

FOR IMMEDIATE RELEASE

May 23, 2016
Toshiba Corporation

**Notice on Reduction in Amounts of Retained Earnings Reserves and Stated Capital,
and Appropriation of Other Capital Surplus**

Toshiba Corporation (TOKYO: 6502) hereby gives notice that the Company's Board of Directors, meeting today, has decided to reduce the amount of reserved earnings (legal retained earnings), and to place on the agenda of the 177th Ordinary General Meeting of Shareholders scheduled to be held on June 22, 2016 a reduction in stated capital (common stock), and, subject to such reduction becoming effective, to make an appropriation of other capital surplus.

These measures will not result in any change in the number of issued shares, nor will they affect the number of shares held by each shareholder. The measures represent a reposting between accounts in the net assets section of the balance sheet, and will not cause any change in the amount of the Company's net assets or to the net asset value per share.

Details of Measures

1. Purpose

In order to fund the deficit in retained earnings brought forward in its non-consolidated balance sheet, aim to achieve a healthier financial platform, and enable flexible and agile capital policy in the future, the Company will carry out a reduction of its retained earnings reserves under the Companies Act Article 448(1), reductions in stated capital under Article 447(1), and appropriation of other capital surplus under Article 452.

**2. Outline of reduction in amount of retained earnings reserves and stated capital,
and appropriation of other capital surplus**

(1) Reduction in amount of retained earnings reserves

The Company will reduce its retained earnings reserves by their full amount, and post them as retained earnings brought forward.

- i. Amount by which reserves will be reduced:
Retained earnings reserves 13,974,891,009 yen
- ii. Amount by which surplus will be increased:
Retained earnings brought forward 13,974,891,009 yen
- iii. Effective date: July 31, 2016

(2) Reduction in stated capital

The Company will reduce the capital amount and post it to other capital surplus.

- i. Amounts by which stated capital will be reduced:
Stated capital 239,901,268,477 yen
- ii. Amount by which surplus will be increased:
Other capital surplus 239,901,268,477 yen
- iii. Effective date: July 31, 2016 (subject to the reduction in the amount of retained earnings reserves in (1) above becoming effective)

(3) Appropriation of other capital surplus

The Company will partially reduce the other capital surplus (as increased by (2) above) and post it to retained earnings brought forward.

- i. Item of surplus to be reduced and amount by which it will be reduced:
Other capital surplus 462,049,077,773 yen
- ii. Item of surplus to be increased and amount by which it will be increased:
Retained earnings brought forward 462,049,077,773 yen
- iii. Effective date: July 31, 2016 (subject to the reduction of stated capital in (2) above being approved as proposed at the 177th Ordinary General Meeting of Shareholders scheduled to be held on June 22, 2016)

When (1) through (3) above become effective, the amounts will be as follows.

(All amounts are in yen)

	Amount as of end of March, 2016	Amount of decrease/increase	Amount after becoming effective (expected)
Stated capital	439,901,268,477	- 239,901,268,477	200,000,000,000
Other capital surplus	380,836,425,781	- 222,147,809,296	158,688,616,485
Retained earnings reserves	13,974,891,009	- 13,974,891,009	0
Other retained earnings	- 476,023,968,782	+ 476,023,968,782	0
Reserve for reduction entry	3,835,822,958	0	3,835,822,958
Retained earnings brought forward	- 479,859,791,740	+ 476,023,968,782	- 3,835,822,958
Treasury Stock	-1,887,338,335	0	-1,887,338,335
Reference: Distributable amount	- 97,074,881,336	+ 253,876,159,486	156,801,278,150

*Above list does not include other transactions in fiscal year 2016 other than those mentioned in this notice

3. Schedule

- (1) Date of resolution by Board of Directors: May 23, 2016
- (2) Notice to creditors on submission of objections : Mid June, 2016 (planned)
- (3) Date of resolution at General Meeting of Shareholders (for reduction of stated capital): June 22, 2016 (planned)
- (4) Effective date: July 31, 2016

Notes:

- The reduction in the amount of retained earnings reserves in 2.(1) above does not require a resolution at the General Meeting of Shareholders, pursuant to Article 459(1)(ii) of the Companies Act and Article 34 of the Articles of Incorporation of the Company.
- The appropriation of other capital surplus in 2.(3) above does not require a resolution at the General Meeting of Shareholders, pursuant to Article 459(1)(iii) of the Companies Act and Article 34 of the Articles of Incorporation of the Company.

4. Outlook

These measures will not have any impact on the business results of the Company.

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