purpose of improving governance, but Toshiba also hopes to receive opinions from a broad range of shareholders on the governance system and governance strategy, and will strive to make further improvements.

(iv) Portfolio review

Since November 2021, Toshiba has continued to consider how to maximize shareholder value and particularly made focused efforts in response to the 7 Recommendations proposed by the SRC in November, 2021. The status of these efforts was also included in the February 7, 2022 announcement. Additionally, Toshiba is continuing its review with respect to its portfolio.

As announced in "(Update) Notice Regarding Toshiba Group's Strategic Reorganization" dated February 7, 2022, Toshiba has decided to review its business portfolio. Toshiba's elevator, lighting and air conditioning businesses have a stable earnings base; however, these have weak relationships with Toshiba's core businesses. Toshiba aims to realize the value of these by reorganizing with potential external business partners and raising external capital. Toshiba and US-based Carrier signed a share purchase agreement that anticipates completion of the transfer by September 2022, as detailed in its announcement titled "Notice Regarding Transfer of Shares of Toshiba's Consolidated Subsidiaries in the Air-Conditioner Business" dated February 7, 2022. Toshiba will start the process of selling its elevator and lighting businesses, and aim for

definitive agreements by the end of FY2022. Next, in developing its strategic plan, Toshiba has designated Toshiba Tec Corporation (“Toshiba Tec”) as a non-core business. Toshiba will work with Toshiba Tec in the short term to the extent practically possible to facilitate Toshiba Tec's own mid- to long-term business plan following this designation.

(v) Shareholder returns, etc.

As announced in the release titled “Notice Regarding Shareholder Return Policy” dated February 7, 2022, Toshiba intends to maintain an average consolidated dividend payout ratio of at least 30% (\*Note), and shareholders' equity in excess of the appropriate level will be used to provide shareholder returns, including share repurchases.

(\*Note) For the time being, equity method profit and loss for Kioxia is excluded from Toshiba's policy on shareholder returns.

The appropriate level of capital shall be reviewed by the Board of Directors on a regular basis. And, the capital in excess of the appropriate level will be used to provide shareholder returns, including share repurchase in FY22 and FY23, to the extent that it would not interfere with the smooth execution of the Strategic Reorganization. As stated in the “Outline of the proposal,” with respect to the policy for the return of Kioxia Shares, “While maximizing shareholders’ value, Toshiba will immediately monetize Kioxia Shares to the extent which is practically possible to conduct, and it will return the net proceeds in full to shareholders, within the limits stipulated by applicable laws and regulations.” It is expected that the capital will exceed the appropriate capital level by approximately 300 billion yen in the next two years, assuming the smooth execution of the business plan announced on February 7, 2022. This excess capital will be used for shareholder returns to the extent that it does not interfere with the smooth execution of the Strategic Reorganization.

The capital structure of Infrastructure Service Co. and Device Co. will be further considered by taking account of maintaining the issuer credit rating at the similar level with those of the benchmark companies.

Toshiba will continue to examine improvements in shareholder value.

<Reference materials>

Please also refer to the information distributed on “TOSHIBA IR DAY” held on February 7 and 8, 2022 from the following URL.

<https://www.toshiba.co.jp/about/ir/jp/pr/opr20220207.htm>

(In English <https://www.toshiba.co.jp/about/ir/en/pr/pr20220207.htm>)

- Shareholder proposals (Proposals Nos. 2 and 3) -

Proposals Nos. 2 and 3 are proposals by our shareholder, 3D INVESTMENT VALUE MASTER FUND (the “Proposing Shareholder”).

With the exception of some changes in formatting and layout, the content and reasons for each proposal are presented as received from the Proposing Shareholder.

**The Board of Directors of the Company is opposed to and advises our shareholders to vote against Proposals Nos. 2 and 3.**

The reasons for opposing Proposals Nos. 2 and 3 are stated on page 15 through page 18.

Shareholder proposals:

**Proposal No. 2:**

**Partial amendment of the Articles of Incorporation**

(1) Summary of the agenda:

The following new chapter shall be added to the Articles of Incorporation of Toshiba.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
(Newly stipulated)	<u>Chapter VI Implementation of Board’s Strategic Reorganization Plans</u>  <u>(Implementation of Board’s Strategic Reorganization Plans)</u> <u>Article 32: The Company shall implement any strategic reorganization plan developed by the Strategic Review Committee of the Board (which was formed on June 25, 2021) and approved by the Board, in a manner and timeframe to be determined by the Board and subject to approvals and other legal requirements of the Companies Act and other applicable laws; for the avoidance of doubt, the "Strategic Reorganization to Separate Into Three Standalone Companies" plan, which was announced by Toshiba on November 12, 2021, shall be considered a “strategic reorganization plan” for purposes of this Article 32.</u>
Chapter <u>VI</u> Accounts	Chapter <u>VII</u> Accounts
(Business Year) Article <u>32</u> : (Omitted)	(Business Year) Article <u>33</u> : (Omitted)
(Dividends of Surplus, etc.) Article <u>33</u> : (Omitted)	(Dividends of Surplus, etc.) Article <u>34</u> : (Omitted)
Supplementary Provision	Supplementary Provision
(The Interim Measures with Respect to the Exemption of Liabilities) Article <u>34</u> : (Omitted)	(The Interim Measures with Respect to the Exemption of Liabilities) Article <u>35</u> : (Omitted)

(2) Reason for proposal

On November 12, 2021, Toshiba announced the policy to implement a strategic reorganization (the “Reorganization”)

whereby two core businesses will be separated from the group of Toshiba as new publicly traded companies and split the group of Toshiba into three independent companies.

Whether or not to proceed the Reorganization is significant and important decision for Toshiba.

The Proposing Shareholder proposes this partial amendment to the Articles so that Toshiba's policy regarding the implementation of the recommendation from the Strategic Review Committee ("SRC"), including its November 12 recommendation that was supported by the Board, is clear.

If the shareholders support this partial amendment to the Articles, Toshiba will have a clear mandate to implement the Reorganization and can proceed with the substantial work that needs to occur to separate Toshiba into three publicly traded companies.

If shareholders do not support this partial amendment to the Articles, Toshiba and its

Board will know that shareholders are not supportive of the current conclusions of the SRC or the Reorganization at this time.

The Proposing Shareholder does not intend to vote for this partial amendment to the Articles because it does not believe Toshiba should implement the Reorganization without first further exploring other alternatives thoroughly.

The Proposing Shareholder dissents for the reasons:

On November 12, 2021, Toshiba announced the policy to implement a strategic reorganization whereby two core businesses will be separated from the group of Toshiba as new publicly traded companies and split the group of Toshiba into three independent companies.

This announcement was based on a recommendation from the Strategy Committee ("SRC").

However, we believe the process that the SRC followed to arrive at this recommendation was flawed and that the recommendation is therefore not reliable.

The SRC explained the process it used to arrive at its conclusion in a publicly released document entitled the "Update to shareholders on the process leading to the spin-off plan taken by the Strategic Committee of the Board of Directors (Japanese translation)" (the "SRC Report"). It is clear from the SRC Report that during its review of alternatives for enhancing corporate value, the SRC did not provide financial investors with formal due diligence opportunities and excluded strategic investors from the review entirely based on speculation that "strategic investors are unlikely to be interested in the acquisition of Toshiba as a whole."

Furthermore, discussions with financial parties regarding potential large minority investments in Toshiba discontinued based on speculation that "it is difficult to gain the support of existing shareholders" and "it is not necessarily consistent with the interests of general shareholders."

We believe these actions by the SRC make its evaluation of alternatives incomplete and its recommendation unreliable.

In addition, there are serious questions about the independence of SRC from executive officers.

According to the SRC Report, executive officers provided potential private equity investors with an extremely conservative business plan, which was later publicly released on November 12, 2021.

That plan did not show any substantial growth for Toshiba or opportunities for significant profit enhancement.

We believe the plan was too pessimistic and that private equity investors would not find the plan to be sufficiently ambitious to warrant their attention or capital.

Furthermore, the executive officers "expressed concern" to the SRC regarding the impact on Toshiba's business that could arise from changes in the group's ownership structure.

This too, we believe, was pessimistic and undoubtedly led to concerns among potential private equity investors.

Overall, we believe the SRC process was distorted by an overly conservative business plans and executives that over emphasized certain risks (regulation, employment, customer departure, etc.) associated with a change in ownership.

Importantly, there is no reason to believe the Reorganization will solve Toshiba's long-standing problems.

Instead, it will merely create three "small Toshibas" with similar problems.

Toshiba have not been able to create corporate value under the direction of the executive officers over the past 20 years. There is a risk that this Reorganization will just create three companies that have the same bad corporate culture. It is said that Toshiba plans to complete the reorganization in the second half of fiscal 2023. During the two years leading up to the Reorganization, there are concerns that Toshiba will be sluggish as a conglomerate without a strategy. Furthermore, we expect to incur approximately ¥10 billion in costs associated with the Reorganization from fiscal 2021 onward. Creating corporate value is achieved by selectively and intensively investing resources in core businesses and maximizing the value of non-core businesses. If strategic and financial investors can create higher value from the whole company or non-core businesses, the SRC and Toshiba should have fully considered those opportunities. The SRC and Board should seek the best forms of ownership and operation, so that Toshiba and its stakeholders can realize the potential value of each of its businesses. We believe there was a “rush to judgment” and insufficient analysis of the opportunity an ownership change could present for Toshiba. The Proposing Shareholder is opposed to the implementation of the Reorganization and the recommendations of the SRC because it believes the SRC process was flawed. The Proposing Shareholder therefore intends to vote against this proposal.

**Proposal No. 3:**

**Re-examination of strategy adopted by the Strategic Committee and the Board of Directors**

(1) Summary of the agenda

Shareholder resolution:

The shareholders hereby request the Strategic Review Committee and the Board of Directors to continue their strategic review to ensure all alternatives are fully considered and measured against the Reorganization Plan that has been previously recommended, including by (i) actively engaging in discussions regarding a going-private transaction or minority investment in the Company, and (ii) regularly reporting in detail to shareholders on all efforts, proposals received, and matters evaluated.

(2) Reason for proposal

On November 12, 2021, Toshiba announced the policy to implement a strategic reorganization (the “Reorganization”) whereby Toshiba will spin off two core businesses from the group of Toshiba as new publicly traded companies and split the group of Toshiba into three independent companies.

The Proposing Shareholder opposes the Reorganization because the Proposing Shareholder believes that the Strategic Review Committee (“SRC”) did not conduct a thorough review of all strategic alternatives.

This Proposal 2 provides direction to the SRC to continue its review of alternatives and, in particular, to engage actively with potential buyers and investors in Toshiba to full explore whether such a transaction or series of transactions is more attractive than the Reorganization.

The proposal asks the SRC to continue its process of evaluating how best to enhance corporate value and review a change in ownership structure (including complete take private transactions and minority investments from financial or strategic parties).

The proposal would also call upon the SRC to report on its activities in detail to the shareholders.

The Proposing Shareholder believes that it is appropriate for the SRC to continue this work even if stockholders tentatively support the Reorganization because the SRC and the Board should always be evaluating a full range of opportunities to enhance corporate value.

Some shareholders, including the Proposing Shareholder, will not support the Reorganization unless and until the SRC fully explores other alternatives.

Accordingly, the Proposing Shareholder proposes this proposal to ensure that the SRC and the Board of Directors examine the corporate strategy by conducting an “objective and thorough review process” and, further, enables shareholders to verify the process.

The Proposing Shareholder intends to support this Proposal 2 because the Proposing Shareholder believes that Toshiba's SRC should conduct a more complete review of strategic alternatives.

Opinion of the Board of Directors in opposition to Proposals Nos. 2 and 3.

[Opinion]

The Board of Directors of the Company is opposed to and advises our shareholders to vote against Proposals Nos. 2 and 3.
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(1) General

As described in Proposal No. 1, “Reasons, etc. for proposal,” the Toshiba’s Board of Directors has received the Strategic Review Committee (the “SRC”) of Toshiba’s recommendations with regard to the strategic direction of the Company. The Board of Directors has also conducted thorough discussions before announcing the Separation Plan. Thereafter, Toshiba has continued, among other things, to refine the Separation Plan, review the portfolio, and review shareholder returns, based on further input from shareholders and management. Toshiba believes that the proposed Separation Plan is the best course of action for shareholders and other stakeholders of Toshiba.

The SRC, which consists of five independent outside directors, has conducted a thorough and rigorous review with appropriate advice from legal, financial and other advisers. The Board of Directors believes that this review process, including the structure and the proper exercise of business judgement, represents its best efforts.

(2) Opposition to Proposer’s criticism regarding review process, etc. of the SRC

Although the Proposer has criticized the review process, etc. of the SRC, the Toshiba’s Board of Directors does not accept such criticism for the following reasons:

- The Proposer states that “the process that the SRC followed to arrive at this recommendation was flawed and that the recommendation is therefore not reliable”. As described in “Strategic Review Committee of Toshiba Board of Directors Provides Update to Shareholders on Process Leading to Separation Plan” dated November 12, 2021 (the “SRC Letter”), however, between June 25 and November 12, the SRC met 18 times, on a weekly basis. In addition, over 50 ad hoc sessions were held among the SRC members and with outside parties, including shareholders, potential investors and other market participants. As such, the SRC spent a great deal of time and effort reviewing strategic options, thoroughly and comprehensively, including the possibility of a change in ownership of the whole or parts of the Toshiba group, far beyond what is generally expected as a duty of outside directors. Toshiba believes that the Proposer’s criticism is unfounded.
- The Proposer states that the exclusion of strategic investors from the review, and the discontinuation of discussions with financial investors regarding potential minority investments in Toshiba are based on “speculation”. As stated in the SRC Letter, however, decisions concerning discussions with such parties were based on responses from strategic investors and after careful discussions with financial investors during the SRC’s deliberations. The reason Toshiba did not provide financial investors with “formal due diligence” opportunities was that, as stated in the SRC letter, running a sales process would have led to a pre-determined outcome that would have precluded a thorough review of a more complete range of alternatives. Toshiba determined that it was not necessarily appropriate to invest a disproportionate amount of time and resources in providing formal due diligence opportunities at a time when the SRC was comparing and exploring the various strategic alternatives. Toshiba believes that the discussions between the selected SRC members and several PE funds, conducted over three rounds, provided a meaningful perspective on the price level at which the private equity funds believed a privatization could be accomplished.
- The Proposer argues that there are serious questions about the independence of the SRC from executive officers, but the reason for this assertion is not made clear. The SRC ran its own independent process with its own advisers and, as stated above, met multiple times to consider the way forward. In addition, the Proposer argues that

“executive officers provided potential private equity investors with an extremely conservative business plan” and pointed out that private equity investors would not find the plan to be sufficiently ambitious to warrant their attention or capital. However, Toshiba’s business plan was diligently prepared by the executive officers balancing feasibility and attainability taking into account the requirements of shareholders, the Board of Directors and the SRC. There is no reason to believe that the business plan presented to the potential equity investors were “extremely conservative” nor was different in any material respect to the plan presented on November 12, 2021.

- The Proposer has criticized the “concerns” expressed by the executive officers to the SRC regarding the impact on Toshiba’s business following a change in the group’s ownership structure as “pessimistic and undoubtedly led to concerns among potential private equity investors”. However, such concerns were legitimate points to consider associated with a privatization of a listed company and were both considered by the SRC and were discussed with each PE fund. As described in the SRC Letter, the SRC heard the opinions from the PE funds on these points and took them into consideration during its review, decision-making and formulation of recommendations to the Board of Directors. The SRC heard the opinions of the executive officers and the PE funds (and certain of their investee companies) and conducted a fair and balanced assessment of the executive officers’ concern. The Proposer argues that “the SRC process was distorted by an overly conservative business plans and executives that over emphasized certain risks (regulation, employment, customer departure, etc.) associated with a change in ownership”, but such argument is not consistent with the work carried out by the SRC.
- The Proposer concludes that, with respect to the SRC’s recommendation, “there was a ‘rush to judgment’ and insufficient analysis of the opportunity an ownership change could present for Toshiba”. However, the Proposer did not present any specific grounds for reaching this conclusion. For the reasons stated above, Toshiba believes that this conclusion is without foundation.

### (3) Opinion on Proposal No. 2

Toshiba’s Board of Directors opposes Proposal No. 2 and recommends the shareholders to exercise their voting rights against it for the following reasons:

*Legally binding resolution will be obtained at later stage.*

Toshiba believes that the EGM is a forum for constructive discussions with the shareholders, and Toshiba is not reluctant to review and discuss the contents of the Strategic Reorganization with shareholders. Indeed, it has already done so after the November 12, 2021 and February 7/8, 2022 presentations. However, with respect to the Strategic Reorganization, the legally binding resolution will be adopted at the General Meeting of Shareholders to be held in 2023 after the details of the Strategic Reorganization are finalized. At this point, when not all the major elements of the Strategic Reorganization have been finalized, Toshiba believes that it would not be appropriate to adopt a legally binding resolution on the Strategic Reorganization: shareholders deserve to be in possession of all pertinent facts and considerations when being asked to vote on a legally binding matter.

*The proposed amendment does not fit in the Articles of Incorporation.*

Even if it was appropriate to adopt a legally binding resolution at this time, considering that (i) the Articles of Incorporation are supposed to document the basic matters related to the organization and management of the Company, and (ii) the Strategic Reorganization contains specific matters that should be subject to the business judgment of Toshiba’s Board of Directors and management, Toshiba believes that the proposed amendment to the Articles of Incorporation of Proposal



No. 2 falls outside the scope of the Articles of Incorporation, that is generally understood.

*This is an extremely unusual proposal – Even the Proposer is opposing it.*

The Proposer who made Proposal No. 2 has indicated that it intends to exercise its voting rights to oppose the relevant proposal. Such a contradicting shareholder proposal is extremely unusual, and it is doubtful whether the amendment to the Articles of Incorporation is constructive. Toshiba's Board of Directors cannot support the proposal which even the Proposer itself opposes. This contradiction begs the question of whether or not this is a proposal at all.

*Disapproval of Proposal No. 2 does not mean disapproval of the Strategic Reorganization.*

For the avoidance of doubt, support for the Strategic Reorganization should be determined upon approval or disapproval of Proposal No. 1, and even if Proposal No. 2 is disapproved, it does not necessarily imply that "shareholders are not supportive of the current conclusions of the SRC or the Reorganization at this time", as the Proposer states in its "Reason for the proposal." Accordingly, if the shareholders with a majority of voting rights agree to Proposal No. 1, regardless of the outcome of Proposal No. 2, Toshiba will respect such shareholders' intention and proceed with the Strategic Reorganization, for formal approval at a later date. Otherwise, the shareholders with one-third of the voting rights would enjoy negative control and would be able to prevent the possibility of implementing the Strategic Reorganization against the wishes of a majority of shareholders. We believe that the intention of a majority of shareholders should be respected.

#### (4) Opinion on Proposal No. 3

Toshiba's Board of Directors opposes Proposal No. 3 and recommends the shareholders to exercise their voting rights against it for the following reasons:

*Toshiba believes that the Strategic Reorganization is the best course of action*

After a thorough examination by the Board of Directors and the SRC, Toshiba believes that the Strategic Reorganization in Proposal No. 1 is the best course of action to enhance its corporate value; however, the Board of Directors and the SRC are continuing to consider measures to increase corporate value. Specifically, Toshiba, including the Board of Directors and the SRC, has continued to discuss individual proposals and portfolios reviews based on the Strategic Reorganization after the announcement of the Strategic Reorganization on November 12, 2021. If Proposal No. 1 is approved by shareholders, Toshiba will follow the shareholders' wishes and focus on implementation of the Strategic Reorganization, and make every effort for the promotion thereof.

*Toshiba will not eliminate other strategic options, but how to consider such options should be left to management decisions*

Although it is not clear what "(i) actively engaging in discussions regarding a going-private transaction or minority investment in the Company" means (which is proposed by the Proposer) and considering the reasons for the proposal to Proposal No. 2 by the Proposer, if this means, for example, immediate implementation of a bidding procedure for a going-private transaction or minority investment and providing "formal due diligence" opportunities, Toshiba believes that it is not necessarily appropriate to invest a disproportionate amount of time and resources in providing formal due diligence opportunities at this stage where Toshiba should focus on implementation of the Strategic Reorganization. Or, if this means a dialogue that does not provide "formal due diligence" opportunities and consideration based on such dialogue, it has already been implemented as a part of an objective and thorough review process by the SRC.

Toshiba has thoroughly considered, and will continue to consider, whether this Strategic Reorganization is, compared to other strategic options, in the interests of (i) enhancing the corporate value of the Toshiba Group, and (ii) shareholders as well as stakeholders, such as customers, business partners, employees and local communities.

In addition, as stated before, if a specific, realistic, and *bona fide* acquisition proposal is made, the Board of Directors will seriously consider it. However, whether to pursue one strategic option (in Toshiba's case, the Strategic Reorganization) while simultaneously considering other strategic options (in Toshiba's case, for example, a going-private transaction) is a matter to be decided, taking into account, among other things, time, management resources and likely benefits on a case by case basis, by a company's board of directors, which is charged with such a responsibility and which should be regarded as the most informed and the most appropriate body to rightfully exercise appropriate business judgment. Toshiba is concerned that if the Board of Directors is directed to follow a certain course of actions decided by a general meeting of shareholders, it would (i) undermine the management's responsibility to manage Toshiba and exercise its business judgment and (ii) prevent Toshiba from formulating flexible strategic policies for the future, which may hinder enhancement of corporate value and ultimately shareholder value. Such idea also contradicts the basic notion of the separation of ownership and management in publicly traded companies.

*Full disclosure of information will work against Toshiba's and shareholders' interests*

Proposal No. 3 states to "(ii) regularly reporting in detail to shareholders on all efforts, proposals received, and matters evaluated," but such information is often not suited for disclosure, and is generally subject to third party confidentiality considerations, so it is often not practical to regularly report the details of the proposals received and the review results to the shareholders. Indeed, the disclosure of certain sensitive information would damage the corporate value. Of course, Toshiba will continue to disclose information in a timely and appropriate manner based on reasonable judgment in compliance with laws and regulations, and has disclosed information, including the SRC review process, more frequently and in more detail than those generally required in practice. However, it is extremely unrealistic for a publicly traded company to disclose in detail all information concerning strategic policies. Rather than disclosing all such information, Toshiba believes that it is a common and reasonable approach to allow the directors and management (who are charged with such responsibility and subject to confidentiality obligations to Toshiba) to evaluate and review such information, and make strategic decisions for Toshiba based on such information. If a detailed information disclosure as requested by the Proposer is a prerequisite for the review procedure to compare and examine strategic options against the Strategic Reorganization with other strategic options, Toshiba believes that it may lead to Toshiba missing an opportunity to receive *bona fide* proposals or other strategic proposals that contribute to the enhancement of corporate value. If Toshiba is required to follow (ii) in Proposal No. 3, it will only make it more difficult to review, improve and implement the Strategic Reorganization.

#### (5) Conclusion

For the reasons stated above, Toshiba's Board of Directors respectfully opposes Proposal No. 2 and Proposal No.3, and recommends its shareholders to exercise their voting rights against them.

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 23, 2022 (Wednesday), Japan time

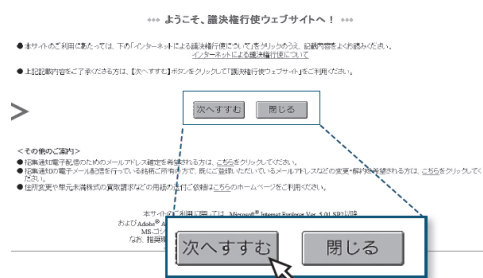
Website for the exercise of voting rights: <https://www.web54.net/><sup>1</sup>

The Board of Directors is opposed to Proposals Nos. 2 and 3. We kindly ask our shareholders who are in agreement with the opinion of the Board of Directors to vote against Proposals Nos. 2 and 3.

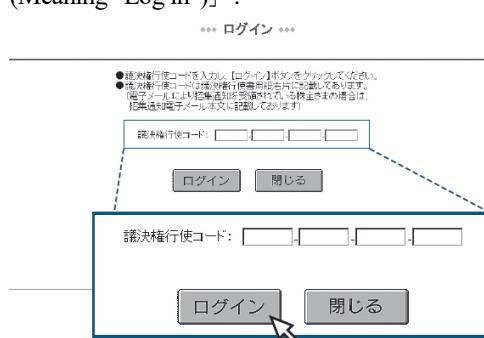
### How to Access

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”)」.



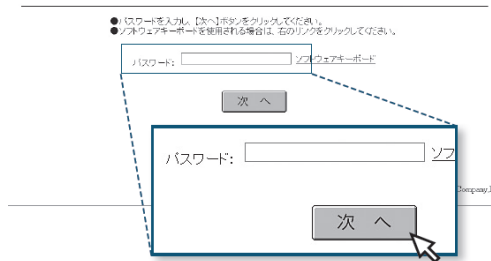
2. Log into the website.  
Input the voting rights exercise code indicated in the Voting Rights Exercise Form, and click 「ログイン (Meaning “Log in”)」.



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

<sup>1</sup> 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 Extraordinary General Meeting of Shareholders. A new password will be issued for future general meetings 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: 0120-652-031<sup>2</sup>

(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

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

Telephone: 0120-78-6502<sup>3</sup> (Direct line – toll free)  
(Operating hours: 9:00 a.m. to 5:00 p.m. weekdays, Japan time)

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