

(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

November 7, 2023

(Start date of measures for electronic provision: October 31, 2023)

To All Shareholders

Taro Shimada
Director
Representative Executive Officer,
President and CEO

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.

For the convocation of the General Meeting of Shareholders, we have taken measures for the electronic provision of information contained in the Reference Materials and other materials for the General Meeting of Shareholders (matters for electronic provision measures). These matters are posted on the Toshiba website. Please access the following website for details.

Toshiba website: <https://www.global.toshiba/ww/ir/corporate/stock/meeting.html>

(Please access the website above for information.)

Matters for electronic provision measures are also posted on the Tokyo Securities Exchange (TSE) website below.

Tokyo Securities Exchange website (TSE listed company search services)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the TSE website, type and search “Toshiba” in the “Issue name (company name)” search bar or Toshiba’s securities code “6502” in the “Code” search bar, select “Basic Information” and then select “Documents for public inspection/PR information.” You can then see the information in the “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” section under the “Filed information available for public inspection” section.

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 Tuesday, November 21, 2023 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,

1. Date and Time: Wednesday, November 22, 2023 at 10:00 a.m. (Doors open at 9:00 a.m.), Japan time

2. Venue: **Belle Salle Shinjuku Grand**, 17-3, Nishi-shinjuku 8-chome, Shinjuku-ku, Tokyo, Japan

3. Agenda for the Meeting

Matters for resolution:

Proposal No1: Share consolidation

Proposal No2: Partial amendment of the Articles of Incorporation

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. on Tuesday, November 21, 2023, Japan time.

Via the Internet:

Please see the “Request upon the Exercise of Voting Rights through the Internet” on pages 43 to 45 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.

Notes:

- * If you exercise voting rights both by mail and through the Internet (computer or smartphone), in principle, the exercise of the voting rights through the Internet will be treated as effective regardless of the timing of the arrival; provided, however, that if no later than the 5:15 p.m., November 21, 2023 (Tuesday), deadline for exercising voting rights, there is a clear statement of intent of the shareholder that the exercise of voting rights by mail shall take precedence over the exercise of voting rights through the Internet, such manifestation of intent will be obeyed. If you exercise voting rights twice or more through the Internet, the most recent exercise of voting rights will be treated as effective.
- * For this year’s General Meeting of Shareholders, reference materials for the General Meeting of Shareholders have been sent to all shareholders regardless of whether there is a request for document delivery.

- * 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 proposal for this General Meeting of Shareholders.
- * Any changes in the Reference Material for the General Meeting of Shareholders will be posted on the Toshiba website and the TSE website noted on the top page of this convocation notice.
- * The English translation of this convocation notice is available on the Company's English website below.

Company website (English): <https://www.global.toshiba/ww/ir/corporate/stock/meeting.html>

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, that are considered to be of particular interest to shareholders before accepting other questions. For the purposes of preparation, please submit the questions so that they will arrive by 5:15 p.m. on Wednesday, November 15, 2023, 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 & Compliance Department, Toshiba Corporation, 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan

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

REFERENCE MATERIAL FOR THE GENERAL MEETING OF SHAREHOLDERS

1. Total Number of Voting Rights Held by the Shareholders Who Can Exercise Voting Rights: 4,318,111
2. Agenda and Reference Information

Proposal No1: Share consolidation

1. Reasons for Share Consolidation

As announced in the Company's disclosure materials dated August 7, 2023 entitled "Announcement of Opinion of Commencement of the Tender Offer to be Conducted by TBJH Inc for the Company Shares" (as amended, the "**August 7 Disclosure Material**"), TBJH, Inc. (the "**Tender Offeror**") (the Tender Offeror changed its corporate form from a *Godō-Kaisha* to a *Kabushiki-Kaisha* on September 26, 2023) decided on August 8, 2023 to commence a tender offer (the "**Tender Offer**") for the common shares of the Company (the "**Company Shares**") as the first step in a series of transactions (collectively, the "**Transaction**") in order for the Tender Offeror to become the sole shareholder of the Company and have the Company privatized.

As announced in the Company's disclosure materials dated September 21, 2023 entitled "Announcement of the Results of the Tender Offer by TBJH Inc. for the Company Shares and Change of the Parent Company and the Largest Shareholder Among the Major Shareholders" (the "**September 21 Disclosure Material**"), the Tender Offeror acquired 340,459,163 Company Shares (Ownership Ratio (Note): 78.65%) as of September 27, 2023 (the settlement commencement date of the Tender Offer).

(Note) "Ownership Ratio" hereinafter means the percentage owned (rounded to the second decimal place) of the difference (432,880,186 shares) between (i) the total number of issued and outstanding shares of the Company as of June 30, 2023 (433,397,301 shares) as stated in the "Consolidated Financial Results for the First Quarter of the Fiscal Year 2023, Ending March 2024 (Under U.S. GAAP)" announced by the Company on August 7, 2023 and (ii) the number of treasury shares held by the Company as of the same date (517,115 shares).

As stated in "iii. Process of and Reasons for Decision-Making by the Company" under "2. Grounds and Reasons for Opinion" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer" in the August 7 Disclosure Material, on April 7, 2022, the Board of Directors of the Company resolved to establish a Special Committee to engage with potential investors and sponsors and explore strategic alternatives, including privatization (the "**Process**") and announced the commencement of the Process on April 21, 2022, and, after the first bid process and the second bid process (including due diligence on the Company conducted by potential partners), negotiations with Japan Industrial Partners, Inc. ("**JIP**") after granting a non-exclusive preferential negotiating right to JIP, and (also after the granting of a non-exclusive preferential negotiating right to JIP) discussions with several potential partners other than JIP, the Company received from JIP on March 3, 2023, a legally binding final proposal letter including commitment letters regarding the Transaction from the fund providers. On the other hand, no specific and feasible proposals were submitted by any of these potential partners other than JIP. Accordingly, the Company and JIP decided to hold discussions and examinations for realization of the Transaction based on the conditions presented by JIP.

As stated in "Announcement of Opinion of Scheduled Commencement of the Tender Offer to be Conducted by TBJH Inc. for the Company Shares" dated March 23, 2023 (as amended, the "**March 23 Disclosure Material**") (the Tender Offeror has changed its corporate form from a *Kabushiki-Kaisha* to a *Godō-Kaisha* on April 18, 2023 but has changed its corporate form again from a *Godō-Kaisha* to a *Kabushiki-Kaisha* on September 26, 2023.),

the Board of Directors of the Company consulted with the Special Committee on the reasonableness of the Transaction in the interest of ensuring the appropriateness of the terms and conditions of the Transaction, including the fairness of the Tender Offer Price (the purchase price per the Company Share in the Tender Offer, which is 4,620 yen, the same shall apply hereinafter), and the fairness of the procedures and other aspects of the fairness of the Tender Offer. Based on such consultation, while respecting the content of the report submitted by the Special Committee on March 23, 2023 (the “**SC Original Report**”) to the fullest extent possible, the Company resolved, at the Board of Directors’ meeting held on March 23, 2023, as its opinion regarding the Tender Offer at such time, to express an opinion supporting the Tender Offer were the Tender Offer to commence and to refrain from making a decision on whether to recommend that the shareholders tender their shares in the Tender Offer (the “**Original Opinion**”) (for details of the circumstances that led to the expression of the Original Opinion and the content of the Original Opinion, please refer to the March 23 Disclosure Material). Thereafter, as stated in “Announcement of Revised Opinion of Scheduled Commencement of the Tender Offer to be Conducted by TBJH Inc. for the Company Shares” dated June 8, 2023 (the “**June 8 Disclosure Material**”), the Board of Directors of the Company continued to consider the appropriateness of the Original Opinion as to whether or not to recommend to the shareholders to tender their shares in the Tender Offer, on which the Company refrained from making a decision in the Original Opinion, in light of the purposes of the Transaction and any additional circumstances surrounding the Company which may subsequently have arisen, and the Company’s Board of Directors resolved, respecting the content of the report submitted by the Special Committee to the Board of Directors as of June 8, 2023 (the “**SC Updated Report**”), to the fullest extent possible, to change the Original Opinion to the opinion to support the Tender Offer were the Tender Offer to commence and to recommend that the shareholders tender their shares in the Tender Offer (the “**Revised Opinion**”), as its opinion at such time, (for details of the circumstances that led to the expression of the Revised Opinion and the content of the Revised Opinion, please refer to the June 8 Disclosure Material).

On the other hand, as stated in the March 23 Disclosure Material, according to the Tender Offeror, the Tender Offeror intends to commence the Tender Offer as soon as practicable (but within ten (10) business days at the latest) from the date on which the conditions precedent set out in the Tender Offer Agreement that have been entered into between the Tender Offeror and the Company on March 23, 2023 (the “**Conditions Precedent**”), including completing all procedures under the applicable overseas competition laws and regulations (as of the same date, the Tender Offeror considered that it would be required to implement the procedures in the United States of America, Canada, Germany, Czech Republic, Romania, the United Kingdom, Morocco, Montenegro, Poland, Spain, Vietnam, India, Saudi Arabia, Egypt, Mexico, Turkey, and Austria) and investment control laws and regulations (as of the same date, the Tender Offeror considered that it would be required to implement the procedures in the United Kingdom, Germany, Italy, the United States of America, Romania, Spain, Canada, Australia, Austria, Czech Republic, Belgium, Denmark, and the Netherlands) (such completion, the “**Clearances**”), are all fulfilled or waived by agreement between the Tender Offeror and the Company, or at the discretion of the Tender Offeror, or on a date separately agreed between the Tender Offeror and the Company; however, as it is difficult to accurately predict the time period required for the Clearances, the details of the schedule of the Tender Offer was supposed to be notified as soon as they are determined.

The commencement of the Tender Offer is subject to the Conditions Precedent, including the Clearances. Therefore, starting from June 8, 2023, the Company from time to time made inquiries to the Tender Offeror concerning the status of the Clearances and confirmed the progress thereof, and based on the subsequent status of the share price, inquiries from shareholders, and other matters, continued to consider the terms and conditions regarding the Tender Offer. The Tender Offeror notified the Company on August 4, 2023 that (i) the Tender Offeror had completed obtaining the Clearances, and (ii) the Tender Offeror would like to commence the Tender Offer starting from August 8, 2023 on the presumption that the other Conditions Precedent have been fulfilled or

waived.

Upon receiving such notification, the Special Committee conducted a confirmatory check, etc. of the facts relating to whether any material changes in the circumstances had occurred after June 8, 2023 that could impact the Transaction, and considered whether there were any changes to be made to the content of the SC Updated Report. As a result, the Special Committee confirmed that no circumstances had arisen requiring the content of the SC Updated Report to be changed, and, pursuant to a unanimous resolution of its members, the Special Committee, on August 7, 2023, submitted to the Company's Board of Directors, a report stating that the Company's Board of Directors should support the Transaction, including the Tender Offer, and recommend the shareholders of the Company to tender their shares in the Tender Offer (the "**SC Second Updated Report**").

In addition, (i) after taking measures described in "(4) Measures for ensuring the fairness of the Transaction and measures for avoiding conflict of interests" under "3. Matters related to Appropriateness of the Consolidation Ratio (Matters related to the Appropriateness of the Provisions regarding the Matters set out in item (i) of Article 180, paragraph (2) of the Companies Act)" below, (ii) in light of (a) the matters stated in the share valuation report obtained by the management team (the Company's business execution organization headed by the Representative Executive Officer; the same shall apply hereinafter) from Nomura Securities Co., Ltd. ("**Nomura Securities**"), as its own independent financial advisor and third-party valuation institution, and the share valuation report obtained by the Board of Directors and the Special Committee from UBS Securities Japan Co., Ltd. ("**UBS Securities**"), as their own independent financial advisor and third-party valuation institution and (b) the legal advice received by the management team from Nishimura & Asahi, as its own legal advisor, and the legal advice received by the Board of Directors and the Special Committee from Nagashima Ohno & Tsunematsu and Morrison & Foerster LLP, as their own independent legal advisors, and (iii) respecting the content of the SC Second Updated Report submitted by the Special Committee, to the fullest extent possible, the Company made its decision regarding the Transaction after having determined that since June 8, 2023 no material changes in the circumstances had occurred that could impact the Transaction and that also as of August 7, 2023, there were no factors that would change the Revised Opinion announced in the June 8 Disclosure Material.

In other words, the Company carefully discussed and examined the terms and conditions of the Transaction from various viewpoints, including share value, transaction structure, contractual terms, fundraising capability, conditions precedent of fundraising, covenants regarding fundraising, management strategies and support systems after the implementation of the Transaction, management policies such as treatment of employees and governance systems, the certainty of, and the time required for, filing notification under the competition and investment control laws and regulations and obtaining governmental and other clearances, and strategic alternatives other than the Transaction. As a consequence, the Company came to consider that, regardless of the disadvantages of the Transaction, i.e., it is not denied that there is possibility of a breach of various financial covenants the Company is required to comply with when JIP borrows money from financial institutions for the Transaction, and there is concern about the adverse impact on the Company's business in the event of such a breach, and that the investors who invest in TB Investment Limited Partnership ("**TBLPS**") who will own approximately 75 % of common shares of the TBJ Holdings, Inc. (the "**Tender Offeror's Parent Company**") after the Transaction, the sole voting shareholder of the Tender Offeror (the "**LP Investors**"), would become the substantial major shareholder of the Company as a result of the Transaction, including many of the Company's business partners, may adversely affect the Company's bargaining power and smooth decision-making in its business operations, on the other hand, the Transaction contributes to the solution of the Company's business environment and management issues, and in particular, in light of the possibility that, as a result of the Transaction, the Company would build a stable management base and implement a consistent business strategy over the medium to long term to reform and grow the Company, and the Company would be able to receive unified support from its shareholders. Given the above, the Company concluded that the Transaction contributes to the enhancement of Company's corporate value.

With respect to the Tender Offer Price, as stated in the March 23 Disclosure Material, as the opinion of the Company at that time, although the Tender Offer at the Tender Offer Price could be considered as a reasonable exit opportunity for the Company's general shareholders to recover their investment, it does not reach a level that clearly can be recommended to general shareholders to tender their shares in the Tender Offer at that time. However, while prominent foreign investors were constrained by potential and unpredictable regulatory concerns, there were no specific and feasible proposals from potential partners other than JIP in the Process, and the price offered by JIP was the only specific and feasible proposed price offered in the Process which was fully competitive and fair. Since the announcement of the March 23 Disclosure Material to August 7, 2023 approximately four and a half months had passed, but the Company had not received any proposals or inquiries from the other investors who participated in the Process or any other investors that would cause the Board of Directors to reconsider the Transaction. In addition, the Company's market share price had remained below the Tender Offer Price. Furthermore, in engaging with several shareholders before and after the announcement of the March 23 Disclosure Material, the Company received positive responses regarding the Process. Thus, the Company's confidence that the Tender Offer Price is the best price that can be expected from potential investors and sponsors had increased.

According to the management team, since the announcement of the March 23 Disclosure Material to August 7, 2023, the Company had received positive responses regarding the Transaction from various stakeholders, including customers, business partners, and employees. The Company recognized once again these expectations to and, ultimately, the importance of establishing a stable business base for the Company through undertaking the Transaction. In addition, Mr. Taro Shimada ("**Mr. Shimada**" or "**CEO Shimada**"), Representative Executive Officer of the Company, had stated his concern that the projections for FY 2024 and FY 2025 in the budget of FY2023 would be difficult to achieve if the Company's management base continues to be unstable, which may in turn result in customer attrition and employee resignations. In such circumstances, it was believed that the Tender Offer Price, which had been obtained through the fully competitive and fair Process, was fair and reasonable and capable of recommendation to the shareholders to tender their shares in the Tender Offer. This seemed to be reinforced by the fact that, given the premium over the Company's share price prior to the Company's receipt of the unsolicited letter from CVC Asia Pacific Limited outlining its very preliminary and not legally binding indication of interest to acquire and take the Company private (the "**CVC Letter**"), the Tender Offer Price includes a reasonable premium compared to the premium level in examples of other tender offers aiming for privatizations by third parties.

The Tender Offer Price is, although the difference is minimal, below the lower limit of the share value range per share as calculated by UBS Securities using discounted cash flow analysis (the "**DCF analysis**") and is within the low 25% range of the share value range per share as calculated by Nomura Securities using the DCF analysis at the time of the announcement of the March 23 Disclosure Material. However, while the share value calculated using the DCF analysis largely depends on the projected figures for FY2025, the final fiscal year in the financial forecast for FY2022 through FY2025 prepared by the Company (the "**Consolidated Financial Forecast**"), it was necessary to bear in mind that there was some doubt attached to achievability of such projected figures because: (i) looking at the past twenty years, including the most recent FY2022, the number of times that the Company achieved the projected performances is limited, and, as such, it is difficult not to conclude that the credibility of the Company in achieving its financial forecasts is generally low, (ii) the Consolidated Financial Forecast assumes a significant increase in profit for FY2024 and FY2025 due to improvements in profit margins in each business, mainly in the device, energy, and infrastructure businesses, which indicates that it is based on a plan with not low hurdles for realization, and (iii) CEO Shimada has stated his concern regarding the achievability of the projected figures for FY2024 and FY2025 in the budget of FY2023 if the Company's management base continues to be unstable. In light of these circumstances, it is not advisable to rely solely on the share valuation calculated using

the DCF analysis which is premised on the Consolidated Financial Forecast, to which a discount, reflecting a lower confidence level, may need to be applied. The fact that the Tender Offer Price remains around the lower limit of the share value range using the DCF analysis in each of the Share Valuation Reports (the share valuation reports as of March 23, 2023, from each of Nomura Securities and UBS Securities in order to ensure the fairness in the decision-making process for the Tender Offer Price presented by the Tender Offeror, subject to certain conditions precedent described in “(ii) Overview of valuation” under “i. Company’s Obtainment of Share Valuation Reports from Independent Third-party Valuation Institutions” under “3. Matters relating to Valuation” under “Details of, Grounds and Reasons for, Opinion of the Tender Offer” in the August 7 Disclosure Material, the same shall apply hereinafter), did not prevent the Tender Offer Price, which has been obtained through a fully competitive and fair Process, from being fair and appropriate and capable of recommendation to the shareholders to tender their shares in the Tender Offer.

At the time of the announcement of the March 23 Disclosure Material, the Company recognized that (i) the weak LBO loan market, rising interest rates and volatile currency, the uncertain macro-economic outlook, and the challenging environment which Kioxia Holdings Corporation (“**KIOXIA HD**”) and KIOXIA Corporation (with KIOXIA HD, collectively, the “**KIOXIA Group**”) were facing, among other factors, had contributed to the Tender Offer Price and (ii) the evaluation of the Tender Offer Price may change if such conditions were to change in the future; and therefore, the Company decided that it was more appropriate to re-consider whether or not the Board of Directors should recommend that the shareholders tender their shares in the Tender Offer and to form its opinion at a time closer to the commencement of the Tender Offer, rather than making a decision at that time. The Company continued to consider the appropriateness of the Original Opinion as to whether or not to recommend to the shareholders to tender their shares in the Tender Offer, on which the Company refrained from making a decision in the Original Opinion, in light of the purposes of the Transaction and any additional circumstances surrounding the Company which may have subsequently arisen. However, as of August 7, 2023, approximately four and a half months having passed since the announcement of the March 23 Disclosure Material, there was currently no anticipation that such external circumstances, including the macroeconomic environment, would improve in the near future and the book value of KIOXIA HD’s shares in the Company’s consolidated accounts had fallen by approximately 94.7 billion yen during the period from the announcement of the March 23 Disclosure Material to August 7, 2023. On the other hand, as mentioned above, according to the management team, the Company had received positive responses regarding the Transaction from various stakeholders, including customers, business partners, and employees during the period from the announcement of the March 23 Disclosure Material to August 7, 2023. This reaffirmed the Company’s recognition of the importance of building a stable management base through undertaking the Transaction. Based on such recognition and also given the fact that there was no room for further negotiation with JIP to increase the Tender Offer Price, the Company had reconsidered the fairness and appropriateness of the Tender Offer Price and had formed the opinion that the Tender Offer Price was capable of recommendation to the shareholders to tender their shares in the Tender Offer.

Given the above, with respect to the Tender Offer, the Company resolved anew, at the Board of Directors’ meeting held on August 7, 2023, to support the Tender Offer and to recommend that the shareholders tender their shares in the Tender Offer again. The resolution of the Board of Directors’ meeting referred to above had been adopted pursuant to the method described in “vii Unanimous Approval by All Directors of the Company” under “(4) Measures for ensuring the fairness of the Transaction and measures for avoiding conflict of interests” under “3. Matters related to Appropriateness of the Consolidation Ratio (Matters related to the Appropriateness of the Provisions regarding the Matters set out in item (i) of Article 180, paragraph (2) of the Companies Act)” .

On another note, the Company understood that, as also reported in a series of media reports, KIOXIA HD and BCPE Pangea Cayman, L.P. (the “**Bain SPC**”) had been discussing a certain potential transaction with a third

party (the “**KIOXIA Transaction Counterparty**”) which possibly involves the business integration of KIOXIA HD and the KIOXIA Transaction Counterparty (the “**KIOXIA Transaction**”). The Company considered entering into a confidentiality agreement and engaging in discussions with KIOXIA HD and Bain SPC. However, as stated below, together with other information available to the Company at that time, the Company concluded that while receiving information regarding the KIOXIA Transaction (the “**KIOXIA Transaction Information**”) at that moment could pose a serious obstacle to implementing the Transaction, the value of referring to the KIOXIA Transaction Information in considering the fairness and appropriateness of the terms of the Transaction would be low, at least as of August 7, 2023. Therefore, the Company had decided not to initiate discussions on the KIOXIA Transaction with KIOXIA HD and Bain SPC at that time.

Were the Company to receive the KIOXIA Transaction Information, the Company would be required to disclose the information at the time of the commencement of the Tender Offer, since the KIOXIA Transaction Information could be construed as material non-public information of the Company. However, it was not appropriate nor reasonable for the Company to unilaterally disclose information related to an important transaction among third parties prior to such parties making their own announcement. Accordingly, it would be fair to assume that if the Company were to receive the KIOXIA Information, it was possible that the Tender Offer could not be commenced until the KIOXIA Transaction has been agreed upon and announced by the parties involved. Therefore, the Company believed that receiving the KIOXIA Transaction Information could pose a serious obstacle to implementing the Transaction.

On the other hand, as stated below, the Company believed that the value of referring to the KIOXIA Transaction Information in considering the fairness and appropriateness of the terms of the Transaction was low as of August 7, 2023:

- The Company cannot deny certain uncertainties may exist in respect of the KIOXIA Transaction such as the probability of obtaining regulatory clearances required under applicable laws and regulations. Furthermore, were such regulatory clearances to be obtained, such clearances would take a certain amount of time.
- Given the volatile nature of the semiconductor memory business, it is likely to be challenging to precisely determine share values in assessing the consideration for the KIOXIA Transaction. In addition, uncertainty may arise with regard to convertibility of the consideration as well as the time required for monetization.
- For the purposes of considering the KIOXIA Transaction in the context of assessment of the fairness and appropriateness of the Tender Offer Price, the terms of the KIOXIA Transaction need to have been definitively agreed upon by the parties other than the Company, at a minimum. However, given that the KIOXIA Transaction has not been made public, it may be reasonable to assume that the terms of the KIOXIA Transaction are not, as of August 7, 2023, sufficiently definitive to allow the Company to make a comprehensive assessment.

If and when a transaction concerning KIOXIA HD is announced by the parties involved, the Company would promptly assess the announcement and, as necessary, review the fairness and appropriateness of the terms of the Transaction again, and provide its opinion to the Company’s shareholders so they might decide whether or not to tender their shares in the Tender Offer. However, no such announcement was made prior to the end of the Tender Offer period.

Following that, as detailed above, the Tender Offer was successfully completed. However, as the Company’s voting rights acquired by the Tender Offeror did not reach 90%, the Company, upon the Tender Offeror’s request, passed a resolution at the Board of Directors of the Company held on October 12, 2023, to submit a proposal to the General Meeting of Shareholders to carry out the share consolidation in which 93,000,000 common Company Shares will be consolidated into one share (the “**Share Consolidation**”) so that the Tender Offeror will become the sole shareholder of the Company on the condition that the approval of the shareholders is obtained at the

General Meeting of Shareholders as described in “2. Details of the Share Consolidation (Matters raised in each item of Article 180, paragraph (2) of the Companies Act” below.

It is expected that as a result of the Share Consolidation, the Company Shares held by shareholders other than the Tender Offeror will become a fraction that is less than one share.

Please also refer to the August 7 Disclosure Material and the September 21 Disclosure Material for details on the background of the Transaction.

2. Details of the Share Consolidation (Matters raised in each item of Article 180, paragraph (2) of the Companies Act)

(1) Consolidation ratio

93,000,000 Company Shares will be consolidated in to one share.

(2) Date on which the Share Consolidation will Take Effect (Effective Date)

December 22, 2023

(3) Total Number of Authorized Shares on the Effective Date

16 shares

3. Matters related to Appropriateness of the Consolidation Ratio (Matters related to the Appropriateness of the Provisions regarding the Matters set out in item (i) of Article 180, paragraph (2) of the Companies Act)

The Share Consolidation with the contemplated consolidation ratio consolidates 93,000,000 Company Shares into one share. The Company has determined that the consolidation ratio is appropriate since the Share Consolidation is to be conducted for the purpose of making the Tender Offeror the Company’s sole shareholder as a part of the Transaction following the successful completion of the Tender Offeror in consideration of the events described above in “1. Reasons for Share Consolidation,” and for the reasons described in each item below.

(1) Matters that have been taken into account to Ensure the Interests of Shareholders of the Company other than the Parent Company, etc. be not harmed if there is such a Parent Company, etc.

As the Share Consolidation is to be conducted as the second step of the so-called two-step acquisition procedure after the Tender Offer, as described in “6. Measures to Ensure Fairness of the Tender Offer Such as Measures to Ensure Fairness of the Tender Offer Price” under “III. Details of, Grounds and Reasons for, Opinion of the Tender Offer” in the August 7 Disclosure Material, as of August 7, 2023, the Tender Offeror owned no more than 100 of the Company Shares (Ownership Ratio: 0.00%) and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, it is not planned that all or some of the Company’s management personnel will make a direct or indirect investment in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout transaction.

Nevertheless, given that the Tender Offeror intends to make the Company a wholly-owned subsidiary and that the opinions and positions of the Company’s shareholders are diverse and widely divided, and some of the Company’s shareholders, in particular, request the Company to proceed with the Process

through procedures that ensure a high degree of fairness and transparency, it is highly required to proceed carefully to ensure the fairness of the Process in order to fully explain to the Company's shareholders and other stakeholders the reasonableness of the Company's considerations and decisions regarding strategic alternatives in the Process. Therefore, the Tender Offeror and the Company have implemented the measures described in "(4) Measures for ensuring the fairness of the Transaction and measures for avoiding conflict of interests" below to ensure the appropriateness of the terms and conditions of the Transaction, including the fairness of the Tender Offer Price, and the fairness of the procedures and other aspects of the fairness of the Tender Offer.

- (2) Matters related to the Cash Settlement (Cash Settlement of Fractional Shares) when the Cash Settlement of Fractions that are Less than One Share is expected
- i. Which treatment (according to the provisions of Article 235, Paragraph 1 or Paragraph 2 of the Companies Act that apply mutatis mutandis in Article 235, Paragraph 2 of the Act) is to be taken and the reasons thereof

As described in "1. Reasons for Share Consolidation" above, through the Share Consolidation, it is planned that the number of Company Shares owned by shareholders other than the Tender Offeror will be a fraction that is less than one share.

When fractions less than one share arise as a result of the Share Consolidation, shares equivalent to the total sum of the fractions (in accordance with Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005; including subsequent amendments; hereinafter the same applies), in cases where the total sum includes a fraction of less than one, the fraction is rounded off) (the "**Aggregate Fractional Shares**") will be sold and the proceeds of that sale will be delivered to shareholders in proportion to the fractions attributed to them. With respect to this sale, as the Share Consolidation is to be conducted as a part of the Transaction for the purpose of making the Tender Offeror the Company's sole shareholder and it is unlikely that a purchaser is to be found through an auction considering the fact that the Company's shares are scheduled to be delisted as of December 20, 2023 and no market price will be available thereafter, it is planned that, upon approval by the court, the Aggregate Fractional Shares will be sold to the Tender Offeror based on the provisions of Article 234, Paragraph 2 of the Companies Act applied mutatis mutandis in Article 235, Paragraph 2 of the Act.

If the prerequisite court approval is received as planned, the sale price is planned to be set so that the Company will deliver to the shareholders listed or recorded in the final register of shareholders as of December 21, 2023 (i.e., the day before the effective date of the Share Consolidation) the amount equivalent to the number of Company Share owned by such shareholders multiplied by 4,620 yen, which is the same as the Tender Offer Price. However, the amount to be actually delivered may differ from the above amount in cases where court approval cannot be obtained or where technical adjustments in fractions are necessary.

- ii. Name of party expected to purchase shares related to the sale
- TBJH, Inc.
- iii. Method of securing funds for payment of the sale consideration by the purchasing party and appropriateness thereof

The Tender Offeror is planning to finance the funds for acquiring the Aggregate Fractional Shares by borrowings from financial institutions, and the Company, by confirming the loan agreement regarding such borrowings from the financial institutions, has confirmed how the Tender Offeror will secure the funds. Further, according to the Tender Offeror, no event affecting the payment of the consideration for the Aggregate Fractional Shares has occurred, and the Tender Offeror is not aware of such event occurring in the future.

Accordingly, the Company determined that the method of securing funds for the payment of the consideration for the sale of the Aggregate Fractional Share is appropriate.

iv. Expected timing of the sale and of delivery of consideration obtained through the sale

After the Share Consolidation takes effect, the Company plans to request approval from the court around early to late January, 2024 for the sale of the Aggregate Fractional Shares to the Tender Offeror in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act that applies *mutatis mutandis* under Article 235, Paragraph 2 of the Act. While the timing for receiving the approval depends on, among others, the circumstances of the court, it is expected that after obtaining the court approval, the sale to the Tender Offeror will take place around early March, 2024, and, after the necessary preparation, delivery of the consideration obtained through the sale to shareholders is expected around mid-March, 2024 to early April, 2024.

Considering the time period required for the series of procedures from the effective date of the Share Consolidation to the sale, the Company views that the sale of the Aggregate Fractional Shares and the delivery of the consideration obtained through the sale is expected to be conducted at the respective times as stated above.

The consideration of the sale will be delivered to the shareholders listed or recorded in the Company's final register of shareholders as of December 21, 2023, the day before the effective date of the Share Consolidation, in a manner similar to the delivery of dividend by the Company.

(3) Matters regarding the Amount of Money to be Delivered to the Shareholders upon the Cash Settlement of Fractional Shares and the Appropriateness of that Amount

The amount expected to be delivered to the shareholders through the sale of the fractions to be resulted from the Share Consolidation is planned to be, as described in “i. Which treatment (according to the provisions of Article 235, Paragraph 1 or Paragraph 2 of the Companies Act that apply *mutatis mutandis* in Article 235, Paragraph 2 of the Act) is to be taken and the reasons thereof” under “(2) Matters related to the Cash Settlement (Cash Settlement of Fractional Shares) when the Cash Settlement of Fractions that are Less than One Share is expected”, that equivalent to the number of Company Share owned by the shareholders listed or recorded in the final register of shareholders as of December 21, 2023 (i.e., the day before the effective date of the Share Consolidation) multiplied by 4,620 yen, which is the same amount as the Tender Offer Price.

With respect to the Tender Offer Price, as stated in the March 23 Disclosure Material, as the opinion of the Company at that time, although the Tender Offer at the Tender Offer Price could be considered as a reasonable exit opportunity for the Company's general shareholders to recover their investment, it does not reach a level that clearly can be recommended to general shareholders to tender their shares in the Tender

Offer at that time. However, while prominent foreign investors were constrained by potential and unpredictable regulatory concerns, there were no specific and feasible proposals from potential partners other than JIP in the Process, and the price offered by JIP was the only specific and feasible proposed price offered in the Process which was fully competitive and fair. Since the announcement of the March 23 Disclosure Material to August 7, 2023 approximately four and a half months had passed, but the Company had not received any proposals or inquiries from the other investors who participated in the Process or any other investors that would cause the Board of Directors to reconsider the Transaction. In addition, the Company's market share price had remained below the Tender Offer Price. Furthermore, in engaging with several shareholders before and after the announcement of the March 23 Disclosure Material, the Company received positive responses regarding the Process. Thus, the Company's confidence that the Tender Offer Price is the best price that can be expected from potential investors and sponsors had increased.

According to the management team, since the announcement of the March 23 Disclosure Material to August 7, 2023, the Company had received positive responses regarding the Transaction from various stakeholders, including customers, business partners, and employees. The Company recognized once again these expectations to and, ultimately, the importance of establishing a stable business base for the Company through undertaking the Transaction. In addition, CEO Shimada had stated his concern that the projections for FY 2024 and FY 2025 in the budget of FY2023 would be difficult to achieve if the Company's management base continues to be unstable, which may in turn result in customer attrition and employee resignations. In such circumstances, it was believed that the Tender Offer Price, which had been obtained through the fully competitive and fair Process, was fair and reasonable and capable of recommendation to the shareholders to tender their shares in the Tender Offer. This seemed to be reinforced by the fact that, given the premium over the Company's share price prior to the Company's receipt of the CVC Letter, the Tender Offer Price includes a reasonable premium compared to the premium level in examples of other tender offers aiming for privatizations by third parties.

The Tender Offer Price is, although the difference is minimal, below the lower limit of the share value range per share as calculated by UBS Securities using the DCF analysis and is within the low 25% range of the share value range per share as calculated by Nomura Securities using the DCF analysis at the time of the announcement of the March 23 Disclosure Material. However, while the share value calculated using the DCF analysis largely depends on the projected figures for FY2025, the final fiscal year in the Consolidated Financial Forecast, it was necessary to bear in mind that there was some doubt attached to achievability of such projected figures because: (i) looking at the past twenty years, including the most recent FY2022, the number of times that the Company achieved the projected performances is limited, and, as such, it is difficult not to conclude that the credibility of the Company in achieving its financial forecasts is generally low, (ii) the Consolidated Financial Forecast assumes a significant increase in profit for FY2024 and FY2025 due to improvements in profit margins in each business, mainly in the device, energy, and infrastructure businesses, which indicates that it is based on a plan with not low hurdles for realization, and (iii) CEO Shimada has stated his concern regarding the achievability of the projected figures for FY2024 and FY2025 in the budget of FY2023 if the Company's management base continues to be unstable. In light of these circumstances, it is not advisable to rely solely on the share valuation calculated using the DCF analysis which is premised on the Consolidated Financial Forecast, to which a discount, reflecting a lower confidence level, may need to be applied. The fact that the Tender Offer Price remains around the lower limit of the share value range using the DCF analysis in each of the Share Valuation Reports, did not prevent the Tender Offer Price, which has been obtained through a fully competitive and fair Process, from being fair and appropriate and capable of recommendation to the shareholders to tender their shares in the Tender Offer.

At the time of the announcement of the March 23 Disclosure Material, the Company recognized that (i) the weak LBO loan market, rising interest rates and volatile currency, the uncertain macro-economic outlook, and the challenging environment which the KIOXIA Group were facing, among other factors, had contributed to the Tender Offer Price and (ii) the evaluation of the Tender Offer Price may change if such conditions were to change in the future; and therefore, the Company decided that it was more appropriate to re-consider whether or not the Board of Directors should recommend that the shareholders tender their shares in the Tender Offer and to form its opinion at a time closer to the commencement of the Tender Offer, rather than making a decision at that time. The Company continued to consider the appropriateness of the Original Opinion as to whether or not to recommend to the shareholders to tender their shares in the Tender Offer, on which the Company refrained from making a decision in the Original Opinion, in light of the purposes of the Transaction and any additional circumstances surrounding the Company which may have subsequently arisen. However, as of August 7, 2023, approximately four and a half months having passed since the announcement of the March 23 Disclosure Material, there was currently no anticipation that such external circumstances, including the macroeconomic environment, would improve in the near future and the book value of KIOXIA HD's shares in the Company's consolidated accounts had fallen by approximately 94.7 billion yen during the period from the announcement of the March 23 Disclosure Material to August 7, 2023. On the other hand, as mentioned above, according to the management team, the Company had received positive responses regarding the Transaction from various stakeholders, including customers, business partners, and employees during the period from the announcement of the March 23 Disclosure Material to August 7, 2023. This reaffirmed the Company's recognition of the importance of building a stable management base through undertaking the Transaction. Based on such recognition and also given the fact that there was no room for further negotiation with JIP to increase the Tender Offer Price, the Company had reconsidered the fairness and appropriateness of the Tender Offer Price and had formed the opinion that the Tender Offer Price was capable of recommendation to the shareholders to tender their shares in the Tender Offer.

On another note, the Company understood that, as also reported in a series of media reports, KIOXIA HD and the Bain SPC had been discussing the KIOXIA Transaction with the KIOXIA Transaction Counterparty. The Company considered entering into a confidentiality agreement and engaging in discussions with KIOXIA HD and Bain SPC. However, as stated below, together with other information available to the Company at that time, the Company concluded that while receiving information regarding the KIOXIA Transaction (the "KIOXIA Transaction Information") at that moment could pose a serious obstacle to implementing the Transaction, the value of referring to the KIOXIA Transaction Information in considering the fairness and appropriateness of the terms of the Transaction would be low, at least as of August 7, 2023. Therefore, the Company had decided not to initiate discussions on the KIOXIA Transaction with KIOXIA HD and Bain SPC at that time.

Were the Company to receive the KIOXIA Transaction Information, the Company would be required to disclose the information at the time of the commencement of the Tender Offer, since the KIOXIA Transaction Information could be construed as material non-public information of the Company. However, it was not appropriate nor reasonable for the Company to unilaterally disclose information related to an important transaction among third parties prior to such parties making their own announcement. Accordingly, it would be fair to assume that if the Company were to receive the KIOXIA Information, it was possible that the Tender Offer could not be commenced until the KIOXIA Transaction has been agreed upon and announced by the parties involved. Therefore, the Company believed that receiving the KIOXIA Transaction Information could pose a serious obstacle to implementing the Transaction.

On the other hand, as stated below, the Company believed that the value of referring to the KIOXIA Transaction Information in considering the fairness and appropriateness of the terms of the Transaction was low as of August 7, 2023:

- The Company cannot deny certain uncertainties may exist in respect of the KIOXIA Transaction such as the probability of obtaining regulatory clearances required under applicable laws and regulations. Furthermore, were such regulatory clearances to be obtained, such clearances would take a certain amount of time.
- Given the volatile nature of the semiconductor memory business, it is likely to be challenging to precisely determine share values in assessing the consideration for the KIOXIA Transaction. In addition, uncertainty may arise with regard to convertibility of the consideration as well as the time required for monetization.
- For the purposes of considering the KIOXIA Transaction in the context of assessment of the fairness and appropriateness of the Tender Offer Price, the terms of the KIOXIA Transaction need to have been definitively agreed upon by the parties other than the Company, at a minimum. However, given that the KIOXIA Transaction has not been made public, it may be reasonable to assume that the terms of the KIOXIA Transaction are not, as of August 7, 2023, sufficiently definitive to allow the Company to make a comprehensive assessment.

If and when a transaction concerning KIOXIA HD is announced by the parties involved, the Company would promptly assess the announcement and, as necessary, review the fairness and appropriateness of the terms of the Transaction again, and provide its opinion to the Company's shareholders so they might decide whether or not to tender their shares in the Tender Offer. However, no such announcement was made prior to the end of the Tender Offer period.

Further, the Company has confirmed that there has not been any material change to the terms and conditions that are the basis for the Company's judgement regarding the Tender Offer Price from the time the Company endorsed the Tender Offer and expressed an opinion recommending that the shareholders of the Company tender their shares in the Tender Offer at the Board of Directors of the Company held on August 7, 2023 until the Board of Directors of the Company held on October 12, 2023 to resolve to convene this General Meeting of Shareholders.

As explained above, the Company believes that the amount of money to be delivered to shareholders upon the cash settlement of fractional shares is appropriate.

(4) Measures for ensuring the fairness of the Transaction and measures for avoiding conflict of interests

As the Share Consolidation is to be conducted as the second step of the so-called two-step acquisition procedure after the Tender Offer, as described in "6. Measures to Ensure Fairness of the Tender Offer Such as Measures to Ensure Fairness of the Tender Offer Price" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer" in the August 7 Disclosure Material, as of August 7, 2023, the Tender Offeror owned no more than 100 of the Company Shares (Ownership Ratio: 0.00%) and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, it is not planned that all or some of the Company's management personnel will make a direct or indirect investment in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout transaction.

Nevertheless, given that the Tender Offeror intends to make the Company a wholly-owned subsidiary and that the opinions and positions of the Company's shareholders are diverse and widely divided, and some of the Company's shareholders, in particular, request the Company to proceed with the Process through procedures that ensure a high degree of fairness and transparency, it is highly required to proceed

carefully to ensure the fairness of the Process in order to fully explain to the Company's shareholders and other stakeholders the reasonableness of the Company's considerations and decisions regarding strategic alternatives in the Process. Therefore, the Tender Offeror and the Company have implemented the measures below, respectively, to ensure the appropriateness of the terms and conditions of the Transaction, including the fairness of the Tender Offer Price, and the fairness of the procedures and other aspects of the fairness of the Tender Offer.

With respect to the statements below, those regarding the measures implemented by the Tender Offeror are based on the explanation given by the Tender Offeror.

i. Implementation of Bidding Procedures

As stated in "(ii) Discussion between the Tender Offeror and the Company and decision-making process, etc. of the Tender Offeror" under "ii. Background, Purpose and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Management Policy Following the Tender Offer" under "2. Grounds and Reasons for Opinion" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer" in the August 7 Disclosure Material above, the Company announced on April 21, 2022 that it would solicit proposals from potential investors and sponsors as potential partners regarding strategic alternatives to enhance the Company's corporate value. On May 31, 2022, the Company received legally non-binding primary proposals from ten investment funds (including some consortiums), including JIP, after conducting an initial due diligence of the Company for potential partners from late April to late May 2022. On September 30, 2022, the Company received a number of more in-depth written indications of interest submitted by multiple potential partners, including JIP, in varying degrees of completeness after comprehensively and carefully selecting several potential partners, including JIP, to enter into the second bid process in light of the evaluation criteria such as securing shareholder interests and providing them with a fair opportunity for due diligence over a period of several months beginning in late July 2022. Subsequently, on October 7, 2022, the Company granted non-exclusive preferential negotiating rights to JIP, the only potential partner that made a legally binding and concrete proposal, until November 7, 2022, subject to certain terms, such as an increase in the price and the elimination of some material preconditions for the commencement of the tender offer. The Company repeatedly asked JIP to raise the tender offer price and had a series of discussions and negotiations regarding the tender offer agreement. On March 3, 2023, the Company received the final proposal for the Transaction, and after further discussions and negotiations with JIP, the Company reached an agreement with JIP on the terms and conditions of the Transaction. On and after October 7, 2022 (i.e., the date on which the non-exclusive preferential negotiating right was granted to JIP), the Company held discussions and negotiations with several potential partners other than JIP who made proposals for privatization, but no specific and feasible proposals were submitted by any of these potential partners. In this way, although the Company did not reject the alternative of conducting discussions and negotiations with partner candidates other than JIP for the purpose of advancing the Process, because discussions with such partner candidates did not develop at all, it was considered as unlikely to be realistic to continue discussions and negotiations regarding strategic alternatives including the Company's privatization with potential partners other than JIP for the realization of such strategic alternatives, so the Company decided to hold discussions and negotiations with the only partner candidate which had provided a legally binding proposal, JIP, for the realization of the Transaction.

As described above, the Company has implemented the Process and has secured the opportunity to receive proposals for a wide range of strategic options.

ii. Company's Establishment of Independent Special Committee and Obtainment of Report from the

Special Committee

As stated in “1. Reasons for Share Consolidation” above, the Company resolved, on April 7, 2022, to establish the Special Committee for the implementation of the Process. The Special Committee is comprised of Mr. Jerry Black (“**Mr. Black**”), Mr. Paul Brough (“**Mr. Brough**”), Mr. Akihiro Watanabe (“**Mr. Watanabe**”) and Mr. Eijiro Imai (“**Mr. Imai**”), Mr. Nabeel Bhanji (“**Mr. Bhanji**”), Mr. Raymond Zage (“**Mr. Zage**”), and Ms. Ayako Hirota Weissman (“**Ms. Weissman**”), each of whom is the Company’s outside director and independent officer and is independent from the Tender Offeror and the Company, and Mr. Black was appointed as a chairperson of the Special Committee. Among them, Mr. Black, Mr. Brough, Mr. Zage, and Ms. Weissman were appointed as members of the Special Committee on April 7, 2022, on which date the Special Committee was established. Mr. Watanabe, Mr. Imai, and Mr. Bhanji were appointed as members of the Special Committee on June 28, 2022. At the time of the establishment of the Special Committee, Mr. Katsunori Hashimoto, who is the Company’s outside director and independent officer, and Ms. Mariko Watahiki, who was the Company’s outside director and independent officer at that time and resigned as a director of the Company on June 28, 2022, were also appointed as the members of the Special Committee and participated in the examination of the Process; however, both of them were relieved from their responsibilities as members of the Special Committee on June 28, 2022. The composition of the Board of Directors has not been changed since the election of the Directors at the Company’s Ordinary General Meeting of Shareholders for 184th Fiscal Year, which was held on June 29, 2023. The Company’s Board of Directors received advice from outside law firms and confirmed in writing that all of the members of the Special Committee, including two former members of the Special Committee, are independent and none of them has any material interests that differ from those of the general shareholders in relation to the completion of the Transaction. All of the said Special Committee members are outside directors and independent officers of the Company, and while the payment of compensation for their respective services as Special Committee member has been separately determined by the Compensation Committee, none of the compensation for such Special Committee members include contingency fees that are payable on the condition of the consummation of the Transaction.

With respect to discussions and negotiations by the management team with potential investors and sponsors, the Special Committee is entitled to receive notice of such discussions and negotiations and to confirm the approach in advance, receive reports on the status of such discussions and negotiations in a timely manner, express its opinion, and, if necessary and to the extent permitted by law, hold direct discussions and negotiations with potential investors and sponsors. In addition, the Board of Directors is required to respect the suggestions and opinions of the Special Committee to the fullest extent possible.

The Special Committee met once a week, in principle, for a total of 47 times from April 21, 2022 to August 7, 2023. Additionally, the Special Committee vigorously worked through numerous informal meetings held by some members and daily communication by e-mail, telephone, etc. The Special Committee received timely reports from the management team regarding important information concerning the Process, such as the details of the proposals from the participants in the Process, the status of discussions with the participants, the responses to material issues regarding due diligence on the Company by participants. In addition, with respect to the important policies, etc. of the Process, in predetermining the basic rules, the Special Committee generally received reports from the management team and confirms the policies, etc. in advance, expressed its opinions, gave instructions, or made requests at important junctures of the Process, and was extensively involved in the negotiation process with respect to the Process and the transaction terms. In particular, at the final stage of the Process, Mr. Watanabe and Mr. Imai, as members of the Special Committee, led the negotiation with JIP regarding the terms of the

Transaction including the pricing. In addition, the Special Committee discussed and reviewed the Consultation Items (as defined below) upon receiving the management team's opinions on the purpose of the Transaction as well as on the pros and cons thereof.

Further, the Special Committee was provided with an explanation from the management team on the consolidated financial forecasts, which formed the basis for the Share Valuation Reports produced by UBS Securities and Nomura Securities, held Q&A sessions regarding their reasonability, and offered opinions as needed. With respect to the Consolidated Financial Forecasts that reflect such opinions, the Special Committee determined that there is no significant issue in the reasonability of their assumptions and the accuracy of their figures that requires the Special Committee to issue a recommendation to the Board of Directors to amend the matters stated in the consolidated financial forecasts prepared by the management team, and that the consolidated financial forecasts are the most appropriate as the basis to be used for calculating the share value of the Company Shares. The Special Committee also received an explanation from UBS Securities and Nomura Securities on the Share Valuation Reports submitted to the Company, regarding which the Committee asked for the background facts through Q&A sessions.

Where a prompt decision was required without waiting for Special Committee meetings to be held, information was shared with all members of the Special Committee in a timely manner to ensure fairness of the procedures and to facilitate the smooth flow of the Process, and Mr. Black, the chairperson of the Special Committee, and Mr. Watanabe, the chairperson of the Board of Directors, took a primary role to confirm the policy of the management team, and make instructions and requests to management team. In conducting its activities, the Special Committee receives extensive advice on the Process in general, primarily from a financial perspective, not only from outside law firms described in "iii. Board of Directors' and Special Committee's Obtainment of Advice from Outside Law Firms" below but also from UBS Securities, the Special Committee's own financial advisor.

On March 16, 2023, the Company's Board of Directors resolved to consult with the Special Committee on (i) whether the Transaction would contribute to the enhancement of the Company's corporate value, (ii) whether the procedures for consideration, discussion, and negotiation of the Transaction, including the operation of the Process, were fair, (iii) whether the structure and terms of the Transaction are fair and appropriate, (iv) whether, the Transaction is disadvantageous for general shareholders (the general shareholders referred herein include "minority shareholders" as defined in the Securities Listing Regulations of Tokyo Stock Exchange) of the Company in light of (i) through (iii) above; and (v) whether or not the Board of Directors should support and/or recommend the Transaction in light of (i) through (iv) above (the "**Consultation Items**") as a prerequisite for examining the details of the opinion that the Company should express.

As a result of discussions on and examinations of the Consultation Items, the Special Committee reported to the Company's Board of Directors on March 23, 2023, as the unanimous opinion of all members of the Special Committee, that "it is considered that (i) the Transaction will reasonably contribute to the enhancement of the Company's corporate value, (ii) the procedures for consideration, discussion, and negotiation of the Transaction, including the operation of the Process, were fair, (iii) the structure and terms of the Transaction are fair and appropriate, (iv) the Transaction is not disadvantageous for the general shareholders of the Company, and (v) while the Board of Directors should support the Tender Offer, it at this time should refrain from making the decision on recommending shareholders to tender their shares in the Tender Offer and consider, in consultation with the Special Committee, during the period between March 23, 2023 and the commencement of the Tender Offer and make its decision on whether to recommend shareholders to tender their shares in the Tender Offer and the SC Original Report dated the same day was submitted to the Company's Board of Directors.

The Special Committee thereafter continued to discuss and consider the Matters of Inquiry in light of the purposes of the Transaction and any additional changes in the circumstances surrounding the Company which may have subsequently arisen. As a result, on June 8, 2023, the Special Committee, in the unanimous opinion of its all members, revised part of the content of the SC Original Report and reported to the Company's Board of Directors that "it is considered that (i) the Transaction will reasonably contribute to the enhancement of the Company's corporate value, (ii) the procedures for consideration, discussion, and negotiation of the Transaction, including the operation of the Process, were fair, (iii) the structure and terms of the Transaction are fair and appropriate, (iv) the Transaction is not disadvantageous for the general shareholders of the Company, and (v) it is appropriate for the Board of Directors to support the Transaction, including the Tender Offer, and to recommend that the shareholders tender their shares in the Tender Offer" and "upon the commencement of the Tender Offer, the Board of Directors should request the Special Committee to consider whether there are any changes in its opinions mentioned above and if there are no changes, to make a statement to that effect, and if there are any changes, to state such changes and issue a further opinion," and further submitted the SC Updated Report as of the same date to the Company's Board of Directors.

Upon receiving the Tender Offeror's notification to the Company on August 4, 2023 that (i) the Tender Offeror had completed obtaining the Clearances, and (ii) the Tender Offeror would like to commence the Tender Offer on August 8, 2023 on the presumption that the other Conditions Precedent have been fulfilled or waived, the Special Committee has conducted a confirmatory check, etc. of the facts relating to whether any material changes in the circumstances have occurred after June 8, 2023 that could impact the Transaction, and considered whether there were any changes to be made to the content of the SC Updated Report. As a result, the Special Committee confirmed that no circumstances had arisen requiring the content of the SC Updated Report to be changed, and, pursuant to a unanimous resolution of its members, the Special Committee submitted the SC Second Updated Report to the Company's Board of Directors on August 7, 2023.

According to the SC Second Updated Report, the Special Committee made the following reports:

- (i) Whether the Transaction would contribute to the enhancement of the Company's corporate value
 - a. The Company's business environment and management issues

In June 2022, the Company announced the "Toshiba Company Group Management Policy" (the "**Management Policy**") in order to realize a carbon-neutral and circular economy through digitization. Since the Board of Directors decided to consider strategic alternatives and to establish the Special Committee on April 7, 2022, discussions took place with potential investors and sponsors. To facilitate the process, the management team has taken the lead in providing information to potential investors and sponsors, while at the same time reviewing and implementing various measures to realize the Management Policy. The management team informed the Special Committee that the management team believes that (i) in order to realize the Management Policy, it is necessary to implement consistent strategies over the medium to long term, such as the transformation of the business structure, however, the opinions of the Company's shareholders remain divided, and given the uncertainty of the macro-economic environment, there are concerns about the medium to long term alignment between management and shareholders, (ii) repeated changes in the management, changes in management policy, and continued uncertain press reports of discussions with potential investors and sponsors have caused concerns about the stability of management and damaged the Company's public credibility, and therefore, it had become more challenging to develop stable medium to long term positions with customers and suppliers as well as to

form alliances and/or engage in M&A with operating companies, and (iii) there are concerns about the outflow of human resources and difficulties in recruiting new employees in the future. The management team informed the Special Committee that the management team recognizes, if the uncertainty surrounding the Company's future continued, it may become difficult to realize the Management Policy for 2030.

b. Benefits and transaction synergies of the Transaction envisioned by JIP

On the other hand, JIP has explained that, the purpose of being privatized would help the Company (i) to build a stable shareholder base to support its future growth; (ii) to form a solid management team for implementing business strategies to maximize the Company's potential value from a long-term perspective; and thereby (iii) to maintain and develop the Company's customer base mainly in respect of its key business partners; (iv) to realize its growth strategy through the deployment of new business through technologies and innovations developed by the Company; and at the same time, (v) to provide a rewarding workplace for its executives and employees. JIP has also indicated that it can provide the following as added value to the Company: (i) JIP can assist in resolving the Company's management issues and developing its business by sharing JIP's knowledge accumulated through its extensive experiences in investing in Japanese businesses; (ii) the Company will be able to achieve a stable shareholder base, and since TBGP, Inc., an unlimited liability partner of TBLPS, will make decisions as a shareholder, prompt decision-makings together with the management team will be possible in terms of important strategies; (iii) the LP Investors include several operating companies involved in business related to the Company's business and such operating companies are expected to provide business support from an objective position; (iv) JIP's advisory group is comprised of individuals from the electronics industry and former executive officers of Japan's leading companies, and they are capable of providing advice on the expansion of the Company's business and can also call upon any necessary external personnel through their personal contacts; and (v) by collaborating with the LP Investors and JIP's portfolio companies, the Company's high-potential technological capabilities can lead to cash flow generation and corporate value enhancement.

c. Management team assessment of the benefits and disadvantages of the Transaction

The management team explained the benefits and the disadvantages of the Transaction as below.

The management team believes the following items to be the evaluation criteria in reviewing strategic alternatives: (i) for shareholders, in the short term, is the Company able to maximize shareholder returns, and in the long term, can the Company implement reforms that will enhance its corporate value, (ii) for customers, following on from the proposal of the Separation Plan and the sale of Toshiba Carrier Corporation, although their understanding and acceptance of privatization has sufficiently advanced even from the customer perspective of wanting long-term support, does the transaction scheme itself make them feel secure about their business with the Company, (iii) for employees, will their anxiety regarding the future direction of the Company be reduced, and (iv) for society, will the Company increase the possibility of realizing its motto of "Committed to the People, Committed to the Future" through its continued support for stable infrastructure and its digitization, as well as the development of innovative technologies toward carbon neutrality. The Company's intended corporate value lies in its stable revenue from a stable customer base and its diverse technologies for creating something new for society. In particular, the Company is currently in a technological transition period. Its strategy is to digitize infrastructure and transform it into services and platforms, to develop quantum technology, and to promote carbon neutrality through distributed power, renewable energy technology, hydrogen technology, reduction of CO₂, electrification with power semiconductors, and innovative nuclear power, etc. However, the many products being developed by the Company through such activities require a certain period of time, due to their

innovativeness, to become marketable as business items. The eight years of confusion since the accounting scandal have been painful for employees and the Company also sees the challenges in terms of the actual numbers of recruiting sufficient new employees. The Company must quickly remedy the situation in which news of management disunity is reported almost every day in the media and create an environment where the Company's employees can focus on their primary work. However, as seen in past shareholder meetings, the Company's share capital is currently held by shareholders with many differing views. It is desirable to have stable shareholders in order to unlock the Company's real corporate value. Considering the balance between returning profits to current shareholders and creating future corporate value, the management team believes the proposal of the Transaction is an effective means for achieving a stable shareholder base.

On the other hand, as potential disadvantages of the Transaction, general concerns include: (i) whether or not there will be any adverse effect on the Company's financial condition due to the interest burden arising from the financing for the Transaction by the tender offeror; (ii) whether or not the constraints imposed on the management of the Company under the agreement between the Tender Offeror and the lenders are too significant; (iii) whether or not the change in the Company's capital structure resulting from the Transaction will breach any restrictions under agreements with third parties and causes risk of adversely affecting the Company Group's business; (iv) whether or not losing the brand as a listed company will have a negative impact on hiring people and retention; and (v) whether or not becoming an unlisted company will have adverse effects on business, such as loss of business opportunities due to a decline in credibility. In addition, since many of the Company's key business partners are included in investors in TBLPS who will own approximately 75 % of common shares of the Tender Offeror's Parent Company after the Transaction, the sole voting shareholder of the Tender Offeror, concerns include: (vi) whether or not the fact that business partners are indirect major shareholders of the Company would work against the Company in business, such as reducing the Company's bargaining power, and (vii) whether or not there would be any adverse effect on business partners competing with such indirect major shareholders, such as being treated at a relative disadvantage or terminating business with the Company due to concerns about possible information leakage. In regard to each point above, according to the explanation by the management team: (i) the interest burden can be adequately managed in the medium to long term by utilizing the Company's mature business base that generates stable cash flow and advancing qualitative changes in the business: however, in the short term, there are certain concerns, such as deterioration of cash flow in response to market changes and advanced investments to maintain a competitive edge, and the management team is currently working on specific measures (ii) compliance with financial covenants will be required in connection with borrowing from banks (the "**LBO Loan**"), among other matters; however, as with (i), there are certain concerns in the short term, and the management will consider measures to be taken, and there were specific concerns, which have been somewhat relaxed from the initial bank proposal through negotiations by the Tender Offeror with the banks, and the impact may be mitigated by fully consulting with the banks regarding necessary investments and organizational restructuring; (iii) regarding the impact of the Transaction on agreements with third parties, the management team has confirmed in its preparations for due diligence procedures conducted since May 2022 that there is no risk of a material adverse effect on the Company Group; (iv) the Company is so well known both in Japan and overseas that even if it loses its brand as a listed company, the management team believes the impact on hiring and retention will be limited, that the continuing instability of the Company's current operating base will have a greater negative impact on recruitment, and the issue is not about being listed or not listed but rather it is a matter of whether the business is solid and promising since some unlisted companies are popular in recruitment; (v) although not being a listed company may have a certain impact on the business, the management team currently does not expect any specific or significant adverse effect, such as loss of

business opportunities, as long as the Company is taken private by a Tender Offeror having Japanese operating companies with a stable management and business base as indirect investors and the management team rather believes the risks posed by the continuation of the Company's current unstable business base outweigh the impact of going private; (vi) the management team understands that LP investment in TBLPS by the business partners will not involve any direct participation in the management of the Company since the business partners remain as limited partners of TBLPS and merely provide funds to TBLPS, and it is unlikely that this will diminish the Company's bargaining power and the management team rather believes that the investment by the Company's business partners, who are stable operating companies in Japan, as limited partners of TBLPS will enhance the trust of the Company's business partners and customers and have a positive impact on business; and (vii) the impact on transactions with business partners that compete with LP Investors is not entirely unforeseen, but because LP Investors merely provide funds to TBLPS, they do not have the power to make decisions or influence to treat the competing business partners unfairly and the management team has no intention to treat the LP Investors' competitors unfavorably. Furthermore, and the management team believes the transaction will rather have a positive effect on businesses with the LP Investors' competitors. In addition to the above, in order to grasp potential disadvantages caused by the implementation of the Transaction as much as possible in a quantitative manner, the Special Committee requested the management team for provision of (A) the chances of winning bids, (B) the number of customers expected to be lost, (C) the number of employees expected to leave the company, and (D) the rejection rate of employment offers when hiring employees, with respect to (A) and (B), the management team believes that there will be no significant impact in the future, although the management team does not have exhaustive historical data. With regard to (C), If the Company were to be taken private by a foreign-based private equity fund, it was assumed that a reasonable number of employees would leave the company or decline employment offers; however, as the Transaction is led by JIP, a Japanese private equity fund, and the investors in TBLPS are also Japanese companies, the management team does not believe that the privatization through the Transaction will lead to employees leaving the company or a rejection of employment offers. With regard to (D), the management team believes that it is not an issue of whether the Company is listed or not, but rather whether the Company's business is solid and promising since some unlisted companies are popular in the recruitment process.

d. Preparation of Plan B

Although the Special Committee was established for the purpose of examining wide strategic options including privatization and minority investment, no legally binding, feasible and specific proposals were received in the Process from any investors or sponsors other than JIP. Therefore, for the purpose of assessing the reasonableness and appropriateness of the Transaction, it was necessary to prepare the Plan B. However, as noted above, the management team did not respond to the Special Committee's request to revise the business plan upon which Plan B was based so specific review of Plan B was not conducted.

At the January 19, 2023, Special Committee meeting, the need for Plan B to be prepared was again confirmed and it was anticipated that, in conjunction with preparation of the FY2023 Budget, it would be possible to confirm the forecasts for FY2023 as well as the planned figures for FY2024 and FY2025. Around that time, management commenced specific preparation of Plan B with assistance and inputs from Special Committee members, and the outline of Plan B was reported at the March 10, 2023, Special Committee meeting.

The main substance of Plan B is a management plan developed based on the Consolidated Financial Forecast implementing maximum shareholder return within the limits of distributable amounts and securing an appropriate level of capital with a view towards maximizing shareholder value. Under Plan B,

the Company is scheduled to implement a major business portfolio restructuring including disposal of certain businesses, and all or most of the sales is scheduled to be appropriated for resources for distribution to the shareholders. It is covenanted to the shareholders that all of the net proceeds from the sale of KIOXIA HD shares will be distributed to the shareholders, and Plan B further assumes dividends from the subsidiaries and consolidation of the subsidiaries for the purpose of securing the distributable amount.

e. Special Committee's Opinion

In preparing the SC Second Updated Report, the management team has confirmed that there are generally no changes to the statements in the above items a through c from those stated in the SC Original Report (with respect to the disadvantage that is mentioned in item (ii) in the immediately preceding section c, as explained above, the management team has confirmed with JIP that the discussion between JIP and the banks since the Announcement is progressing in the direction that the banks would agree to relaxing the conditions and impact upon breach). The views of the Special Committee as stated in (a) and (b) below also remain unchanged from those stated in the SC Original Report and the SC Updated Report.

(a) The Transaction

The Special Committee understands the views of the management team in relation to the business environment and management issues facing the Company and appreciates the management team's argument that many stakeholders of the Company, in particular employees and customers, would be well served by the Transaction. In relation to the impact of the Transaction on the business and corporate value of the Company, there are concerns as to the possible negative impact on the business in the case of possible or actual breach of the financial limitation provisions under the LBO Loan. Further, many of the LP Investors will, in substance, become large shareholders and that amongst those, many are the Company's business counterparties and there is a possibility of such circumstance having a negative impact on the bargaining power of the Company and decision-making for the smooth operation of the Company's business. However, as explained by the management team, it is possible to bring the Company a large benefit in its being able to build a stable management base and to obtain unified support from shareholders for the purpose of transforming the Company's results and financial status over the mid to long term.

The Special Committee concurs with the management team that the primary strengths in the Company are prominent engineers, scientists and researchers and believes that there could be greater intrinsic value than what several generations of the Company's management have been able to financially realize.

However, if the growth of the Company's business over the mid to long term requires a consistent business strategy, it would be easier to realize such growth obtaining support from unified shareholders. In the context of reviving the business of the Company, there is a large benefit in obtaining unified shareholders via the Transaction: it promotes the implementation of the mid to long term plans of the Company. The Special Committee questions whether the Company has the requisite resources of the senior management and skills for the significant level of transformation required and believes that the Transaction will be an external catalyst that is required for the transformation of the Company.

The Transaction may also be considered as reasonably contributing to an improvement of the corporate value (or resolving the situation of it being difficult to improve the corporate value of the Company).

(b) Other alternatives

In comparison with proposals received during the Process from potential investors and sponsors other than from JIP ("**Other Participants**"), no legally binding and specific proposal was received from Other Participants. Moreover, there was no proposal, whether complete or incomplete, that was expected to contribute more to resolving the Company's management issues or enhancing corporate value, other than

the Transaction.

Despite the management team being instructed by the Special Committee to re-assess the Business Plan, it was not able to adequately do so before the normal process of preparing the budget commenced and, in addition, the contents of Plan B, which were reported to the Special Committee on March 10, 2023 approximately two months after the management team had received clear instructions to prepare Plan B at the Special Committee meeting held on January 19, 2023, incomplete and lacked specificity leading the Special Committee to query whether the necessary ability to plan and implement a large scale reform exists within the Company. Such a large scale reform is the sort of short term sell-off of sufficient assets, reduction of costs, and execution of strengthening of appropriate asset distribution policies and shareholder dividend policies that Plan B envisions. Even if Plan B were a feasible plan with a potential of increasing the corporate value of the Company, compared to privatization, its planning and execution are thought to require significant strengthening of the management team and a long period of time for execution. Considering that (i) significant changes in the management without inviting substantial confusion to the business in the approximately one year since the previous changes to the Board of Directors occurred was unrealistic and (ii) the macro-economic environment is uncertain, the Special Committee has come to believe that Plan B carries with it significant execution risk. Further, the management team has been consistent in their belief that the current R&D function and diverse businesses are critical in capturing the mid to long term value of the Company and has historically been negative towards implementing divestures that are required to implement Plan B as requested by the Special Committee.

The Special Committee concludes that the management team remains unable to present a concrete Plan B that the Special Committee can reasonably expect to be implemented to create greater corporate value for the Company.

- (ii) Whether the procedures for consideration, discussion, and negotiation of the Transaction, including the operation of the Process, were fair
 - a. Implementation of fairness ensuring measures recommended in the Fair M&A Guidelines

The Transaction does not constitute a transaction directly covered by the “Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders’ Interests” (the “**Guidelines**”). However, the Special Committee determined that in order to fully explain to the Company’s stakeholders the reasonableness of the review and decisions of the Company regarding the strategic alternatives under the Process, it was appropriate to proceed with the Process while referring to the Guidelines and taking fairness ensuring measures listed in the Guidelines to the extent appropriate and practicable and supervised the Process to be implemented based on the Guidelines because the Company’s shareholders have diverse positions and opinions. In particular, some shareholders requested the Company to develop strategic alternatives through procedures that ensure a high degree of fairness and transparency. In light of the scale of the potential transactions (which would all be one of the largest of their types in Japan), the Company’s wide-ranging business portfolio, the involvement of sensitive businesses in the interests of national security, the frequent occurrence of information leaks, and the deepening uncertainty in the macro-economic environment and financial markets, it was clear from the outset that the process to consider and determine strategic alternatives would be very difficult, particularly without participation of the management team. Under the commitment letters issued from the financial institutions (the providers of the senior loans and subordinated loans) and the JIP proposal at the final stage of the Process, it is stipulated as conditions precedent to the execution of the loans and as covenants after the execution of the loans that CEO Shimada and Mr. Goro Yanase (“**Mr. Yanase**”, the reference to whom was removed from the updated commitment letter that was submitted on March 6, 2023) would remain as part of the management team (the effective

period of the covenants is three (3) years from the settlement commencement date of the Tender Offer) and since there is a risk of potential conflict with the management team, the Special Committee pays particular attention to ensuring the fairness of the Process.

b. Members and activities and ensuring effectiveness and fairness, etc. of the Special Committee

The Special Committee consists entirely of outside directors and independent officers of the Company, and was highly active. Meetings were typically held once a week before the announcement of the March 23 Disclosure Material and, as necessary, after the announcement of the March 23 Disclosure Material, since the Special Committee was established. Some committee members held informal meetings, etc. Also, it received timely reports from the management team regarding important information concerning the Process, such as the details of the proposals from the potential partners. In addition, a Valuation Subcommittee was formed to work with the financial advisers on valuation considerations. In determining the basic rules, the Special Committee confirmed various matters including the important communications between the management team and the potential partners and negotiation policies, generally upon receipt of advance reports from the management team, and at important junctures of the Process, the Special Committee rendered opinions, gave instructions, or made requests, and was extensively involved in overseeing the negotiation process with respect to the Process and the transaction terms.

In addition, considering the circumstances where the necessity for the Special Committee's involvement increased in order to ensure that thorough negotiations were conducted as the negotiations with JIP on the terms and conditions were entering the final phase, and to ensure the fairness of the Process since the commitment letter submitted by the financial institutions along with JIP's proposal on February 8, 2023 stipulated that CEO Shimada and Mr. Yanase (as mentioned above, the reference to Mr. Yanase was removed from the updated commitment letter that was submitted on March 6, 2023) would remain in the management of the Company as conditions precedent to the execution of the loans and as covenants after the execution of the loans (the effective period of the covenants is three (3) years from the settlement commencement date of the Tender Offer), it was determined that the negotiations with JIP after February 10, 2023, would be led primarily by Mr. Watanabe and Mr. Imai and they would work closely with Mr. Black, the other Special Committee members and the management team, and thereafter Mr. Watanabe and Mr. Imai negotiated directly with JIP.

The independence of each Special Committee member from the potential partners and the Transaction was confirmed including by way of questionnaires, and a system was established to enable the Special Committee members to consider and negotiate, etc., fairly and independently. In addition, in light of the fact that Mr. Bhanji and Mr. Imai were also senior executives of a major shareholder of the Company, in order to address potential conflicts of interest, independence, confidentiality, and other matters associated with their becoming directors of the Company and their participation on the Special Committee, the Company entered into Nomination Agreements with Elliott Advisors (UK) Limited for the nomination of Mr. Bhanji as a director candidate and with Farallon Capital Management for the nomination of Mr. Imai as a director candidate, both dated May 2022, and the risk of potential conflicts of interest with the major shareholders of which they were senior executives was adequately managed under the recusal clauses contained in the said agreements.

c. Developing the Process effectively

In the Extraordinary General Meeting of Shareholders in March 2022, a shareholder's proposal seeking to continue the comparison and review of strategic alternatives through transparent procedures received considerable support from the shareholders. In light of this, the Company made public the implementation

of the Process from the beginning thereof and has continued to make transparent disclosure in the process to the extent that it did not harm the effectiveness of the Process.

On the other hand, with regard to information management, prior to the commencement of the Process, there had been a series of media leaks of information that were specific enough to indicate that it was probable that such leaks came from the Company's management. Accordingly, from the beginning of the Process, the Company emphasized the importance of information management and explained it to the relevant personnel internally and externally, including the potential partners, and paid particular attention to information management, including the extent to which confidential information should be shared.

It is also considered that the Process was developed with the utmost care to maintain a competitive environment throughout the entire Process, that the Company cooperated in and place restrictions with respect to funding initiatives for JIP, that the selection of the potential partners proceeding to the second bid process from the participants who submitted the statement of intent in the first bid process was carefully considered to ensure reasonable decision-making based on sufficient information, that each sponsor candidate proceeding to the second bid process was fairly provided with an opportunity to conduct due diligence, and that there was extremely minor, if any, impact on maintaining a competitive environment by granting a non-exclusive preferential negotiating right to JIP to accelerate the funding and the reasonableness of the decision in light of the proposals made by other potential partners.

d. Securing opportunities for other potential acquirers to offer takeover proposals

As mentioned above, the Company announced the implementation of the Process from its very beginning, and solicited proposals from all potential investors and sponsors who had expressed a willingness to consider submitting proposals in the Process and who could be potential partners by not limiting those who could make a proposal to those who had been encouraged to participate in the Process by the management team. This ensured that the Company would have the opportunity to receive proposals for a wide range of strategic alternatives from a wide range of proposers. Through such open and public bidding process, the Company, in effect, proactively implemented a market check.

Also, although the Tender Offer Period was agreed to be 30 business days, a relatively long period of approximately four and a half months have passed since announcing the Transaction in the March 23 Disclosure Material to the commencement of the Tender Offer. Therefore, the Special Committee finds that, even after the announcement of the March 23 Disclosure Material, appropriate opportunities for the Company's shareholders to make decisions on whether to tender their shares in the Tender Offer are secured, and that opportunities for persons other than the Tender Offeror to offer counterproposals regarding the Company Shares based on the details of the Transaction are sufficiently secured. Moreover, various transaction protection clauses in the Tender Offer Agreement are considered not to unduly restrict the Company's contact with any parties making counterproposals, etc.

e. Collection of necessary information

(a) Information regarding the Transaction

The management team and the Special Committee actively sought and received disclosure of the details of the LBO Loan including the financial covenants, because those were considered to have a significant impact on the Company's business in light of the amount of the loans. In addition, as a number of LP Investors are counterparties in the Company's business transactions, as to whether there is any agreement or other arrangement between JIP and any LP Investors or other parties that may affect the Company's business in connection with the Transaction, Mr. Watanabe and Mr. Imai directly met with the President and the Vice-President of JIP at the final stage of the negotiations and confirmed that there were no such

agreements. The Special Committee has made its best efforts to ensure that the Special Committee and the Company's shareholders make an informed judgement. Furthermore, even after the announcement of the March 23 Disclosure Material, the Special Committee received from JIP the information regarding the status of discussions between JIP and the financial institutions including negotiations on the terms and conditions of the LBO Loan.

(b) Information regarding KIOXIA

The Company sold all shares in Toshiba Memory Corporation through 2017 to 2018 to the consortium mainly consisting of Bain Capital Private Equity, LP (including its group, "**Bain Capital**"). During the sales process, the Company was requested by Bain Capital to make re-investment into an acquisition vehicle (currently KIOXIA HD), in a passive manner. As the sale of the memory business is carried out for the purpose of securing the necessary management resources to fuel further growth of the memory business and restoring the financial conditions of the Company while it was insolvent at that time, the Company decided to accept the above request for the re-investment with a view to implementing the sale of KIOXIA HD within a limited time period and definitively recognizing the value to be realized from the sale as its revenue. As a result, it was agreed that the Company would not be involved in the management of the memory business after the re-investment (i.e., the sale of the memory business). Although the value of KIOXIA HD shares is a significant portion of the value of the Company, at this time, for the reasons stated above, the Company is not involved in the management of the KIOXIA Group but for its own financial reporting purposes receives certain limited information. However, the Company has no legal or contractual rights to receive information regarding the KIOXIA Group and its interest remains passive.

The management team and the Special Committee, in their efforts to advance the Process, believed it desirable for more detailed information be obtained on the KIOXIA Group and that such information be used as the basis for consideration by the Special Committee. In October 2022, the Special Committee sent a letter to KIOXIA HD requesting the provision of certain information and providing the Company with an opportunity for ask and receive questions and answers to the KIOXIA Group and held discussions with KIOXIA HD. Although the Company was not able to secure full cooperation from KIOXIA Group, on November 28, 2022, the Company and UBS Securities conducted a learning session with KIOXIA HD and heard its view regarding industry trends and the outlook for the semiconductor memory business, but KIOXIA HD gave no information or outlook relevant to their business.

In addition, in order to provide the potential partners with the opportunity to conduct due diligence on the KIOXIA Group, the Company disclosed information on the KIOXIA Group in its possession to the potential partners to the extent the Company believed it permissible to do so under the shareholders agreement among KIOXIA HD's shareholders based on advice from the Company's legal advisors.

The Company made practical efforts to address the issue of limited information on the KIOXIA Group.

After the announcement of the March 23 Disclosure Material, Toshiba sent a letter to KIOXIA Group to remind KIOXIA Group that if Toshiba receives any information falling within the category of material facts under the insider trading rules of Toshiba, Toshiba will need to disclose such information to the public prior to the commencement of the Tender Offer. The purpose of the letter was to eliminate the possibility of delaying the commencement of the Tender Offer due to Toshiba receiving, without intent, information falling within the definition of insider information from KIOXIA Group while continuing to receive KIOXIA Group's financial information and to dispatch an observer to KIOXIA Group, in particular for the preparation of Toshiba's own consolidated financial statements and for maintaining monitoring of a major investment. Such letter was considered to have been a practical solution to balance the need of Toshiba to receive relevant financial information as well as to maintain monitoring of a major investment,

while at the same time complying with its obligations under the Shareholder Agreement concerning KIOXIA Group and avoiding the inadvertent receipt of material non-public information.

On another note, the Company understands that, as also reported in a series of media reports, KIOXIA HD and Bain SPC have been discussing the KIOXIA Transaction with the KIOXIA Transaction Counterparty. The Company considered entering into a confidentiality agreement and engaging in discussions with KIOXIA HD and Bain SPC. However, as stated below, together with other information available to the Company at this time, the Company concluded that while receiving the KIOXIA Transaction Information at this moment could pose a serious obstacle to implementing the Transaction, the value of referring to the KIOXIA Transaction Information in considering the fairness and appropriateness of the terms of the Transaction would be low, at least as of now. Therefore, the Company has decided not to initiate discussions on the KIOXIA Transaction with KIOXIA HD and Bain SPC at this time.

Were the Company to receive the KIOXIA Transaction Information, the Company would be required to disclose the information at the time of the commencement of the Tender Offer, since the KIOXIA Transaction Information could be construed as material non-public information of the Company. However, it is not appropriate nor reasonable for the Company to unilaterally disclose information related to an important transaction among third parties prior to such parties making their own announcement. Accordingly, it would be fair to assume that if the Company were to receive the KIOXIA Information, it is possible that the Tender Offer cannot be commenced until the KIOXIA Transaction has been agreed upon and announced by the parties involved. Therefore, the Special Committee believes that receiving the KIOXIA Transaction Information could pose a serious obstacle to implementing the Transaction.

On the other hand, as stated below, the Company believes that the value of referring to the KIOXIA Transaction Information in considering the fairness and appropriateness of the terms of the Transaction is low as of now:

- The Company cannot deny certain uncertainties may exist in respect of the KIOXIA Transaction such as the probability of obtaining regulatory clearances required under applicable laws and regulations. Furthermore, were such regulatory clearances to be obtained, such clearances would take a certain amount of time.
- Given the volatile nature of the semiconductor memory business, it is likely to be challenging to precisely determine share values in assessing the consideration for the KIOXIA Transaction. In addition, uncertainty may arise with regard to convertibility of the consideration as well as the time required for monetization.
- For the purposes of considering the KIOXIA Transaction in the context of assessment of the fairness and appropriateness of the Tender Offer Price, the terms of the KIOXIA Transaction need to have been definitively agreed upon by the parties other than the Company, at a minimum. However, given that the KIOXIA Transaction has not been made public, it may be reasonable to assume that the terms of the KIOXIA Transaction are not, at this stage, sufficiently definitive to allow the Company to make a comprehensive assessment.

If and when a transaction concerning KIOXIA HD is announced by the parties involved, the Company will promptly assess the announcement and, as necessary, review the fairness and appropriateness of the terms of the Transaction again, and provide its opinion to the Company's shareholders so they may decide whether or not to tender their shares in the Tender Offer.

f. Other measures to ensure fairness

In addition, to promote the Transaction, the Company has implemented a number of measures in order to ensure fairness, including (i) the Company has appointed Nagashima Ohno & Tsunematsu and Morrison

& Foerster LLP as the Board of Directors and the Special Committee's legal advisors independent from the Tender Offeror and the Company and has appointed Nishimura & Asahi as the management team's legal advisor independent from the Tender Offeror and the Company, and have obtained legal advice from those legal advisers, (ii) the Company has appointed UBS Securities as the Board of Directors and the Special Committee's financial advisor and third-party valuation institution independent from the Tender Offeror and the Company and has appointed Nomura Securities as the management team's financial advisor and third-party valuation institution independent from the Tender Offeror and the Company, and obtained a Share Valuation Report from each of them on March 23, 2023, (iii) upon the announcement of the March 23 Disclosure Material and the June 8 Disclosure Material, sufficient information including information recommended to be disclosed in the Guidelines has been disclosed, and also, the sufficient information has been disclosed in the August 7 Disclosure Material, and (iv) precautions have been made to not generally cause coerciveness with respect to the Transaction.

g. The Special Committee's opinion

The Special Committee has been supervising the Process from the beginning of the Process to ensure it is properly operated in accordance with the Guidelines as far as practically possible. The Special Committee was comprised of outside directors and independent officers only. It was substantially involved in the Process by expressing its opinions to the management team on a number of important occasions and issuing instructions and requests. At the same time, extensive discussions were held at the weekly meetings of the Special Committee. Furthermore, from February 10, 2023, Mr. Watanabe and Mr. Imai, who are members of the Special Committee took the lead in conducting direct negotiations with JIP. Therefore, in conducting the Process, the Special Committee has concluded that it functioned effectively.

The Process can also be evaluated as having been operated with a high level of transparency, highly conscious of the construction and maintenance of a competitive environment, and in an open, fair and effective manner. The proposal for the Transaction obtained through the Process is considered to be the best proposal for privatization, but the opportunity remains for other bidders to make proposals. Therefore, it is considered that the procedures for examination, consultation, and negotiation of the Transaction, including the operation of the Process, were fair.

(iii) Whether the structure and terms of the Transaction are fair and appropriate

a. Negotiation process

The only legally binding concrete proposal that was submitted was the proposal from JIP. Also, the proposed prices from JIP were from 5,200 yen to 5,500 yen in the proposal dated September 30, 2022, 5,200 yen in the proposal dated November 7, 2022, 4,710 yen in the proposal dated February 8, 2023, and 4,610 yen in the final proposal dated March 3, 2023. Negotiations with JIP resulted in an additional 10 yen increase from this price, and ultimately, the tender offer price was agreed to be 4,620 yen.

Between the initial proposal and the final proposal, there were earnings releases for the second and third quarters of fiscal year 2022, both of which fell short of the management team's projections. While the management team maintained the view that such deterioration was temporary in nature, it is considered that they had a negative impact on risk management sentiment and on investment decisions by financial institutions and other funding providers in particular.

The Company has strived to ensure that thorough negotiations have taken place after the Company's receipt of the proposal dated February 8, 2023, including having Mr. Watanabe and Mr. Imai engage in direct multiple negotiations with JIP in place of the management team, and the fact that the proposed prices have fallen substantially between the initial proposal and the final proposal is more a function of the

Company's deteriorating results and the Company has made reasonable efforts to ensure that the Transaction will be carried out on the best terms possible for the Company's shareholders.

b. Valuation of the Tender Offer Price

As stated in the UBS Securities' share valuation report (the "**Share Valuation Report (UBS Securities)**"), the share value ranges per share of the Company Shares are respectively as follows: Please refer to (Note) in "(ii) Overview of valuation" of "i. Company's Obtainment of Share Valuation Reports from Independent Third-party Valuation Institutions" under "3. Matters relating to Valuation" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer" in the August 7 Disclosure Material for the assumptions and reservations with respect to the preparation of the share valuation report and its underlying analysis.

Average market price analysis (Reference Date 1):	3,195 yen to 3,878 yen
Average market price analysis (Reference Date 2):	4,200 yen to 4,683 yen
Comparable company analysis:	3,231 yen to 7,133 yen
DCF analysis:	4,661 yen to 7,333 yen

As stated in the Nomura Securities' share valuation report (the "**Share Valuation Report (Nomura Securities)**"), the share value ranges per share of the Company Shares are respectively as follows:

Average market price analysis:	4,200 yen to 4,683 yen
Comparable company analysis:	1,967 yen to 5,564 yen
DCF analysis:	4,171 yen to 7,000 yen

The Tender Offer Price adds a premium of 9.43%, 9.97%, and 4.55 %, and a discount of 1.35% respectively (the premium and discount rates are rounded to two decimal places) to the market price (simple average of the closing price for each of the business day immediately prior to the date on which the announcement of the March 23 Disclosure Material was made, the most recent one (1) month, the most recent three (3) months, and the most recent six (6) months). Further, commencing with the receipt of the CVC Letter in April 2021, the market began to anticipate that the Company would undergo a privatization transaction and this expectation continued which can be thought to have become reflected in the market share price. The Tender Offer Price adds a premium of 20.63% to the closing price of 3,830 yen for the Company Shares on April 6, 2021, which was the business day immediately prior to April 7, 2021, the date on which some media outlets announced that the Company had received the CVC Letter.

According to UBS Securities and Nomura Securities' respective explanations and Q&A sessions with the Special Committee on the details of their Share Valuation Reports, the Special Committee concluded that methodology for valuation was not regarded as unreasonable and valuation process adopted by both advisers in valuing the Company shares as well as the share value calculation results was appropriate. Therefore, the Special Committee concluded that it could rely on the Share Valuation Reports prepared by UBS Securities and Nomura Securities in assessing the share value of the Company Shares.

UBS Securities and Nomura Securities used the Consolidated Financial Forecast in accordance with the Special Committee's request. In the process of formulating the Consolidated Financial Forecast, the management team gave an explanation to the Special Committee on the outline of the numbers in the plan, the assumed management environment (including recent changes in the macro-economic environment and disruptions in the supply chain), targets, basic strategies, and specific measures for each business field, and

then the Special Committee conducted a Q&A process as to the reasonableness of the plan, and gave comments as needed. With regard to the Consolidated Financial Forecast, which reflects the said comments, the Special Committee determined that no material issues were noted that warranted the Special Committee to recommend the Board of Directors not to adopt the forecast prepared by the management team regarding the reasonableness of the assumptions or accuracy of the numbers regarding the Consolidated Financial Forecast. There is nothing more appropriate as a basis for the valuation exercise.

Since, as mentioned above, the Company holds limited information on KIOXIA Group and the Company could not obtain sufficient cooperation from KIOXIA Group, in relation to the value of KIOXIA HD's shares held by the Company, UBS Securities and Nomura Securities took into general consideration the valuation upon which the Company made the re-investment in 2018, historical financial figures (including the book value of KIOXIA HD in the Company's consolidated accounts), and comparable company analysis, etc., and both made their respective valuations (the book value of KIOXIA HD in the Company's consolidated accounts has been devalued by approximately 94.7 billion yen from the time of the announcement of the March 23 Disclosure Material to the time of preparation of the SC Second Updated Report). The Special Committee assesses that neither of the methodologies of UBS Securities or Nomura Securities was unreasonable and, although information of the KIOXIA Group was limited, considers as before that in determining the fairness and appropriateness of the transactional terms, the Share Valuation Reports are important reference materials. However, considering the relatively large portion of the value of the Company that is comprised of the value of the KIOXIA HD shares, the Special Committee is also of the view that the reference values in the Share Valuation Reports should be considered carefully.

The Company's FY2023 Budget was formally approved by the Company's Board of Directors on April 13, 2023, which was finalized by refining it in accordance with the ordinary practice of finalizing the Company's budget, and there were no substantively significant changes to the content of the Consolidated Financial Forecast in reviewing the share value of the Company. In addition, only approximately four and a half months have passed between the announcement of the March 23 Disclosure Material and the date of the SC Second Updated Report and there have been no major changes in the outlook of the macroeconomic environment or the business environment of the Company group during such period. Furthermore, the Special Committee is unaware of any other circumstances or changes after the announcement of the March 23 Disclosure Material that would have a material impact on the share value of the Company Shares. Therefore, the Special Committee considered that at the time of preparation of the SC Second Updated Report, it was still appropriate to conduct the share valuation based on the Consolidated Financial Forecast and the Share Valuation Reports were still valid, and thus it has not re-obtained Share Valuation Reports from Nomura Securities or UBS Securities for the preparation of the SC Second Updated Report. From time to time after the announcement of the March 23 Disclosure Material, the Special Committee has requested UBS Securities and Nomura Securities to calculate the share value and has received their reports on the same.

c. Certainty of execution of the Transaction

According to JIP, at the time of preparation of the SC Second Updated Report, it was confirmed that the obtaining of regulatory clearance related to the competition laws and inward direct investment and others necessary for the implementation of the Transaction has been completed.

After the announcement of the March 23 Disclosure Material, it came to light that the balance of cash and deposits at the time of the settlement of the Tender Offer was expected to be lower than the amount specified as a condition precedent for the execution of the LBO Loan. In response, the management team implemented measures to maintain and accumulate cash and deposits, while JIP held discussions with the

financial institutions to address the issue. Consequently, on August 4, 2023, the financial institutions issued to JIP loan certificates representing 1.2 trillion yen for senior loans and 235.5 billion yen for mezzanine loans, and the concern regarding execution of the LBO Loan has been resolved.

d. Contents of the Tender Offer Agreement

The initial JIP markup included, as a condition precedent to commence a tender offer, a financing-out provision, a No-MAE provision, and no breaches of representations and warranties based on broad representations and warranties regarding the Company's business and operations and no counter proposals, and deleted JIP's reverse breakup fee ("RBF") payment obligation, which the Company requested to secure JIP's commitment to obtain early clearance, thereby reducing the ability to ensure the certainty of execution of the transactions contemplated in the Tender Offer Agreement. As a result of the communication between the Company and JIP, the Company obtained concessions such as the conditions precedent to commence the Tender Offer being limited to the No-MAE provision, etc. as much as possible, and the obligation of JIP to pay the RBF, which should be an amount sufficient to demonstrate JIP's commitment to obtaining the clearance at an early stage and not based on any cause attributable to JIP. The contents of the agreed Tender Offer Agreement can be evaluated as terms and conditions that are considered to contribute to ensuring the certainty of execution of the Transaction.

e. Structure of the Transaction

Regarding the structure of the Transaction, the method to conduct the Tender Offer with setting a lower limit equivalent to 66.7% of the total number of the voting rights as the first step and then a demand for sale of shares or share consolidation as the second step is commonly adopted in privatizations similar to the proposed Transaction. Also, in terms of the type of consideration, which is cash, it is desirable in light of the ease of understanding of the consideration and the stability and objectivity of the value thereof. Further, from the viewpoint that it is possible to both satisfy the requirement to promptly make the Company a wholly owned subsidiary and to ensure the time and opportunity and the general shareholders, etc. to make appropriate decisions based on sufficient information, it is considered more desirable particularly when compared to a reorganization by share exchange in which the consideration is shares, etc. In addition, coercion is eliminated as stated above.

f. The Special Committee's opinion

(a) The Transaction

(x) Special Committee's opinion at the time of preparation of the SC Updated Report

In the protracted negotiations with JIP, the Tender Offer Price was increased to 4,620 yen from 4,610 yen in the final proposal as of March 3, 2023, but the Tender Offer Price is lower than the price in the original legally binding proposal. As stated in the Original Report, the Special Committee believed that although the Tender Offer at the Tender Offer Price could be considered as a reasonable exit opportunity for the Company's general shareholders to recover their investment, it did not reach a level that clearly could be recommended to general shareholders to tender their shares in the Tender Offer at that time. This is, however, considered to be as a result of changes in the macro-economic environment and deterioration in the Company's financial performance during this period. The occurrence of such events does not raise any doubt as to the fairness of the negotiation process and does not undermine the Company's reasonable efforts to ensure that the Transaction would be conducted on the best terms possible for the Company's shareholders. Since the announcement of the March 23 Disclosure Material, approximately two and a half months have passed, and the Company has not received any proposals or inquiries from the other investors

who participated in the Process or any other investors that would cause the Company's Board of Directors to reconsider the Transaction. In addition, the Company's market share price has remained below the Tender Offer Price, and, in engaging with over 10 shareholders before and after the announcement of the March 23 Disclosure Material, the Company received positive responses regarding the Process conducted by the Company. Accordingly, the Special Committee's confidence regarding the appropriateness of Tender Offer Price has increased.

While the Company operates in a difficult business environment, it is considered that the Transaction should be beneficial to the Company through the building of a stable management base and providing unified support from its shareholder for the purpose of transforming the Company's performance and fortunes over the mid to long term and, in turn, the Transaction may reasonably contribute to the improvement of the corporate value of the Company. According to the management team, between the announcement of the March 23 Disclosure Material and the preparation of the SC Updated Report, the Company received positive responses regarding the Transaction from various stakeholders, including customers, business partners, and employees. The Company recognizes once again these expectations to and, ultimately, the importance of establishing a stable business base for the Company through undertaking the Transaction. CEO Shimada has stated his concern that the projections for FY2024 and FY2025 in the budget of FY2023 would be difficult to achieve if the Company's management base continues to be unstable, which may in turn result in customer attrition and employee resignations. The Special Committee has no reason to disagree with the management's view.

Privatization is a particularly compelling strategic alternative for the Company, a publicly traded company in a situation where the instability of the Company's management base makes it difficult to enhance the Company's corporate value and ultimately promote the common interests of its shareholders. In such circumstances, it is believed that the Tender Offer Price, which resulted from the only complete proposal obtained at the end of an approximately year-long fully competitive and fair process, is fair and reasonable and capable of recommendation to the shareholders to tender their shares in the Tender Offer, taking into account that the Tender Offer Price includes a reasonable premium compared to the market price of the Company Shares prior to the CVC Letter (which is believed to have been the starting point at which the market price began to reflect a market expectation of the Company being privatized) as well as compared to levels of premiums seen in other tender offer cases aiming for privatizations by third parties, and the subsequent changes in the external economic environment and deterioration in business performance since that time.

The Tender Offer Price is, although the difference is minimal, below the lower limit of the share value range per share as calculated by UBS Securities using the DCF analysis and is within the low 25% range of the share value range per share as calculated by Nomura Securities using the DCF analysis, each at the time of the announcement of the March 23 Disclosure Material. However, while the share value calculated using the DCF analysis largely depends on the projected figures for FY2025, the final fiscal year in the Consolidated Financial Forecast, it is necessary to bear in mind that there is some doubt attached to achievability of such projected figures because: (i) looking at the past twenty years, including the most recent FY2022, the number of times that the Company achieved the projected performances is limited, and, as such, it is difficult not to conclude that the credibility of the Company in achieving its financial forecasts is generally low, (ii) the Consolidated Financial Forecast assumes a significant increase in profit for FY2024 and FY2025 due to improvements in profit margins in each business, mainly in the device, energy, and infrastructure businesses, which indicates that it is based on a plan with not low hurdles for realization, and (iii) CEO Shimada has stated his concern regarding the achievability of the projected figures for FY2024 and FY2025 in the budget of FY2023 if the Company's management base continues to be

unstable. In light of these circumstances, it is not advisable to rely solely on the share valuation calculated using the DCF analysis which is premised on the Consolidated Financial Forecasts, to which a discount, reflecting a lower confidence level, may need to be applied. The fact that the Tender Offer Price remains around the lower limit of the share value range using the DCF analysis does not prevent the Tender Offer Price, which has been obtained through a fully competitive and fair Process, from being fair and appropriate.

As of March 23, 2023, the Special Committee recognized that (i) the weak LBO loan market, rising interest rates and volatile currency, the uncertain macro-economic outlook, and the challenging environment which KIOXIA Group was facing, among other factors, as having contributed to the Tender Offer Price and (ii) the evaluation of the Tender Offer Price may change if such conditions were to change in the future; and therefore, the Special Committee decided that it was more appropriate to re-consider whether or not the Board of Directors should recommend the shareholders to tender their shares in the Tender Offer and to form its opinion at a time closer to the commencement of the Tender Offer, rather than making a decision at that time. However, although as at the time of preparation of the SC Updated Report, two and a half months have passed since the announcement of the March 23 Disclosure Material, there is currently no anticipation that such external circumstances, including the macroeconomic environment, will improve in the near future, and the book value of KIOXIA HD's shares in the Company's consolidated accounts has fallen by approximately 49.5 billion yen during the period from the time of the announcement of the March 23 Disclosure Material to the date of the SC Updated Report.

Furthermore, there is no reason to expect the Tender Offeror to raise any further acquisition funds and, even if there is an improvement in the external circumstances described above, the possibility of JIP raising the Tender Offer Price because of such improvement has significantly decreased. On the other hand, as mentioned above, according to the management team, between the announcement of the March 23 Disclosure Material and the preparation of the SC Updated Report, the Company received positive responses regarding the Transaction from various stakeholders, including customers, business partners, and employees, from which the Company recognizes once again these expectation to, and the importance of, building a stable management base through undertaking the Transaction.

The fact that the Company has limited information concerning KIOXIA Group and is subject to certain restraints in evaluating the value of KIOXIA HD shares, which comprises a significant portion of the Company's value, makes it challenging for the Board of Directors to make a decision. However, at present, there is no prospect of obtaining additional information beyond what is already available regarding KIOXIA Group. Therefore, the Special Committee deems it inappropriate to postpone the Company's Board of Directors' decision on this basis.

In addition, the acquisition structure and the type of consideration in the Transaction are fair and reasonable. Although, given the diversity and scale of the Company's different businesses as well as its involvement in strategic sectors concerning national security, the degree of certainty in obtaining regulatory clearances related to competition laws and inward direct investment among others in Japan and other countries before conducting a privatization transaction has been considered by JIP, JIP's legal advisor and by the management team, and it was concluded, based on legal advice that no specific concerns regarding the obtaining of clearances for the Transaction will be prolonged or difficult. Further, the terms and conditions of the Tender Offer Agreement can be evaluated as reasonably ensuring a degree of certainty of the Transaction.

(y) Special Committee's opinion at the time of preparation of the SC Second Updated Report

There has been no change in the Special Committee's opinion regarding the fairness and appropriateness of the structure and terms of the Transaction from the time of preparation of the SC Updated Report.

As a change in circumstances since the Updated-Report, the Company understands that KIOXIA HD and Bain SPC have been discussing the KIOXIA Transaction with the KIOXIA Transaction Counterparty. That being said, as noted above, the value of referring to the KIOXIA Transaction Information in considering the fairness and appropriateness of the terms of the Transaction would be low as of now.

(b) Other alternatives

There was no legally binding and specific proposal from Other Participants, and there was no proposal against which the Special Committee can compare to assess the fairness and appropriateness of the Tender Offer Price.

The Special Committee recognizes the possibility that a fully-developed Plan B could create more value for shareholders by divesting non-core assets and focusing on business that have competitive advantages if it could be implemented effectively, as well as pursuing a more efficient balance sheet with greater shareholder returns. However, the Special Committee has also taken note of the fact that, over the past twenty years, the number of times that the Company achieved its projected performances is limited and of the challenges in the Company achieving financial forecasts even in the short term. For FY2022, at the end of the period, the operating profits, which were initially forecast to be 170 billion yen, dropped by approximately 60 billion yen and the net profit and loss, which was initially forecast to be 175 billion yen, dropped by approximately 49.5 billion yen.

Plan B assumes the Company achieving the Consolidated Financial Forecast. However, again given that the Company has such history of missing its business plan targets, including for FY2022, lower than normal comfort level being placed on the Consolidated Financial Forecast and that a meaningful discount would need to be applied to the value that shareholders can reasonably expect from Plan B in comparison with the Tender Offer Price, noting further that the Tender Offer Price can be expected to be realized in a much shorter period than Plan B if the Transaction were to gain the support of shareholders.

According to the management team, between the announcement of the March 23 Disclosure Material and the preparation of the SC Second Updated Report, the Company has received positive responses regarding the Transaction from various stakeholders, including customers, business partners, and employees. CEO Shimada has stated his concern that the achievement of the projected figures for FY2024 and FY2025 in the FY2023 Budget would be difficult if the privatization does not materialize and the Company's management base continues to be unstable, which may in turn result in customer attrition and employee resignations. Thus, there exist no circumstances that should change the opinion of the Special Committee as to the shareholder value that can be reasonably expected from Plan B.

As such, Plan B projections and potential value derived therefrom do not provide grounds for the Special Committee to change its view that the Transaction should not be dismissed.

(iv) Whether the Transaction is disadvantageous for general shareholders of the Company in light of (i) through (iii) above of the Consultation Items

As mentioned in (i) and (ii) above, the Transaction reasonably contributes to the Company's corporate value, and extra care has been used to secure the interests of the general shareholders of the Company through a fair and transparent process. As mentioned in (iii) above, the Tender Offer Price is fair and appropriate. In addition, the minimum number of shares to be purchased in the Tender Offer was set as equivalent to 66.7% of the total number of voting rights in the Company. Since the amount of monetary consideration to be delivered in the process of a demand for sale of shares or share consolidation for privatization after completing the Tender Offer to those shareholders who do not tender their shares would be the same amount as the Tender Offer Price per share, it can be said that the fairness of the transactional

terms and procedures has been secured. Further, shareholders will be granted (i) in case of using a demand for sale of shares, the right to file a petition for the share price appraisal to the court, or (ii) in case of using a share consolidation, the right to request the purchase of shares and the right to file a petition for the share price appraisal to the court. In conclusion, the Transaction is not disadvantageous to the general shareholders of the Company.

- (v) Whether or not the Board of Directors should support and/or recommend the Transaction in light of (i) through (iv) above of the Consultation Items

Based on (i) through (iv) above, the Special Committee believes that it is appropriate for the Board of Directors to support the Transaction, including the Tender Offer, and to recommend shareholders to tender their shares in the Tender Offer

- iii. Board of Directors' and Special Committee's Obtainment of Advice from Outside Law Firms

In order to ensure fairness and appropriateness of the decision-making, the Company's Board of Directors and the Special Committee have appointed Nagashima Ohno & Tsunematsu, and Morrison & Foerster LLP as its legal advisors independent from the Tender Offeror and the Company, and have obtained legal advice from both firms on various procedures for the Transaction, the decision-making methods and process of the Company's Board of Directors and the Special Committee regarding the Transaction, and other points to be noted with respect to the decision-making regarding the Transaction. Neither Nagashima Ohno & Tsunematsu nor Morrison & Foerster LLP is a related party of the Tender Offeror or the Company and neither has any material interests that need to be indicated with respect to the Transaction.

- iv. Board of Directors' and Special Committee's Obtainment of Advice and Share Valuation Report from Independent Financial Advisor and Third-party Valuation Institution

The Company's Board of Directors and the Special Committee appointed UBS Securities as their own financial advisor and third-party valuation institution independent from the Tender Offeror and the Company, and requested UBS Securities to evaluate the value of the Company Shares as stated in "i. Company's Obtainment of Share Valuation Reports from Independent Third-party Valuation Institutions" under "3. Matters relating to Valuation" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer" in the August 7 Disclosure Material. As a result of the examination of the calculation method in the Tender Offer, UBS Securities calculated the value of the Company Shares using each method of average market price analysis, comparable company analysis, and DCF analysis. The Company obtained from UBS Securities the Share Valuation Report (UBS Securities) dated March 23, 2023. The Company has not obtained any opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from UBS Securities. In addition, UBS Securities is not a related party of the Tender Offeror or the Company, and does not have any material interests that need to be indicated with respect to the Transaction.

- v. Company's Management Team's Obtainment of Advice from Outside Law Firm

In order to ensure fairness and appropriateness in leading the Process and examining the Transaction, the Company's management team appointed Nishimura & Asahi as its own legal adviser independent from the Tender Offeror and the Company and has obtained legal advice on the implementation of the Process and points to be noted with respect to the examination of the Transaction. Nishimura & Asahi is not a related party of the Tender Offeror or the Company and does not have any material interests that need to be indicated with respect to the Transaction.

vi. Company's Management Team's Obtainment of Advice and Share Valuation Report from Independent Financial Advisor and Third-party Valuation Institution

The Company's management team appointed Nomura Securities as its own financial advisor and third-party valuation institution independent from the Tender Offeror and the Company, and requested Nomura Securities to evaluate the value of the Company Shares as stated in "i. Company's Obtainment of Share Valuation Reports from Independent Third-party Valuation Institutions" under "3. Matters relating to Valuation" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer" in the August 7 Disclosure Material. As a result of examination of calculation method in the Tender Offer, Nomura Securities calculated the value of the Company Shares using each method of average market price analysis, comparable company analysis, and DCF analysis. The Company obtained from Nomura Securities the Share Valuation Report (Nomura Securities) dated March 23, 2023. The Company has not obtained any opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from Nomura Securities. In addition, Nomura Securities is not a related party of the Tender Offeror or the Company, and does not have any material interests that need to be indicated with respect to the Transaction.

vii. Unanimous Approval by All Directors of the Company

The Company's Board of Directors carefully discussed and examined the terms and conditions of the Transaction, including the Tender Offer, taking into account the advice from a financial perspective received from Nomura Securities and UBS Securities, the details of the Share Valuation Report obtained respectively from Nomura Securities and UBS Securities, and the legal advice received from Nagashima Ohno & Tsunematsu and Morrison & Foerster LLP, and respecting the decision of the Special Committee described in the SC Second Updated Report to the extent possible. As a result, as stated in "1. Reasons for Share Consolidation" above, at the Board of Directors meeting held today, with all 11 directors of the Company participating in the deliberations and resolutions, the Company resolved, as the current opinion of the Company, to support the Tender Offer and recommend that the shareholders tender their shares in the Tender Offer.

viii. Measures to Secure Opportunities for Others to Make Competing Offers

As described above in "i. Implementation of Bidding Procedures" above, the Company publicly announced the implementation of the Process at the time of its commencement, solicited proposals for strategic alternatives to potential investors and sponsors, and secured opportunities to receive proposals for a wide range of strategic alternatives, which allowed the Company to actively conduct market checks through public bidding processes. Further, while the Company was maintaining its competitiveness, the Company also established evaluation criteria from the viewpoints of enhancing corporate value and maximizing shareholder value and selected the Tender Offeror by conducting comprehensive assessments rationally based on these evaluation criteria. Accordingly, the Company believes that it has secured sufficient opportunities for the purchase of the Company Shares by persons other than the Tender Offeror. In addition, the period of the Tender Offer itself is set at 30 business days, which is relatively long compared with the 20 business days that is the shortest period stipulated by law. Further, a substantial period of approximately four (4) months and a half has been secured between the announcement of the Tender Offer Price and other terms of the Transaction in the March 23 Disclosure Material and August 7, 2023. Accordingly, the Company believes that there are sufficient opportunities for the Company's shareholders to make an appropriate decision on whether or not to tender their shares in the Tender Offer around the time of commencement of the Tender Offer, and that there are sufficient opportunities for persons other

than the Tender Offeror to purchase the Company Shares based on the terms of the Transaction.

As stated in “IV. Important Agreements, etc. on the Tender Offer” in the August 7 Disclosure Material, the Tender Offer Agreement has a clause to the effect that the Company, itself or through a third party, must not, or must not have its subsidiaries, specifically and actively solicit, propose, discuss, negotiate, provide information, respond to a proposal or request of a third party, or conclude or execute an agreement in relation to the Transaction or transactions that compete with or conflict with the Transaction (including transactions to acquire the ordinary shares of the Company and transactions to dispose of all or a substantial part of the shares or businesses of the Company Group, whether through a tender offer, restructuring or otherwise). Accordingly, the Company cannot actively encourage other acquirers to offer takeover proposals. However, as mentioned above, in light of the fact that the Company has already solicited strategic proposals during the Process through the pro-active market check without limiting candidates, it is considered unlikely that any inability of the Company to actively solicit or negotiate counter proposals after the execution of the Tender Offer Agreement will result in a diminishment of the opportunity for other acquirers to make a takeover proposal. Furthermore, even under the Tender Offer Agreement, if, prior to the completion of the Tender Offer, the Company receives a specific and feasible proposal (a “**Counter Proposal**”) in a written form proposing the acquisition of all of the Company’s ordinary shares (excluding treasury shares) in exchange for consideration (limited to cash) exceeding the Tender Offer Price (such written counter proposal is required to provide, on reasonable grounds, the following matters regarding any notifications under any competition or investment regulations as well as any other procedures involving governmental authorities that are necessary for such acquisition: (i) specific assumptions on the type, region and period of time required for such procedures; and (ii) the fact that it is reasonably feasible to complete all such procedures in a reasonable period of time), the Company is permitted to conduct negotiations on such Counter Proposal.

In addition, as stated in “IV. Important Agreements, etc. on the Tender Offer” in the August 7 Disclosure Material, under the Tender Offer Agreement, if the Company receives a Counter Proposal, the Company may alter or withdraw its opinion supporting the Tender Offer on the condition that (A) the Company receives an opinion from external legal counsel to the effect that there is a reasonable probability that maintaining the affirmative opinion may constitute a breach by the directors of the Company of their duty of care, (B) the Company promptly notifies the Tender Offeror of the receipt of the Counter Proposal and the opinion, and forthwith enters into good faith negotiations with the Tender Offeror so as to provide the opportunity for another proposal regarding the Transaction to be made on or before the date that is five (5) business days after the date of giving such notice or the date that is five (5) business days prior to the last day of the Tender Offer Period, whichever is sooner, and (C) as a result of such negotiations, the Tender Offeror does not propose to raise the price beyond the tender offer price proposed in the Counter Proposal. If the Tender Offer Agreement is terminated due to such change or withdrawal of such affirmative opinion by the Company, the Company shall be required to pay a breakup fee of 2 billion yen to the Tender Offeror. Nevertheless, the level of this breakup fee is approximately 0.1 percent of the total amount of the consideration for the Transaction, which is a considerably low level when compared to privatization cases of other companies in which a breakup fee was agreed. In addition, in light of the fact that, during the Process, the Company and the Tender Offeror have devoted considerable resources in continuing to review the Transaction and have already solicited strategic proposals for the Company through the pro-active market check without limiting candidates, although the level of the breakup fee may be said to be within both a practical and reasonable scope, the Company believes that it may also be said that a breakup fee of this level is essentially not of a nature that would have the effect of forcing the Company’s shareholders to support the Transaction or inhibit the opportunity for the Company to receive a counter proposal that is

more desirable to the shareholders.

ix. Measures to Ensure that the Company's Shareholders Have Opportunity to Make Appropriate Decisions as to Whether to Tender Their Shares in the Tender Offer

According to the Tender Offeror, as stated in "5. Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to So-called "Two-step Acquisition")" in the August 7 Disclosure Material, in the series of procedures necessary to make the Tender Offeror the sole shareholder of the Company, monetary consideration will ultimately be delivered to the Company's shareholders who do not tender their shares (excluding the Tender Offeror and the Company), and the amount of monetary consideration to be delivered to such shareholders in such case will be calculated in such a manner so that the amount will be the same amount as the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares held by such shareholders; and therefore, it is fair to say that the Tender Offeror ensures an opportunity for the Company's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer, and gives consideration to ensuring the elimination of coercive pressure by such measure.

In addition, although the minimum period for purchase, etc. with respect to a tender offer stipulated by law is 20 business days, the Tender Offeror set 30 business days as the Tender Offer Period. It is fair to say that by setting a relatively long tender offer period, the Tender Offeror ensures that the Company's shareholders have an opportunity to make an appropriate decision on whether to tender their shares in the Tender Offer.

4. Disposition of material property, assumption of material obligations, and other events that have a material impact on the Company's property that have taken place after the last day of the most recent business year

(1) Tender Offer

As described in "1. Reasons for Share Consolidation," the Tender Offeror conducted the Tender Offer and, as a result, came to own 340,459,163 Company Shares (Ownership Ratio: 78.65%) as of September 27, 2023 (the settlement commencement date of the Tender Offer).

(2) Cancellation of treasury stock

The Company resolved, by resolution of the Board of Directors of the Company held on October 12, 2023 that the smaller of (i) 543,990 shares of the Company's treasury stock (all of the Company's treasury stock as of September 30, 2023) or (ii) the number of the Company's treasury stock as of the day before the effective date of the Stock Consolidation. This cancellation of treasury stock is conditioned on approval and adoption of the proposal on the Share Consolidation as originally proposed at this Extraordinary General Meeting of Shareholders, and the Company's total number of issued shares after the cancellation of 543,990 shares of the Company's treasury stock will be 432,853,311 shares.

Proposal No2: Partial amendment of the Articles of Incorporation

1. Reasons for proposal

(1) If Agenda Item No.1 is approved as proposed and the Share Consolidation becomes effective, the total

number of shares authorized to be issued will be reduced to 16 shares in accordance with Article 182, Paragraph 2 of the Companies Act. In order to clarify this point, Article 6 of the Articles of Incorporation (Total Number of Shares Authorized to be Issued) will be amended on the condition that the Share Consolidation takes effect.

- (2) If Agenda Item No.1 is approved as proposed and the Share Consolidation becomes effective, the Company's total number of issued shares will be 4 shares. Accordingly, on the condition that the Share Consolidation takes effect, the entire provisions from Article 7 (Number of Shares Constituting One Unit of Shares (*Tangen-kabushiki*)), Article 8 (Rights in relation to Shares Constituting Less Than One Unit), and Article 9 (Additional Share Purchase System for Holders of Shares Constituting Less Than One Unit) of the Articles of Incorporation will be deleted in order to abolish the provision for the number of shares constituting one unit of shares, which is currently 100 shares per unit and the number of articles shall be moved up in accordance with such change.
- (3) If Agenda Item No.1 is approved as proposed, as a result of the Share Consolidation, the Company Shares will be delisted and the Tender Offeror will be the sole shareholder of the Company, and the provision relating to the electronic provision system for the materials of general meetings of shareholders will no longer be necessary. Accordingly, on the condition that the Share Consolidation takes effect, the entire provision of Article 14 (Measures for Electronic Provision of Information, Etc.) will be deleted and the number of articles shall be moved up in accordance with such change.

2. Details of Amendments to Articles of Incorporation

The details of the amendments are as follows.

(Underlines denote the amended sections.)

Current Articles of Incorporation	Proposed Amendments
(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued is <u>one billion (1,000,000,000)</u> .	(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued is <u>16</u> .
<u>(Number of Shares Constituting One Unit of Shares (<i>Tangen-kabushiki</i>))</u> Article 7. The number of shares constituting one (1) unit of shares shall be <u>one hundred (100)</u> .	[Deleted]
<u>(Rights in relation to Shares Constituting Less Than One Unit)</u> Article 8. A shareholder may not, in relation to shares constituting less than one (1) unit, exercise any right other than the rights stipulated in each of the following items:	[Deleted]
1. <u>The rights stipulated in each item of Article 189, Paragraph 2 of the Companies Act;</u> 2. <u>The rights to receive allocation of offered shares and offered stock acquisition rights proportionately to the number of shares held by the shareholder; and</u> 3. <u>The right to make a request stipulated in the following Article.</u>	
(Additional Share Purchase System for Holders of Shares	[Deleted]

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="226 362 823 389"><u>Constituting Less Than One - 3 - Unit</u></p> <p data-bbox="226 389 823 542"><u>Article 9. Pursuant to the provisions of the Regulations on Handling of Shares, etc., a shareholder may request the Company to sell shares to him/her, in order to make his/her shares constituting less than one (1) unit into a full unit of shares.</u></p> <p data-bbox="226 573 823 600">Article <u>10</u> – Article <u>13</u> (Clauses omitted)</p> <p data-bbox="226 631 823 658">(Measures for Electronic Provision of Information, Etc.)</p> <p data-bbox="226 658 823 685"><u>Article 14.</u></p> <p data-bbox="226 685 823 837">1. <u>When convening a General Meeting of Shareholders, the Company shall take measures for the electronic provision of information contained in the reference materials, etc. for General Meeting of Shareholders.</u></p> <p data-bbox="226 837 823 1088">2. <u>With respect to all or part of the matters specified by the Ordinance of the Ministry of Justice for which measures for the electronic provision of information are to be taken, the Company shall not be required to include such matters in the documents to be delivered to shareholders who have made a request for document delivery by the record date for voting rights.</u></p> <p data-bbox="226 1120 823 1146">Article <u>15</u> – Article <u>34</u> (Clauses omitted)</p>	<p data-bbox="823 573 1415 600">Article <u>7</u> – Article <u>10</u> (As per current AOI)</p> <p data-bbox="823 631 1415 658">[Deleted]</p> <p data-bbox="823 1120 1415 1146">Article <u>11</u> – Article <u>30</u> (As per current AOI)</p>

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.

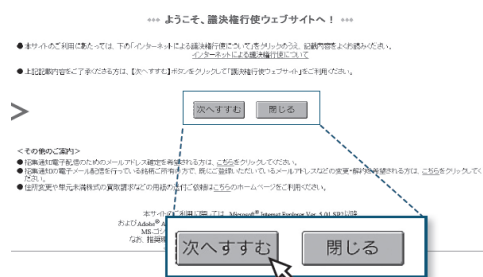
Deadline for the exercise of voting rights: 5:15 p.m., November 21, 2023 (Tuesday), Japan time

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

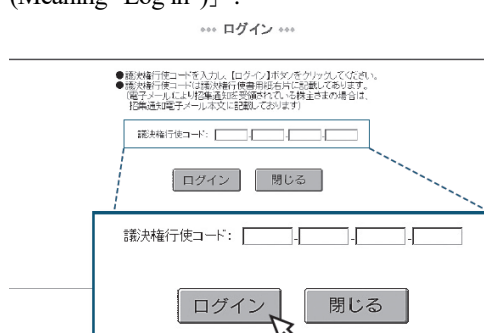
How to Access

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”)」.



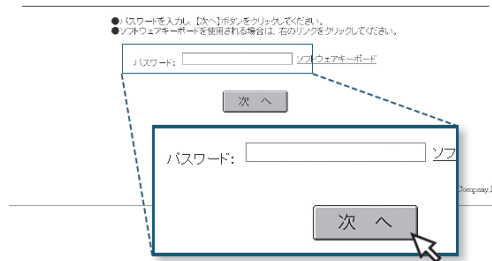
2. Log into the website.
Input the voting rights exercise code indicated in the Voting Rights Exercise Form, and click 「ログイン(Meaning “Log in”)」.



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 (Toll free)

(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.