

[Translation]
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For Immediate Release

Company name: Toshiba Corporation
1-1-1 Shibaura, Minato-ku, Tokyo,
Japan
Representative: Masashi Muromachi, President &
CEO
Securities code: 6502 (TSE and NSE)
Contact: Naoto Hasegawa, General
Manager,
Public Relations & Investor
Relations Office
Tel: +81-3-3457-2100

Notice on Implementation of Personnel Rationalization, including Early Retirement Incentive Program Associated with Structural Reforms in the Semiconductor Business

Based on the fundamental restructuring of Toshiba Corporation's ("the Company") System LSI and Discrete semiconductor business, the Company announced on October 28, 2015 that it would terminate its white LED chip business; transfer to Sony Corporation a certain part of the semiconductor fabrication facilities and equipment at its Oita Operations facility, as well as other related assets, owned by the Company; consult and make arrangements with Sony to transfer approximately 1,100 employees of Toshiba and its affiliate to Sony Group; promote preparations for a consolidation of Oita Operations and Iwate Toshiba Electronics Co., Ltd. in order to secure efficient integration and management of the 200mm and 150mm wafer production lines used for System LSI business; and further implement certain personnel relocations and an early retirement incentive program that includes re-employment assistance.

Along with the conclusion of definitive agreements with Sony for the foregoing transfer and the determination to split off the System LSI manufacturing business from the Company by a company split, the Company has determined the scope and other details of the early retirement incentive program, and hereby provides its outline.

1. Objective of Implementing Early Retirement Incentive Program

As the Company's System LSI and Discrete semiconductor businesses have experienced sales decreases, reflecting worldwide recession following the Lehman crisis, the Company has promoted several measures intended to continue and expand the businesses. Such measures include termination or reduction of unprofitable businesses and concentration on focus businesses; reorganization of production sites for test and assembly operations; reduction or termination of smaller diameter wafer production lines; and shifts of resources, including personnel relocations, to strengthen production and development operations in focus businesses.

However, the Company has been unable to secure sufficient reductions of fixed cost in an environment where it could not expand focus businesses, there is fierce competition in new product development and intense cost competition in the market, and the earning capacities of these businesses have deteriorated. In addition, in recent years, while our competitors have rapidly improved their business performances thanks to yen depreciation, Toshiba's System LSI and Discrete semiconductor businesses still cannot see recovery, and establishment of stable business bases by promoting comprehensive reform of cost structures in those businesses is becoming an urgent issue.

In these circumstances, as part of its fundamental restructuring, the Company has decided to adjust the number of employees to a level appropriate to the scale for its businesses in Japan, and has decided to implement a personnel relocation and early retirement incentive program, including and re-employment assistance.

2. Outline of Early Retirement Incentive Program

Toshiba will implement an early retirement incentive program for employees 40-years-old and older who have worked for the company for 10 years or more and who are working for the System LSI and Discrete semiconductor businesses, other than for the approximately 1,100 employees of Toshiba and its affiliates who will transfer to Sony Group, and for employees who works in the sales and staff divisions of Toshiba's Semiconductor & Storage Products Company.

The number of employees expected to be subject to personnel relocation and the early retirement incentive program is approximately 1,200. The Company will start accepting applicants from January 2016, on the condition that they retire by the end of March 2016. The Company will add special retirement benefits to usual retirement benefits as an incentive for taking early retirement, and offer re-employment assistance to employees who join the program.

3. Future Prospects

The Company plans to post expenses incurred in association with implementation of the early retirement incentive program in the 4Q of FY2015, ending March 31, 2016. The company will examine and disclose details of the impact on its financial results based on the number of applicants. In addition, for its performance forecasts for FY2015 (ending March 2016), the Company is now examining the impact of structural reforms of unprofitable businesses other than the semiconductor businesses that are currently under consideration, and the Company will announce the forecast as soon as they are determined.

(Reference)

Consolidated performance in the last fiscal year (fiscal year ending March 31, 2015)

	Net sales	Operating income	Income from continuing operations, before income taxes and non-controlling interests	Net income attributable to shareholders of the Company ^[1]
Consolidated performance during previous fiscal year (Fiscal year ended March 31, 2015)	6,655,894 million yen	170,439 million yen	136,644 million yen	-37,825 million yen

^[1] “The Company” refers to Toshiba Corporation.

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