

June 22, 2020
Toshiba Corporation

FOR IMMEDIATE RELEASE

Notice Regarding Convocation of the Ordinary General Meeting of Shareholders for the 181st Fiscal Year and the Opinion of the Company's Board of Directors on the Shareholder Proposals

At its Board of Directors meeting held today, Toshiba Corporation (the "Company") resolved as follows with respect to the date and venue of the Ordinary General Meeting of Shareholders for the 181st Fiscal Year (this "General Meeting") and the company proposals (Proposals Nos. 1 and 2) following the Company's previous announcement, "Notice Regarding Postponement of Announcement of Consolidated Financial Results for Fiscal Year 2019, and Change to the Date of Record for the General Meeting of Shareholders" dated April 18, 2020, announcing that this General Meeting would be held in July 2020 or later due to the effects of the COVID-19 pandemic.

On the same day, the Board of Directors also deliberated the proposals received from shareholders (Proposals Nos. 3 and 4; the "Shareholder Proposals"), and after serious consideration and discussion, unanimously resolved, including Outside Directors, to oppose the Shareholder Proposals.

For the details of this General Meeting, please refer to the convocation notice to be published on the Company's website and sent to shareholders at the beginning of July.

1. Schedule and other details of this General Meeting
 - (1) Date and Time: Friday, July 31, 2020 at 10:00 a.m. (Doors open at 8:30 a.m.), Japan time
 - (2) Venue: **Belle Salle Takadanobaba**, 8-2, Okubo 3-chome, Shinjuku-ku, Tokyo, Japan
 - (3) Agenda for the meeting
 - (i) Matters for reporting
Reports for business reports, consolidated financial statements and non-consolidated financial statements, and result of audit of the consolidated financial statements for the 181st fiscal year (from April 1, 2019 to March 31, 2020) and other matters
 - (ii) Matters for resolution
Company proposal: (Proposal Nos. 1 and 2)
Proposal No. 1: Amendment of the Articles of Incorporation
Proposal No. 2: Election of twelve (12) Directors (Please refer to "Candidates for Directors and Executive Officers" attached hereto as Appendix I)
Shareholder proposals (Proposals Nos. 3 and 4):
Proposal No. 3: Election of two (2) Directors
Proposal No. 4: Election of three (3) Directors

In the interest of preventing the spread of COVID-19, we sincerely request your cooperation in refraining from attending this General Meeting in person to the extent possible. This General Meeting will be broadcast live on the Internet, so the proceedings of the meeting will be available online. Please exercise voting rights in advance by mail or via the Internet. Prior

submission of questions is also accepted. If you do plan on attending the meeting in person, we ask that you read and accept in advance the notes set out in the convocation notice.

2. Details of and reasons for the company proposals (Proposal Nos. 1 and 2)

(1) Proposal No.1: Amendment of the Articles of Incorporation

This proposal is to amend Article 33, Paragraph 1 of the Articles of Incorporation as explained in the Company's announcement, "Amendment of the Articles of Incorporation" today. Please refer to the said announcement for the reasons and details of this proposal.

(2) Proposal No.2: Election of twelve (12) Directors

(i) Reasons for proposal

The term of office of the current 12 Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed to elect 12 Directors based on a decision by the Nomination Committee.

The Company is promoting a number of policies with the aim of increasing total shareholder return (TSR) through maximizing the Company's corporate value. To realize the increase of mid- to long-term shareholder value, the Company is in the process of executing the Toshiba Next Plan, a company-wide five-year road map for corporate transformation announced on November 8, 2018. At the Ordinary General Meeting of Shareholders for the 180th Fiscal Year, a revolutionary Board of Directors was elected, including Directors with appropriate diversity in terms of deep knowledge and experience in international business, business portfolio management, business transformation and M&A, and expertise in capital markets and capital allocation, as well as gender and international experience as required in the Corporate Governance Code of Japan. In particular, four of the 12 Director candidates (33%) are of non-Japanese nationality, which makes the Company's Board of Directors extremely progressive compared to the average percentage of non-Japanese board members at Nikkei 225 companies (3.5%) and TOPIX companies (5.1%) (Source: "2019 Japan Spencer Stuart Board Index" (Spencer Stuart Japan Ltd.)).

Under this renewed Board of Directors, the Company is comprehensively and thoroughly managing and reforming its business portfolio by monitoring struggling low-profitability businesses based on a strict criteria of ROS (return on sales) of 5%, and selling non-operating assets such as listed shares, functional subsidiaries, and real estate assets, putting the utmost emphasis on capital efficiency.

The Company is promoting the improvement of shareholder returns, and steadily implemented a series of share buybacks of up to 700 billion yen, one of the largest conducted in Japan, and paid a dividend with a March 31, 2020 record date despite the effects of the COVID-19 pandemic. The Company intends to maintain an average consolidated dividend payout ratio of at least 30% (*Note), and shareholders' equity in excess of the appropriate level of shareholders' equity will be used to provide shareholder returns, including share repurchases. The appropriate level of capital shall be reviewed by the Board of Directors on a regular basis. While the Company will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation, it is the Company's intention in principle, to return the majority of the net proceeds from any KIOXIA Holdings Corporation divestiture to shareholders. Furthermore, if the external environment stabilizes enabling capital markets and the global pandemic to be more predictable in the Fall, the Company expects to be in a position to undertake more proactive portfolio streamlining and divestures, including the assessment of highly

accretive M&A opportunities, to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of the Company.

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

As the first phase of the Toshiba Next Plan, the Company has completed its withdrawal from the LNG business in the United States and conducted structural reforms including optimizing its personnel structure, procurement system reforms to reduce costs, optimization and reinforcement of sales systems, sales reforms including improving profitability through strengthening project evaluation and screening functions, and process reforms aiming to improve efficiency and productivity of overall operation including group-wide IT infrastructure; through these initiatives, the Group has constructed a stable, recession-resilient business portfolio focused on social infrastructure and other B2B business areas, which also coincides with the Company's mission to maintain social infrastructure for the safety and security of society, and improved basic profitability. In the Toshiba Next Plan, the Company has sold strategic shareholdings in listed companies and sold or deconsolidated functional subsidiaries, and also places maximum emphasis on the efficient management of capital.

Regarding the Company's 40.2% holding in KIOXIA Holdings Corporation, as already announced, the Company has no strategic intention to remain in the Memory business. Therefore, the Company intends to realize the value of its investment in KIOXIA Holdings Corporation and continues to evaluate alternatives means of monetizing its stake. Once such a monetization event is completed, the Company, in principle, intends to return a majority portion of the net proceeds to shareholders.

As part of its continuing efforts to rationalize its business portfolio, the Company will seek to further grow the infrastructure service businesses and data services businesses. As for monitored businesses, as previously defined, such as the System LSI business and the Printing business, the Company is considering its available options. As for the Printing business, since Toshiba TEC Corporation is a listed subsidiary and the Company recognizes the independence of Toshiba TEC's board and management, we will continue to closely monitor its recovery plans and progress. The Company will discuss the measures necessary to be taken for the printing business from its position as Toshiba TEC's shareholder.

The Company made applications for reinstatement to the First Sections of the Tokyo and Nagoya Stock Exchanges in April 2020. Furthermore, the Toshiba Next Plan: Phase 2 will aim for further growth by transforming the Company into an infrastructure services company leveraging Cyber Physical Systems (CPS) technology (see Note).

Note: CPS is a framework for the creation of added value by gathering data in the physical world, analyzing that data in the cyber world using digital technologies and creating actionable information and knowledge, then feeding those back into the physical world.

Since 2015, the Company has considered the enhancement of internal control to be a high-priority issue, and has worked to strengthen governance through changes to the Board of Directors regime, and to improve control by reducing the number of subsidiaries. However, as announced on February 14, 2020, it has been discovered that Toshiba IT-Services Corporation, a consolidated subsidiary of the Company, was involved in so-called cyclical transactions and fictitious transactions without actual merchandise. The Company is taking this incident seriously, and the executive side, led by the

Representative Executive Officer and President and CEO, swiftly addressed the incident by reporting it to the Audit Committee and engaging outside experts to conduct a thorough investigation. That investigation was conducted in a highly transparent manner that ensured objectivity and expertise, with the material parts of the investigation and reporting being led by the outside experts. Based on the results of that investigation, the Board of Directors also deliberated the causes of the incident and measures to prevent recurrence, made timely and appropriate disclosures, and implemented radical measures to prevent recurrence including a general prohibition on balancing transactions whose end users cannot be confirmed.

The Company has been engaged in ongoing improvement of its internal control systems since 2015, and in order to further address the risk of misconduct, will further strengthen its “three-line defense” comprised of cultural change, improvement of IT systems, and establishment of a Compliance Advisory Meeting:

As the first line of defense, at the operational front-lines, it is important for top management to speak about and inculcate the importance of compliance, and continue to do so, with a view to cultural change. The Company will also introduce a personnel evaluation system that emphasizes conduct evaluation, expand training for the purpose of developing and raising compliance awareness, and increase the adoption of the whistleblower system.

The second line of defense is checking by back-office departments. Functions that act as a check on the front-line departments, such as finance, accounting, and procurement, will be made to report directly to Corporate, separating their reporting lines from operating departments and ensuring the effectiveness of their checking function. This process is already underway. The Company is also introducing a new risk management system and introducing next-generation IT systems to improve data collection functions and prevent and visualize human error. The reduction of subsidiaries already implemented under the Toshiba Next Plan will also continue, which will enhance group governance.

The third line of defense is the enhancement of the auditing function. The Company will improve its ability to discover risks of misconduct through a variety of measures, including enhancing the checking function through the establishment of a Compliance Advisory Meeting including outside experts which will coordinate with the Risk-Compliance Committee for the whole Group, increasing staff for the audit function, and strengthening coordination between the Audit & Supervisory Board members of the group companies.

Based on its renewed recognition that a single incident of misconduct may undo many years of hard work, the Company will thoroughly implement measures to prevent recurrence and work to further enhance its internal control.

As a result, the Company proposes that the Board of Directors be structured as follows, and is confident that the 12 candidates in this Proposal are the best suited for achieving sustainable growth and increasing shareholder value over the mid- to long-term.

- (1) The number of Directors will be 12, with only the Representative Executive Officer, President and CEO being a Director concurrently serving as an executive officer, accompanied by one non-executive Inside Director, and ten Outside Directors. The Company previously set the number of Directors around 11 in order to enable substantive and thorough discussions and maintained the number of Outside Directors at more than half of the Board members in order to ensure effectiveness of oversight and supervision of business execution. The Company’s new Board

composition further advances this idea by minimizing the number of Directors concurrently serving as executive officers, while maintaining the current number of Directors.

- (2) The proposed Board of Directors remains innovative in its composition – while reflecting the composition of the Company’s shareholders, it includes four non-Japanese candidates, and ensures that candidates have experience in international business, expertise in business portfolio management, business transformation, M&A, capital markets and capital allocation, and law and compliance, which are the skill sets essential to promoting the execution of the Toshiba Next Plan: Phase 2 and appropriately handle high-risk matters. Of the 12 candidates, one is a newly nominated candidate.
- (3) The Director candidates include an attorney-at-law with experience as a former Deputy Prosecutor-General of the Supreme Public Prosecutors Office who also served as a Supreme Court justice for six years and eight months, a certified public accountant who served as the Representative Member of a prominent audit corporation, Crowe Toyo & Co. for six years and seven months, a leading expert of corporate governance in Japan with experience as a former chairman of the Japan Audit & Supervisory Board Members Association and a member of the METI Corporate Governance System Study Group, and members with experience as full-time Audit & Supervisory Board members at some of Japan’s largest companies. We are confident that this is the best management team from the perspective of enhancing internal control.

(ii) Details of proposal

The director candidates are as set out in Appendix I “Candidates for Directors and Executive Officers,” and the reasons for candidacy are as set out in Appendix II “Reasons for Candidacy as Directors”.

3. Details of the shareholder proposals (Proposals Nos. 3 and 4)

(1) Proposal No.3: Election of two (2) Directors

This is a proposal by 3D OPPORTUNITY MASTER FUND. The proposal is the election of two Directors, Mr. Allen Chu and Mr. Yuya Shimizu. Please refer to Appendix III for the reasons of proposal and other details.

(2) Proposal No.4: Election of three (3) Directors

This is a proposal proposed by Effissimo Capital Management Pte Ltd and SMT Partners (Cayman) Limited. The proposal is the election of three Directors, Mr. Akira Takeuchi, Mr. Tadaaki Sugiyama, and Mr. Yoichiro Imai. Please refer to Appendix IV for the reasons of proposal and other details.

4. Opinion of the Board of Directors on the Shareholder Proposals (Proposal Nos. 3 and 4)

The Board of Directors is OPPOSED to the Shareholder Proposals (Proposal Nos. 3 and 4).

As described in the reasons for proposal for Proposal No. 2, the Board of Directors considers the candidates for Director proposed by the Company to be sufficiently diverse in terms of deep knowledge and experience in international business, business portfolio management, business transformation and M&A, and expertise in capital markets and capital allocation, as

well as gender and international experience as required in the Corporate Governance Code of Japan, and to be the best suited to execute the Toshiba Next Plan, and to have sufficient expertise in law, compliance, accounting and to have a satisfactory board composition to handle misconduct and other high-risk incidents. For details of the Director candidates proposed by the Company, please see “Proposal No. 2: Election of twelve (12) Directors,” Appendix I “Candidates for Directors and Executive Officers” and Appendix II “Reasons for Candidacy as Directors.”

The five candidates nominated by the shareholders in Proposals Nos. 3 and 4 have been interviewed by the Chairperson of the Nomination Committee and all Directors who are Nomination Committee members. The Nomination Committee examined and deliberated on the personal qualities, experience, and expertise of those five candidates, and their roles and functions as a part of the overall composition of the Board of Directors, and determined that the election of the five candidates nominated in Proposals Nos. 3 and 4 is unnecessary for the following reasons:

- (1) In considering the composition of the new Board of Directors after the close of this General Meeting, the Company has comprehensively taken into account the skillset required of the Board of Directors, and the resulting Board composition is the necessary and sufficient regime for contributing to the sustainable growth of the Company and the enhancement of mid- to long-term shareholder value, and by extension the improvement of TSR;
- (2) The new Board of Directors proposed by the Company has a progressive structure consisting of two Inside Directors (of whom only one concurrently serves as an executive officer) and ten Outside Directors – that structure has a strong supervisory function, secures personnel with deep knowledge of areas such as capital markets, corporate management and international business experience which will contribute to the implementation of the Toshiba Next Plan, and ensures appropriate diversity in terms of internationality, gender, and other qualities;
- (3) The candidates for Director proposed by the Company include legal and compliance experts, accounting experts, leaders in corporate governance and members with experience as full-time Audit & Supervisory Board members at some of Japan’s largest companies, who will be well-suited from the perspective of supervising misconduct incidents and other high-risk matters and implementing measures to prevent those recurrence;
- (4) The Company has set the number of Directors at around 11 in order to enable substantive and thorough discussion at Board of Directors meetings, and the number of Directors proposed (12) is the appropriate number from the perspective of right-sizing the new Board of Directors in light of the content of the Company’s business, the implementation of the Toshiba Next Plan, and the size of the Company;
- (5) The Directors of the Company, including the four non-Japanese directors, have all attended all of the meetings of the Board of Directors and its committees to which they belong, actively taken part in discussions, and otherwise been strongly engaged in the Company’s activities, and all of the Director candidates have confirmed that they will, if appointed, in principle be able to attend every meeting of the Board of Directors and the committees to which they belong;
- (6) The election of Messrs. Allen Chu and Yuya Shimizu has been proposed by the shareholder on the basis that “it is necessary to further increase the number of outside directors who are able to share the perspectives of institutional investors in addition to the current four outside directors, and to appoint outside directors who will be able to

devote sufficient time to their duties as outside directors,” but these concerns are not valid given that the Director candidates proposed by the Company include candidates with deep knowledge of capital markets, particularly Ms. Ayako Hirota WEISSMAN and Mr. George Raymond ZAGE III, and that all of the Director candidates proposed by the Company are actively involved as Directors of the Company and have confirmed that they will in principle be able to attend all the meetings of the Board of Directors and the committees they will sit on if they are elected, as stated in (5) above. Therefore, the Nomination Committee judges that there is no need to elect Messrs. Allen Chu and Yuya Shimizu as Directors;

- (7) The reason for proposing the election of Messrs. Akira Takeuchi and Takaaki Sugiyama is understood to be their potential effectiveness in improving the Company’s compliance and corporate culture, but as stated above, the Company is taking serious actions to improve its internal control, and the Director candidates proposed by the Company include an attorney-at-law with experience as a former Deputy Prosecutor-General of the Supreme Public Prosecutors Office who also served as a Supreme Court justice for six years and eight months, a certified public accountant who served as the Representative Member of a prominent audit corporation Crowe Toyo & Co. for six years and seven months, a leading expert of corporate governance in Japan with experience as a former chairman of the Japan Audit & Supervisory Board Members Association and a member of the METI Corporate Governance System Study Group, and members with experience as full-time Audit & Supervisory Board members at some of Japan’s largest companies, and we are confident that they are the best board composition from the perspective of enhancing internal control. Therefore, the Nomination Committee judges that there is no need to elect Messrs. Akira Takeuchi and Takaaki Sugiyama as Directors and
- (8) The reason for proposing the election of Mr. Yoichi Imai is understood to be his potential effectiveness in improving the Company’s compliance and corporate culture, but the candidate is an executive of the Company’s largest shareholder, and appointing an executive of a specific shareholder as Director would be inappropriate in terms of issues such as conflict of interest. Furthermore, the candidate is not necessarily a compliance expert, while the candidates proposed by the Company include legal and compliance experts and we are confident that they are the best board composition from the perspective of enhancing internal control, as stated in (7) above. Therefore, the Nomination Committee judges that there is no need to elect Mr. Yoichi Imai as Director.

The Company is promoting a number of policies with the aim of increasing TSR through maximizing the Company’s corporate value. Under the Board of Directors with an extremely revolutionary structure elected at the General Meeting of Shareholders for the 180th Fiscal Year, the Company is in the process of executing the Toshiba Next Plan, a company-wide five-year road map for corporate transformation announced on November 8, 2018, and is comprehensively and thoroughly managing and reforming its business portfolio by monitoring struggling low-profitability businesses based on a strict criteria of ROS (return on sales) of 5%, and selling non-operating assets such as listed shares, functional subsidiaries, and real estate assets, putting the utmost emphasis on capital efficiency. In terms of capital allocation, the Company has adopted a policy for the exercise of decision making authority regarding dividends of surplus, etc. of using the amount exceeding the appropriate level of capital adequacy ratio as shareholder returns, including share buybacks.

The Company is promoting the improvement of shareholder returns, and steadily implemented a series of share buybacks of up to 700 billion yen, one of the largest conducted

in Japan and paid a dividend with a March 31, 2020 record date despite the effects of the COVID-19 pandemic. The Company intends to maintain an average consolidated dividend payout ratio of at least 30% (*Note), and shareholders' equity in excess of the appropriate level of shareholders' equity will be used to provide shareholder returns, including share repurchases. The appropriate level of capital shall be reviewed by the Board of Directors on a regular basis. While the Company will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation, it is the Company's intention in principle, to return the majority of the net proceeds from any KIOXIA Holdings Corporation divestiture to shareholders. Furthermore, if the external environment stabilizes enabling capital markets and the global pandemic to be more predictable in the Fall, the Company expects to be in a position to undertake more proactive portfolio streamlining and divestitures, including the assessment of highly accretive M&A opportunities, to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of the Company.

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

The Company has proceeded with withdrawal from the LNG business in the United States, structural reforms, procurement system reforms, sales reforms, and process reforms; through these initiatives, the Group has constructed a stable, recession-resilient business portfolio focused on social infrastructure and other B2B business areas, which also coincides with the Company's mission to maintain social infrastructure for the safety and security of society, and improved basic profitability. Going forward, the Company will proactively engage in structural reforms and the sale of non-operating assets, and continue to earnestly address the issue of resolving its conglomerate discount.

Furthermore, the Toshiba Next Plan: Phase 2 will aim for further growth by transforming the Company into an infrastructure services company leveraging Cyber Physical Systems (CPS) technology.

Based on the "Practical Guidelines on Group Governance Systems" published by METI, the Company has deemed its listed subsidiaries as material governance issues, and as a result of the Board of Directors' profound discussion, the Company determined that it could achieve an increase in corporate value by wholly acquiring the ownership of three of its subsidiaries, Toshiba Plant Systems Co., Ltd., Nuflare Technology Co., Ltd., and Nishishiba Electric Co., Ltd. As announced on November 13, 2019, the Company wholly acquired those three companies through tender offer buyouts. The Company has established working groups with the aim of maximizing synergies with those subsidiaries, which it is currently executing its operation. Each operation is executed after confirming that it would be expected to generate an increase in EPS (earnings per share) and an IRR (internal rate of return) well in excess of capital costs.

Regarding the Company's 40.2% holding in KIOXIA Holdings Corporation, as already announced, the Company has no strategic intention to remain in the Memory business. Therefore, the Company intends to realize the value of its investment in KIOXIA Holdings Corporation and continues to evaluate alternatives means of monetizing its stake. Once such a monetization event is completed, the Company, in principle, intends to return a majority portion of the net proceeds to shareholders.

As part of its continuing efforts to rationalize its business portfolio, the Company will seek to further grow the infrastructure service businesses and data services businesses. As for monitored businesses, as previously defined, such as the System LSI business and the Printing business, the Company is considering its available options. As for the Printing business, since

Toshiba TEC Corporation is a listed subsidiary and the Company recognizes the independence of Toshiba TEC's board and management, we will continue to closely monitor its recovery plans and progress. The Company will discuss the measures necessary to be taken for the printing business from its position as Toshiba TEC's shareholder.

In addition, the Company is operated with the awareness of the importance of improving TSR, and introduced a stock-based compensation plan for Outside Directors and established compensation metrics based on three-year relative TSR for executive officers. The Company has judged that the five-year Toshiba Next Plan should not be evaluated solely on the basis of short-term one-year TSR.

Furthermore, since 2015, the Company has considered the enhancement of internal control to be a high-priority issue, and has worked to strengthen governance through changes to the Board of Directors regime, and to improve control by reducing the number of subsidiaries. However, as announced on February 14, 2020, it has been discovered that Toshiba IT-Services Corporation, a consolidated subsidiary of the Company, was involved in so-called cyclical transactions and fictitious transactions without actual merchandise. The Company took this incident seriously, and the executive side, led by the Representative Executive Officer and President and CEO, swiftly addressed the incident by reporting it to the Audit Committee and engaging outside experts to conduct a thorough investigation. That investigation was conducted in a highly transparent manner that ensured objectivity and expertise, with the material parts of the investigation and reporting being led by the outside experts. Based on the results of that investigation, the Board of Directors also deliberated the causes of the incident, measures to prevent recurrence, and made timely and appropriate disclosures, and implemented radical measures to prevent recurrence including a general prohibition on balancing transactions whose end users cannot be confirmed.

The Company has been engaged in ongoing improvement of its internal control systems since 2015, and in order to further address the risk of misconduct, will further strengthen its "three-line defense" comprised of cultural change, improvement of IT systems, and establishment of a Compliance Advisory Meeting:

As the first line of defense, at the operational front-lines, it is important for top management to speak about and inculcate the importance of compliance, and continue to do so, with a view to cultural change. The Company will also introduce a personnel evaluation system that emphasizes conduct evaluation, expand training for the purpose of developing and raising compliance awareness, and increase the adoption of the whistleblower system.

The second line of defense is checking by back-office departments. Functions that act as a check on the front-line departments, such as finance, accounting, and procurement, will be made to report directly to Corporate, separating their reporting lines from operating departments and ensuring the effectiveness of their checking function. This process is already underway. The Company is also introducing next-generation IT systems to improve data collection functions and prevent and visualize human error. The reduction of subsidiaries already implemented under the Toshiba Next Plan will also continue, which will enhance group governance.

The third line of defense is the enhancement of the auditing function. The Company will improve its ability to discover risks of misconduct through a variety of measures, including enhancing the checking function through the establishment of a Compliance Advisory Meeting including outside experts which will coordinate with the Risk-Compliance Committee for the whole Group, increasing staff for the audit function, and strengthening coordination between the Audit & Supervisory Board members of the group companies.

Based on its renewed recognition that a single incident of misconduct may undo many years of hard work, the Company will thoroughly implement measures to prevent recurrence and work to further enhance its internal control.

As explained above, the Board of Directors is confident that the 12 candidates in Proposal No. 2 are the best suited for achieving sustainable growth and increasing shareholder value over the mid- to long-term, and by extension improving TSR and strengthening the Company's internal control systems, and is therefore **opposed** to Proposals Nos. 3 and 4 on the ground that the appointment of the five Directors nominated in those proposals is not necessary.

Candidates for Directors and Executive Officers

1. Director Candidates (underlined is the newly nominated director candidate)

Directors Satoshi Tsunakawa
 Nobuaki Kurumatani
 Yuki Furuta
 Junji Ota
 Nobuyuki Kobayashi
 Takashi Yamauchi
 Yoshiaki Fujimori
 Paul J. Brough
 Ayako Hirota Weissman
 Jerry Black
 George Raymond Zage III
 Osamu Nagayama

2. Candidate for Chairman

Chairman Satoshi Tsunakawa

※ Chairman shall check and supervise business operation by executive officers as well as engage in activity of business community. “Chairman” and “Chairperson of the Board of Directors” are separate positions.

3. Candidate for Chairperson of the Board of Directors

Chairperson of the Osamu Nagayama
Board of Directors

4. Candidates for Committees

Nomination Committee

Osamu Nagayama (Chairperson)
Junji Ota

Takashi Yamauchi
Yoshiaki Fujimori
Ayako Hirota Weissman

Audit Committee

Junji Ota (Chairperson)
Yuki Furuta
Nobuyuki Kobayashi
Takashi Yamauchi

Compensation Committee

Yuki Furuta (Chairperson)
Yoshiaki Fujimori
Jerry Black
Osamu Nagayama

Note: Underlined are the newly nominated candidates.

5. Candidates for Executive Officers

Representative Executive Officer	Nobuaki Kurumatani
President and Chief Executive Officer	
Representative Executive Officer	Masayasu Toyohara
Corporate Senior Executive Vice President	
Representative Executive Officer	Masayoshi Hirata
Corporate Executive Vice President and Chief Financial Officer	
Representative Executive Officer	Naoya Sakurai
Corporate Executive Vice President	
Representative Executive Officer	Mamoru Hatazawa
Corporate Executive Vice President	
Executive Officer	Takayuki Konno
Corporate Senior Vice President	
Executive Officer	Taro Shimada
Corporate Senior Vice President	
Executive Officer	Hiroyuki Sato
Corporate Senior Vice President	

Executive Officer	Masaharu Kamo
Corporate Senior Vice President	
Executive Officer	Hitoshi Ootsuka
Corporate Vice President	
Executive Officer	Keiichi Yumita
Corporate Vice President	
Executive Officer	Tsutomu Kamijo
Corporate Vice President	
Executive Officer	Hideaki Ishii
Corporate Vice President	

Note: The term of office of each Director and Executive Officer is one year.

6. Retiring Director

Director Yoshimitsu Kobayashi (Chairperson of the Board of Directors)

Biography of Newly Nominated Director

Osamu Nagayama

April 1971:

Joined The Long-Term Credit Bank of Japan

November 1978:

Joined Chugai Pharmaceutical Co., Ltd.

March 1985:

Director, Chugai Pharmaceutical Co., Ltd.

March 1987:

Director, Senior Vice President, Chugai Pharmaceutical Co., Ltd.

March 1989:

Representative Director, Deputy President, Chugai Pharmaceutical Co., Ltd.

September 1992 – March 2012:

Representative Director, President and CEO, Chugai Pharmaceutical Co., Ltd.

January 2006 – March 2018:

Enlarged Corporate Executive Committee Member, F.Hoffmann-La Roche Ltd.

October 2006 – present:

Chairman, The Tokyo Biochemical Research Foundation

April 2009 – present:

President, Japan Bioindustry Association

June 2010 – June 2013:

Outside Director, Sony Corporation

March 2012 – March 2018:

Representative Director, Chairman and CEO, Chugai Pharmaceutical Co., Ltd.

June 2013 – June 2019:

Outside Director, Chairman of the Board of Directors, Sony Corporation

March 2018 – March 2020:

Representative Director, Chairman, Chugai Pharmaceutical Co., Ltd.

March 2020 – present:

Senior Advisor (Honorary Chairman), Chugai Pharmaceutical Co., Ltd.

Reasons for Candidacy as Directors

1. Satoshi Tsunakawa, Director, Chairman

Since taking office as Representative Executive Officer and President in June 2016, Mr. Satoshi TSUNAKAWA has worked to rapidly restore and strengthen the Company's financial position and profitability, and has made efforts to enhance the Group's organizational management. He executed the sale of Toshiba Medical Systems Corporation (now Canon Medical Systems Corporation), of which he was former President and CEO, as well as the sale of shares of Toshiba Lifestyle Products & Services Corporation and Toshiba Visual Solutions Corporation. In the crisis of the Company including the negative equity that arose due to a large loss caused by Westinghouse Electric Company ("WEC"), the Company eliminated the negative equity and successfully recovered from such crisis with his initiative, by selling off its memory business, raising capital through a third-party allotment to foreign institutional investors, making full and early payment of the Company's parent company guarantee obligations with respect to WEC, selling off assets related to WEC.

From April 2018 through March 31, 2020, as Representative Executive Officer, President and COO, he led the Company's execution of business in close collaboration with the Representative Executive Officer, Chairman and CEO. The Nomination Committee decided to select him as a candidate for Director in order for him to utilize his experience so far by participating in the meetings of the Board of Directors as a non-executive Chairman and to help the Group to maximize corporate value, enhance governance, and also to continue to address the challenges it faces.

2. Nobuaki Kurumatani, Director, Representative Executive Officer; President and CEO

Since taking office as Representative Executive Officer, Chairman and CEO in April 2018, Mr. Nobuaki KURUMATANI has examined the Company's business from a new perspective based on his many years of experience and success, and on November 8, 2018, he developed the Toshiba Next Plan, a company-wide five-year transformation plan showing the Company's new path forward, and has been updating that plan as necessary and directing its implementation under his strong leadership. He has been bold in his disposal of unprofitable legacy assets such as the LNG business, and has led a review of the Company's business portfolio and efficient management of capital, including strict monitoring of struggling low-profit businesses based on a standard of ROS 5% and selling non-operating assets such as cross-shareholdings, functional subsidiaries, and real estate assets, through which he has brought the Company into a stable position mainly focused on B2B business. He has also been engaged in improving basic profitability, and has successfully reduced fixed costs and increased marginal profit. As a result, operating profit for the fiscal year ended March 2020 was 130.5 billion yen, with the Toshiba Next Plan generally on-target, discounting the effects of the COVID-19 pandemic. Furthermore, he has been able to attract talented personnel to the Company, drastically enhancing its executive functions in a very short time. He has been proactive in promoting shareholder returns, and the Company has steadily enacted a series of share buybacks of up to 700 billion yen, one of the largest conducted in Japan. In addition, the Company intends to maintain an average consolidated dividend payout ratio of at least 30%, and shareholders'

equity in excess of the appropriate level of shareholders' equity will be used to provide shareholder returns, including share repurchases. The appropriate level of capital shall be reviewed by the Board of Directors on a regular basis. While the Company will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation, it is the Company's intention in principle, to return the majority of the net proceeds from any KIOXIA Holdings Corporation divestiture to shareholders.

Furthermore, if the external environment stabilizes enabling capital markets and the global pandemic to be more predictable in the Fall, the Company expects to be in a position to undertake more proactive portfolio streamlining and divestitures, including the assessment of highly accretive M&A opportunities, to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of the Company. Mr. KURUMATANI's swift action to make applications for reinstatement to the First Sections of the Tokyo and Nagoya Stock Exchanges. The Nomination Committee considers his efforts to be contributing to the long-term improvement of TSR, and believes that the success of the five-year Toshiba Next Plan should not be evaluated on the basis of a short-term metric such as one-year TSR, and he intends to continue his project to remove the Company's conglomerate discount with a view to improving TSR. He is also in the process of transforming the Company into an infrastructure services company leveraging CPS technology as part of the Toshiba Next Plan: Phase 2. The Nomination Committee considers it appropriate for him to continue to carry out these plans and policies as Representative Executive Officer, President and CEO, the position to which he was appointed in April 2020. Based on his wealth of experience and accomplishment at financial institutions and his experience as the Chairman & Co-Representative of an investment company, he has strong expertise in managing an operating company and has leveraged his strong networks to enhance the Company's presence at outward activities as the representative of the Company.

With respect to the cyclical transactions and fictitious transactions without actual merchandise discovered at Toshiba IT-Services Corporation, a consolidated subsidiary of the Company, as announced on February 14, 2020, Mr. KURUMATANI, as head of the Company's business execution, reacted with an awareness of the critical importance of the incident, and swiftly reported the incident to the Audit Committee and took proactive steps to prevent recurrence, including proactively issuing internal messages as the Representative Executive Officer, President and CEO and establishing the Compliance Advisory Meeting. The Company has confirmed his intention to continue to proactively enhance internal control.

The Nomination Committee decided to select him as a candidate for Director because his participation in the Board of Directors as Representative Executive Officer, President and CEO will enable the Group to maximize corporate value, enhance governance, and reestablish trust with all of its stakeholders.

3. Yuki Furuta, Outside Director

In his six years and eight months as a Supreme Court justice, Mr. Yuki FURUTA handled many cases relating to Securities and Exchange Act (now the Financial Instruments and Exchange Act), the Companies Act, and Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, and others making him an expert in not only corporate legal matters, but also related litigation proceedings.

He is a current Member of the Audit Committee. Based on his experience as a Supreme Court justice and prosecutor, he conducts compliance-related work, including

investigations and fact finding, which is one of the important duties as an Audit Committee member. He has been dealing with contingent events with regard to compliance issues; for instance, he was deeply engaged in the Audit Committee's investigation regarding the timing of loss recognition related to the purchase of CB&I Stone & Webster Inc. by WEC, in combination with outside attorneys. In the matter of the cyclical transactions and fictitious transactions without actual merchandise discovered at Toshiba IT-Services Corporation, a consolidated subsidiary of the Company, announced on February 14, 2020, after the Company became aware of the suspected misconduct, he promptly received a report, made inquiries with the executive departments as appropriate regarding the status and results of the investigation by a team including outside experts, requested deliberations regarding the investigation of causes and countermeasures, and was personally involved in the deliberation of company-wide measures for preventing recurrence and correcting the misconduct, and confirmed the implementation of those measures. In addition, he has also been involved in day-to-day audit regarding compliance such as the operation of the whistleblowing system. He is well-versed in corporate law and litigation proceedings related to corporate affairs, and also has abundant international legal expertise based on his experience as the head of the International Section of the Criminal Affairs Bureau of the Ministry of Justice.

The Company has determined to have a legal professional on the Audit Committee for preventing a recurrence of inappropriate accounting, and election of a legal professional is also essential in light of the Audit Committee members' role in supervising the execution of duties. Although he has not been involved in business management except as an Outside Director, the Nomination Committee decided to select him as a candidate for Outside Director because he is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and the committees he sits on and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors and the committees he will sit on if he is re-elected.

4. Junji Ota, Outside Director

Having served as Director, General Manager of Corporate Planning, and Managing Director of Nippon Steel Corporation, Mr. Junji Ota has expert knowledge of Japanese business practices. He is also at the forefront of auditing by Audit & Supervisory Board Members and Audit Committees in Japan, having later served as the full-time Audit & Supervisory Board Member of Nippon Steel Corporation and the Chairman of the Japan Audit & Supervisory Board Members Association.

Moreover, he has a deep knowledge of the Company after his two years of service as a full-time Audit Committee member. For the Company's corporate governance, it is highly important to ensure the function of audit by the Audit Committee, and in light of the wide range of the Company's business, the knowledge of the Company's operations that he has acquired over his two years as full-time Audit Committee member is essential to ensure appropriate audit by the Audit Committee. In the matter of the cyclical transactions and fictitious transactions without actual merchandise discovered at Toshiba IT-Services

Corporation, a consolidated subsidiary of the Company, announced on February 14, 2020, after the Company became aware of the suspected misconduct, he promptly received a report, made inquiries with the executive departments as appropriate regarding the status and results of the investigation by a team including outside experts, requested deliberations regarding the investigation of causes and countermeasures, and was personally involved in the deliberation of company-wide measures for preventing recurrence and correcting the misconduct, and confirmed the implementation of those measures. Furthermore, he is currently a member of the Corporate Governance System Study Group of METI, giving him first-hand insight into the realities and challenges of corporate governance in Japan.

The Nomination Committee decided to select him as a candidate for Outside Director because, based on his experience as an executive, including corporate planning at a large manufacturing company, and his broad expertise as an officer of the Japan Audit & Supervisory Board Members Association, he is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and the committees he sits on and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors and the committees he will sit on if he is re-elected.

5. Nobuyuki Kobayashi, Outside Director

As the Company's policy is to elect a professional accountant as an Outside Director, Mr. Nobuyuki KOBAYASHI has deep expertise in finance, accounting and auditing based on his experience in serving as the representative of a mid-to-large size accounting firm in Japan. Since the Company is a company with nomination committee, etc., members of the Audit Committee need to be a Director, and it is essential to have a Japanese certified public accountant as a member of the Audit Committee in light of the roles of the Audit Committee in determining the content of proposals for the election and dismissal of accounting auditors and giving opinions on the methods and results of the accounting auditors' audit.

Moreover, because the Company has or has had some relationship with all of the major accounting firms in Japan, a person who has not worked at any of those major accounting firms is better as a candidate, if possible.

Considering the above, the Nomination Committee decided to select him as a candidate for Outside Director because, based on his broad experience and strong expertise as a certified public accountant, he is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company and its accounting auditors. In the matter of the cyclical transactions and fictitious transactions without actual merchandise discovered at Toshiba IT-Services Corporation, a consolidated subsidiary of the Company, announced on February 14, 2020, after the Company became aware of the suspected misconduct, he promptly received a report, made inquiries with the executive departments as appropriate regarding the status and results of the investigation by a team including outside experts, requested

deliberations regarding the investigation of causes and countermeasures, and was personally involved in the deliberation of company-wide measures for preventing recurrence and correcting the misconduct, and confirmed the implementation of those measures.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and the committee he sits on and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors and the committee he will sit on if he is re-elected.

6. Takashi Yamauchi, Outside Director

Mr. Takashi YAMAUCHI has strong expertise in the management practices of Japanese companies and deep international business experience from his time as the chief of the Asia Pacific business and Executive Vice President of Mitsui & Co., Ltd., a major Japanese general trading company. Furthermore, with four years as a Full-Time Audit and Supervisory Board Member at Mitsui & Co., he has expertise in the auditing of Japanese companies involved in a wide range of businesses, making him aptly suited to supervising the management of a company as diverse as the Company. In the matter of the cyclical transactions and fictitious transactions without actual merchandise discovered at Toshiba IT-Services Corporation, a consolidated subsidiary of the Company, announced on February 14, 2020, after the Company became aware of the suspected misconduct, he promptly received a report, made inquiries with the executive departments as appropriate regarding the status and results of the investigation by a team including outside experts, requested deliberations regarding the investigation of causes and countermeasures, and was personally involved in the deliberation of company-wide measures for preventing recurrence and correcting the misconduct, and confirmed the implementation of those measures.

The Nomination Committee decided to select him as a candidate for Outside Director because, based on his experience in the management of a large company and broad experience and expertise of supervising a corporate group running a variety of business, he is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and the committees he sits on and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors and the committees he will sit on if he is re-elected.

7. Yoshiaki Fujimori, Outside Director

Mr. Yoshiaki FUJIMORI has deep experience in international business regarding the electronics industry, which is the Company's main business area, through his time as Officer of General Electric Company and as a representative of the Japanese subsidiary of General Electric Company, a major global electronics manufacturer. In addition, he is an expert in the management of large Japanese companies through his experience as CEO and outside director of leading Japanese listed companies.

The Nomination Committee decided to select him as a candidate for Outside Director because, based on his experience in international business and his broad expertise as a top

management of large companies, he is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and each committee he sits on and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors and the committees he will sit on if he is re-elected.

8. Paul J. Brough, Outside Director

Mr. Paul J. BROUGH is a Chartered Accountant in the United Kingdom. He has significant expertise in finance and accounting, and has many years' experience in M&A as a financial advisor. In addition to his involvement in the liquidation of assets of various Lehman Brothers entities located in Asia, he has significant experience in business restructuring, having served as Chief Restructuring Officer for a number of companies.

Mr. Brough also has experience in international business, having served as an executive director and non-executive director for multinational companies. The Nomination Committee decided to nominate Mr. Brough as a candidate for Outside Director, based on his experience in international business, his experience in M&A and business restructuring, and his broad experience and expertise as a management executive. Mr. Brough is currently making a beneficial contribution to the implementation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and to appropriately supervising the management of the Company.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors if he is re-elected.

9. Ayako Hirota Weissman, Outside Director

Ms. Ayako Hirota WEISSMAN has many years of experience in many aspects of the investment business, including her experience investing in both Japanese and foreign stocks, giving her particularly deep experience and expertise in the area of investment. In addition to her experience in international business, she is an expert in Japanese business through her experience as an outside director of a Japanese company. The Nomination Committee decided to select her as a candidate for Outside Director because, based on her experience in business and expertise in capital markets, she is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company.

The Nomination Committee has decided to newly appoint her as a member of the Nomination Committee in order to include diverse viewpoints and a viewpoint on capital markets in its selection process.

She has proactively undertaken her duties as a Director of the Company by attending all the meetings of the Board of Directors and by actively making comments at those meetings. The Company confirmed that she will in principle be able to attend all the meetings of the Board of Directors and the committee she will sit on if she is re-elected.

10. Jerome Thomas Black, Outside Director

Mr. Jerome Thomas BLACK has experience in an international consulting firm, and has worked for many years in the business execution of Japanese companies. The Nomination Committee decided to select him as a candidate for Outside Director because he has experience in business execution as a manager of group strategy and IT/digital business, strong expertise in the management of Japanese companies, and experience in international business, and he is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and the committee he sits on and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors and the committee he will sit on if he is re-elected.

11. George Raymond ZAGE III, Outside Director

Mr. George Raymond ZAGE III has been with the prominent investment fund group Farallon Capital Group for 18 years, and has been Farallon Capital Group's Asia head since 2008 as the CEO of Farallon Capital Asia Pte. Ltd. He has experience investing in a number of listed and unlisted companies, and also in startup investment and investment for corporate rehabilitation. With his experience in investment fund, he is expected to bring to the Board of Directors his expertise in business portfolios, business restructuring, M&A, capital markets, and capital allocation. Therefore, the Nomination Committee decided to select him as a candidate for Outside Director because he is currently making a beneficial contribution to the deliberation of the Company's fundamental strategies, including the promotion of the Toshiba Next Plan: Phase 2, and appropriately supervising the management of the Company.

He has proactively undertaken his duties as a Director of the Company by attending all the meetings of the Board of Directors and by actively making comments at those meetings. The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors if he is re-elected.

12. Osamu NAGAYAMA, Newly Nominated Candidate for Outside Director

The Nomination Committee decided to select Mr. Osamu NAGAYAMA as a candidate for Outside Director because of his extensive experience and broad expertise in management as the CEO of the global corporation Chugai Pharmaceutical Co., Ltd. and his deep familiarity with the electronics industry from his experience as an outside director of Sony Corporation, and because he is expected to make a beneficial contribution to the deliberation of the Company's fundamental strategies, including the further promotion of the Toshiba Next Plan: Phase 2, and appropriately supervise the management of the Company.

For six years, from June 2013 to June 2019, he obtained extensive experience as an outside director and Chairman of the Board of Directors of Sony Corporation, contributing to the revitalization of that company's business performance.

The Company confirmed that he will in principle be able to attend all the meetings of the Board of Directors and the committees he will sit on if he is elected.

Proposal No. 3 is a proposal by 3D OPPORTUNITY MASTER FUND.

Proposal No. 3: Election of two (2) Directors

(1) Proposed agenda

Election of Mr. Allen Chu and Mr. Yuya Shimizu as Directors

(2) Reason for proposal

In the Toshiba Next Plan (announced in November 2018), the Company clarified that its objective is to increase Total Shareholder Return (TSR). Following the capital increase through a third-party allotment of approximately 600 billion yen in November 2017, the majority of current shareholders are now institutional investors that accept higher risk in exchange for higher investment returns. These institutional investors have high expectations for pushing forward with the execution of the Toshiba Next Plan.

At the 180th Ordinary General Meeting of Shareholders held on June 26, 2019, the Company appointed Mr. Paul J. Brough, Ms. Ayako Hirota Weissman, Mr. Jerome Thomas Black, and Mr. George Raymond Zage III as outside directors who could share the viewpoints of institutional investors. The proposing shareholder likewise hoped that the newly appointed outside directors would deeply understand the intentions of the current shareholders, and have a significant impact on the Company's management policies.

However, since the 180th Ordinary General Meeting of Shareholders, the only specific measures that the Company has taken have been to wholly acquire the ownership of listed subsidiaries Toshiba Plant Systems Co., Ltd., Nuflare Technology Co., Ltd., and Nishishiba Electric Co., Ltd. The largest problem the Company faces is its conglomerate discount, the main cause of which is the stock market's concern that the Company is actively making low ROIC investments below the capital cost, which may impair shareholder value. The acquisition of three listed subsidiaries as wholly-owned subsidiaries is a counterproductive measure in the resolution of the conglomerate discount, and it is clear that the stock market does not appreciate the Company's policies, as its stock price continues to stagnate.

Thus, the performance of the Board of Directors over the past year cannot be considered as having been to a standard that is satisfactory to the Company's shareholders. As one of the Company's shareholders, the proposing shareholder has been engaged in an ongoing dialogue with the Company's management team, including the four outside directors mentioned above. However, we suspect that the Company's poor performance is due to the fact that the four outside directors mentioned above are extremely busy due to their concurrent posts and other circumstances, leaving them unable to spend sufficient time on their duties as outside directors of the Company.

Therefore, in regard to the personnel management of executive officers and corporate officers at the 181st Ordinary General Meeting of Shareholders, it is necessary to thoroughly discuss the evaluation of TSR in recent years, formulate concrete strategies to increase TSR, and promote the appointment of personnel to the management appropriate to implement those strategies. Thus, it is necessary to further increase the number of outside directors who are able to share the perspectives of institutional investors in addition to the current four outside directors, and to appoint outside directors who will be able to devote sufficient time to their duties as outside directors. In view of the above, we propose to appoint two outside directors, Mr. Allen Chu and Mr. Yuya Shimizu.

Mr. Allen Chu has served as a managing director at Tudor Capital, Dymon Asia Capital and other renowned international investment institutions and has more than 20 years of abundant investment experience in the face of investor demands for high level returns. Furthermore, if appointed as a director, he will be able to concentrate on his duties as an outside director of the Company. Therefore, as he fully understands the expectations of the Company's current shareholders and will be able to reflect the thinking of the shareholders in the Board of Directors meetings, he is the most qualified candidate for outside director. In addition, given that Allen Chu has experience as an outside director at a total of nine firms, including Alibaba Group and SMIC (Semiconductor Manufacturing International Corporation), and has extensive knowledge and experience in the IoT field, which the Company intends to focus on going forward, he will be able to contribute to the growth of the Company.

Mr. Yuya Shimizu has been involved in a wide range of investment activities for more than 15 years, including non-performing loans, real estate, private equity, and Japanese and Asian equities. From 2009 to 2014, Mr. Shimizu served as president of the advisory subsidiary in Tokyo (Dalton Advisory Co., Ltd.) of Dalton Investments. In addition, he has two years of experience as an outside director of SunTelephone Co., Ltd., an investment target that was delisted through a management buyout. Currently, as Representative Director and Chief Investment Officer of Hibiki Path Advisors, he invests in the shares of listed Japanese companies using the value investment method. In addition, if appointed as a director, he will be able to spend sufficient time on his work as an outside director of the Company. Therefore, as he fully understands the expectations of the Company's current shareholders and will be able to reflect the thinking of the shareholders in the Board of Directors meetings, he is the most qualified candidate for outside director.

(3) Names and career highlights of candidates

#	Name and date of birth	Career highlights, Status, and Responsibility (Significant Concurrent Positions)
1 3	Allen Chu September 19, 1970	<p>1992: Joined Donaldson, Lufkin & Jenrette Securities Corp. (New York) as Investment Banking Financial Analyst</p> <p>1994: Joined Investment Banking Division, The Goldman Sachs Group, Inc. (Hong Kong) as Financial Analyst</p> <p>1995: Appointed as Associate of Principal Investment Area (Singapore), The Goldman Sachs Group, Inc.</p> <p>1999: Appointed as Executive Director of Principal Investment Area (Hong Kong, New York, and Singapore), The Goldman Sachs Group, Inc. Appointed as outside director of nine firms, including Alibaba Group and SMIC (Semiconductor Manufacturing International Corporation)</p> <p>2002: Joined Citadel Investment Group (Asia) Limited (Tokyo) as Portfolio Manager</p> <p>2005: Joined Tudor Capital (Singapore) as Portfolio Manager</p> <p>2007: Appointed as Partner and Managing Director of Tudor Capital (Singapore)</p> <p>2014: Joined Dymon Asia Capital (Singapore) as Managing Director</p> <p>2018: Resigned from Dymon Asia Capital (Singapore)</p>

#	Name and date of birth	Career highlights, Status, and Responsibility (Significant Concurrent Positions)
		<p>2019: Joined Noviscient Pte. Ltd. as Partner (current position) Appointed as Investment Committee Chairman of Noviscient Pte. Ltd. (current position)</p> <hr/> <p>(Other Significant Concurrent Positions) Committee member of the Harvard University Association of Alumni in Singapore</p>

#	Name and date of birth	Career highlights, Status, and Responsibility (Significant Concurrent Positions)
1 4	Yuya Shimizu November 8, 1971	<p>1994: Joined Tokyo Branch, Goldman Sachs Securities Co., Ltd.</p> <p>2000: Joined Moore Strategic Value Partners</p> <p>2003: Joined AC Capital Co., Ltd. (a private equity investing affiliate of Aska Asset Management Group)</p> <p>2004: Joined Aska Asset Management Co., Ltd.</p> <p>2005: Joined Jarmin Capital Co., Ltd.</p> <p>2007: Joined the DALTON INVESTMENTS GROUP</p> <p>2010: Appointed as Representative Director of Dalton Advisory Co., Ltd. (new Tokyo corporation established in the restructuring of the Dalton Investments Group)</p> <p>2011: Appointed as Outside Director of SunTelephone Co., Ltd.</p> <p>2015: Established OTS Capital Management (Hong Kong) as Cofounder and Senior Portfolio Manager</p> <p>2016: Established Hibiki Path Advisors (Singapore) Pte. Ltd. as Representative Director and Chief Investment Officer (current position)</p> <p>(Other Significant Concurrent Positions)</p> <p>None</p>

Appendix IV

Proposal No. 4 is a proposal by Effissimo Capital Management Pte Ltd and SMT Partners (Cayman) Limited.

Proposal No. 4: Election of three (3) Directors

(1) Proposed agenda

Election of three directors (Mr. Akira Takeuchi, Mr. Tadaaki Sugiyama and Mr. Yoichiro Imai)

(2) Reason for proposal

A Reasons for proposing the election of outside directors

It has been discovered that the Company's subsidiary, Toshiba IT-Services Corporation ("TSC") conducted fictitious cyclical transactions.

We (note: the proposing shareholders) strongly suspect that TSC was not merely involved in the misconduct of other companies, and that TSC employees were actively involved in what they recognized to be fictitious and cyclical transactions, and we consider this to be a serious incident arising out of inadequacies in the Company's group-wide internal control. From this perspective, we have tried to gather information on this misconduct from the Company, but found that the Company has little understanding of the significance of the misconduct (or of the internal control problems of the entire Group that allowed the misconduct to occur), and that there seems to be a lack of initiative to investigate the root causes and reconstruct internal controls based on the results of such investigation.

In addition, we are unable to dispel our concerns that the information disclosed by the Company may be misleading, inviting the impression that TSC was merely involved in the misconduct of other companies; the Company's disclosures appear to be attempting to trivialize the problems underlying the incident. Fair provision of information to stakeholders by the management forms the basis of corporate governance, and misleading investors through provision of misleading information is unjustifiable. We believe that there are problems in the Company's stance toward information disclosure which need to be corrected.

The fact that the Company, which was discovered to have committed major accounting misconduct in 2015, has had repeated cases of misconduct indicates that the organizational culture and governance reform of the Company have not sufficiently progressed, and that the Company is in a grave position that could lead to another large-scale incident. While we believe that it is essential for the management team to take the initiative with an unwavering resolve in identifying the root causes and radically reforming the organizational culture in order to increase enterprise value over the mid- to long-term, we have come to a conclusion that it would be difficult for the current management team to resolve these issues only on their own.

In order to solve these issues of organizational culture and governance, we think it necessary for people with specialist capabilities and practical experience to tackle these problems with a strong sense of their gravity. Therefore, we propose to elect the above candidates as outside directors of the Company.

B Reasons for proposing the election of each candidate

Mr. Takeuchi is an attorney who specializes in compliance, internal control, and corporate governance. He has served as an outside director of a number of listed companies, including kabu.com Securities Co., Ltd. (TSE 1st Section), GMO Pepabo (TSE JQ), and Nippon Road (TSE 1st Section), and has been involved in investigations of misconduct by serving as a member of third-party committees in a number of cases (including the Hoshizaki accounting fraud case, the Tenma foreign public servant payment case, the Hitachi Chemical product fraud case, the Shoko Chukin Bank lending fraud case, and the Ohsho Food Service governance case). He also serves as a board member of the Japan Association of Certified Fraud Examiners (ACFE JAPAN), the accrediting organization of Certified Fraud Examiners. He has authored articles including “Corporate Misconduct Case Study: the Toshiba Accounting Misconduct Case” in the July 25, 2016 issue of *Gekkan Kansayaku* and “Efforts to Improve Internal Control Systems: Examining Toshiba's “Report on Improvements to the Internal Control System”” in the February 5, 2018 issue of *Junkan Shoji Homu*.

Mr. Sugiyama has worked for many years as a corporate officer in the Legal & Compliance Division at Kao, where he has focused on establishing and maintaining compliance at that company, which is regarded as advanced in terms of internal control and risk management. Following Kao’s acquisition of Kanebo’s cosmetics business, he successfully managed the integration of the Kao Group’s most important consolidated subsidiary, Kanebo Cosmetics, into the Kao Group’s internal control system, and has also led the maintenance and improvement of that system. In addition, he served for seven years as the representative director of the Association of Corporate Legal Departments, an organization that pursues the future of legal departments by exchanging views among members with the aim of enhancing the role of the legal department in companies, and he was also a member of the Ministry of Economy, Trade and Industry’s Working Group on Enhancement and Introduction of Legal Functions in Companies. Currently, he serves as a member of the Compliance Team of the Ministry of Education, Culture, Sports, Science and Technology.

Thus, Mr. Takeuchi and Mr. Sugiyama have been at the front lines of corporate compliance for many years, and have substantial experience and skills in the development of internal control. They are aware of the significance of the incident at the Company and, upon appointment as outside directors, they will take responsibility for reforming the Company's organizational culture and building internal controls to increase the enterprise value of the Company over the mid- to long-term.

Although the current outside directors of the Company have deep expertise and a sense of integrity regarding corporate compliance, we think that the challenge the Company is facing is that these qualities have not sufficiently permeated the Company's business operations, including those of Group companies. We believe that the Company is also aware of that issue. We believe that the root cause is the inadequacy of internal control and governance mechanisms, functions, and operations to reflect the high level of insight and integrity of the outside directors “in concrete actions in specific cases” in actual business operations, including those of group companies. In order to resolve these issues, in addition to having discussions to enhance the expertise and integrity of the management at the Board of Directors meetings, we consider it essential to add outside directors to the board of directors who are capable of flexible and hands-on monitoring (for example, timely and sufficient examination of primary information in important matters, deliberation of the appropriate initial investigation system in the event of an emergency,

and examination of the specific operational status of internal control in normal times, etc.) and have them work proactively to the extent that their actions do not constitute business execution. Both Mr. Takeuchi and Mr. Sugiyama are capable of flexible and hands-on monitoring, and we believe they can contribute to resolving the issues which the Company faces.

As a founder and director of Effissimo Capital Management, Mr. Imai has experience in addressing the issues of unlawful conduct, misconduct and governance problems that have occurred in the portfolio companies of Effissimo Capital Management from the standpoint of the shareholders, who should play a central role in corporate governance.

Effissimo Capital Management is the de facto largest investor of the Company and will be most economically affected by the mid- to long-term enterprise value of the Company, and as such has the strongest desire for the enhancement of the enterprise value over the mid- to long-term. We believe that Mr. Imai becoming an outside director of the Company with such incentives and a strong awareness of the problems at hand in order to resolve the issues of organizational culture and governance issues, will contribute to enhancing the enterprise value of the Company over the mid- to long-term.

In addition, as explained in Japan's Stewardship Code, institutional investors are expected to be responsible for enhancing the enterprise value of portfolio companies and promoting sustainable growth. In order to properly fulfill these responsibilities, they are required to have an accurate awareness of the status of portfolio companies' business and, in particular, matters that may impair enterprise value, such as this incident (Principle 3 and Guidance 3-3). However, as long as we are unable to dispel our concerns about misleading information disclosure, we believe that in order for the corporate governance to function properly, it is necessary for Mr. Imai to directly monitor the corporate governance as an outside director.

Principle 4.7 of the Corporate Governance Code describes one of the roles and responsibilities of independent outside directors as being appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent from the management and controlling shareholders. Although Effissimo Capital Management is the Company's de facto largest shareholder, we believe there is no risk of unfair inducement of the Board of Directors of the Company for its own benefit because it is not the controlling shareholder of the Company and Mr. Imai will be a minority in the Board of Directors even after the appointment, and also because there are no transactions with the Company that would cause conflict of interest.

C Final comments

The Company has only just reviewed its management structure last year, which included increasing the number of outside directors, including several non-Japanese directors, and there may be general concerns that it is too early to add more outside directors and that there will be too many directors (assuming that all of the current directors remain in office). Nevertheless, as mentioned above, in order to resolve the issues of the corporate culture and governance of the Company, which has had repeated compliance incidents immediately after the discovery of a large-scale accounting misconduct, and to obtain an increase in enterprise value over the mid- to long-term, we believe it is essential to appoint the above-mentioned outside directors, who we recommend based on their specialized capabilities, practical experience, and strong awareness of the problems at hand.

(3) Names of candidates and career highlights

#	Name and date of birth	Career highlights and significant concurrent positions	Number of Company's shares owned by the candidate
15	Akira Takeuchi May 25, 1967	<p>1994 Admitted to the Legal Training and Research Institute of the Supreme Court (48th cohort)</p> <p>1996 Completed the training and registered as an attorney-at-law (<i>bengoshi</i>) Joined a Japanese law firm</p> <p>2001 Joined the Legal Department of Nikko Cordial Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p>2006 Became a partner of T. Kunihiro & Co. Attorneys-at-Law</p> <p>2010 Established PROACT Law Office Became an Outside Director (and Chairman of Audit Committee) of kabu.com Securities Co., Ltd.</p> <p>2014 Became an Outside Corporate Auditor of GMO Pepabo, Inc. Became an Outside Director of Nippon Road Corporation</p> <p>2018 Became a Board member of ACFE JAPAN (Association of Certified Fraud Examiners Japan) (current position) Became an Outside Director of Eco-Style Co., Ltd. (current position) Became an Outside Director of Mynavi Corporation (current position)</p>	0

#	Name and date of birth	Career highlights and significant concurrent positions	Number of Company's shares owned by the candidate
16	Tadaaki Sugiyama March 30, 1958	1980 Joined Kao Soap Co., Ltd. (currently Kao Corporation) 2003 Became the General Manager of Legal & Compliance Division, Kao Corporation 2012 Became a Corporate Officer in charge of the Legal Affairs & Compliance Division, Kao Corporation *1 2014 Became a Director of Kanebo Cosmetics Inc. *2 Member of the Board, Kao USA Inc. *3 Supervisory Board Member, Kao Germany GmbH *4 *1 *2 *3 *4 Resigned in December 2018	0
17	Yoichiro Imai October 2, 1978	2002 Joined Nikko Asset Management Co., Ltd. 2004 Joined MAC Asset Management Co., Ltd. 2006 Founded Effissimo Capital Management Pte. Ltd. as Director (current position)	0

Note 1: There are no special interests between each candidate for Director above and the Company.

Note 2: Each candidate for Director above is a candidate for Outside Director of the Company.

Note 3: Special notes concerning Mr. Akira Takeuchi:

- (1) In January 2017, kabu.com Securities Co., Ltd., where Mr. Takeuchi served as an outside director, received a penalty of 10 million yen from the Tokyo Stock Exchange for “a situation recognized as having insufficient control over trading to prevent entrustment, etc. of transactions that should form artificial quotations.” As a member of the Board of Directors and the Audit Committee,

he formulated and implemented measures to prevent recurrence and worked to strengthen and enforce the internal management and control.

- (2) In 2016, Nippon Road Co., Ltd., where Mr. Takeuchi served as an outside director, received a cease and desist order and an administrative surcharge payment order from the Japan Fair Trade Commission for violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the “Antimonopoly Act”), and was convicted under the Antimonopoly Act, in connection with a tender for post-disaster pavement restoration work related to the Great East Japan Earthquake ordered by East Nippon Expressway Co., Ltd.. In addition, in March 2018, Nippon Road Co., Ltd. received a cease and desist order and an administrative surcharge payment order from the Japan Fair Trade Commission for violation of the Antimonopoly Act in connection with a tender for pavement work ordered by the Tokyo metropolitan government, the Tokyo Port Terminal Corporation and Narita International Airport Corporation. Although he was not aware of these issues in advance, he regularly tried to raise awareness of the importance of business risk management. After the discovery of these issues, he made proposals at the Board of Directors to prevent recurrence, attended internal meetings to make recommendations on specific measures to prevent recurrence, and otherwise took necessary actions as an outside director.