

August 24, 2016  
Toshiba Corporation

**Notice of Conclusion of Absorption-type Company Split  
(Simplified Absorption-type Company Split) Agreement  
in Respect of Industrial Video Camera System Business**

Tokyo--Toshiba Corporation (TOKYO: 6502) (“the Company”) hereby announces that it has concluded an Absorption-type Company Split Agreement (“Company Split Agreement”) to transfer the Company’s industrial video camera system business including video cameras for medical equipment (“the Business”) to Toshiba Medical Systems Corporation (“TMSC,”) by a company split.

Since this Company Split is categorized as a company split as defined in Paragraph 2, Article 784 of the Companies Act, some disclosure items and details are omitted.

1. Purpose of the Company Split

In connection with the sale of its entire holding of TMSC shares, decided by the Company on March 17, 2016, the Company decided to transfer the Business to TMSC by a Company Split. After giving consideration to factors including the transfer of manufacturing facilities, the Company has determined that the Company Split will have the effective date of October 1, 2016. This Company Split allows TMSC to expand its businesses and cultivate new business fields and to strengthen the components business by combining the Company’s video processing technologies with TMSC’s diagnostic medical imaging business.

2. Overview of the Company Split

(1) Schedule

Date of decision made by the Company	August 24, 2016
Date of contract	August 24, 2016
Effective date	October 1, 2016

Note: The Company Split falls into the category of a simplified absorption-type company split defined in the Paragraph 2 of Article 784 of the Companies Act. Therefore, the Company will not hold a general meeting of shareholders for the approval related to the contract for the absorption-type company split.

(2) Method of the Company Split

The absorption-type company split method is used, in which Toshiba initiates the Company Split and TMSC is the succeeding company.

(3) Consideration associated with the Company Split

The Company will receive 12,703 million yen from TMSC as a result of the

## Company Split

(4) Handling of share option and bonds with share option associated with the Company Split

Toshiba does not issue any share option or bonds with share option.

(5) Increase or decrease in capital stock due to the Company Split

The Company Split will neither increase nor decrease the amount of Toshiba's capital stock.

(6) Rights and obligations to be transferred to the succeeding company

TMSC will succeed to the assets and contractual status, etc. that belong only to the Business.

Notwithstanding the above, TMSC will not, through the Company Split, succeed to employment agreements of employees engaged in the Business or to any rights and obligations accompanying those agreements. Those employees will, basically, be transferred to TMSC.

(7) Probability of fulfillment of obligations

It is understood that TMSC will be able to fulfill its all obligations that have a maturity date on and after the effective date for the Company Split.

3. Approach to calculation of consideration for the Company Split

Evaluation of the Business was conducted by an independent calculation agent using fairness and independent method, and the consideration was agreed in the aforementioned amount.

4. Overview of Participants in the Company Split

	Splitting Company	Succeeding Company
(1) Name	Toshiba Corporation	Toshiba Medical Systems Corporation
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	1385 Shimoishigami, Otawara-shi, Tochigi
(3) Name and Title of Representatives	Satoshi Tsunakawa, Representative Executive Officer, President and Chief Executive Officer	Toshio Takiguchi, President and CEO
(4) Business Outline	Businesses in Energy	Development, design,

	Systems & Solutions; Infrastructure Systems & Solutions; Retail & Printing Solutions; Storage & Electronic Devices Solutions; Industrial ICT Solutions segments, and businesses that belongs to Others segment	manufacture, sale and technical services for medical equipment and medical information systems
(5) Capital Stock	200,000 million yen	20,700 million yen
(6) Establishment	June 25, 1904	September 23, 1948
(7) No. of Outstanding Shares	Common stock: 4,237,602,026 shares	Class A shares: 20 Class B shares: 1 Class C shares: 134,980,060
(8) Fiscal Term	March 31	March 31
(9) No. of Employees	168,615 (consolidated)	4,571 (single company)
(10) Main Financing Bank	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited.
(11) Major Shareholders and Shareholding Ratio	JP Morgan Chase Bank 380055 4.38% The Master Trust Bank of Japan, Limited (trust account) 3.37% Toshiba Stock Purchase Plan 3.07% Japan Trustee Services Bank, Limited (trust account) 2.75% The Dai-ichi Life Insurance Company, Limited 2.72%	MS Holding 100% (voting right ratio)
(12) Financial Condition and Operating Performance in Preceding Fiscal Year		

(Fiscal year ended March 31, 2016)		
Net Assets (Equity)	672,258 million yen (consolidated)	63,471 million yen (single company)
Total Assets	5,433,341 million yen (consolidated)	249,789 million yen (single company)
Shareholder's Equity per Share	77.67 yen (consolidated)	3,022,468,190.19 yen* (single-company)
Net Sales	5,668,688 million yen (consolidated)	291,310 million yen (single company)
Operating Income	-708,738 million yen (consolidated)	8,223 million yen (single company)
Recurring Profit	---	21,610 million yen (single company)
Net Income (Loss)	-460,013 million yen (consolidated)	16,378 million yen (single company)
Net Income (Loss) per Share	-108.64 yen (consolidated)	779,938,473.76 yen* (single company)

\*Notes:

1. No. of Employees for the Splitting Company and for the Succeeding Company are as of June 30, 2016
2. The major shareholders and shareholdings ratios for the Splitting Company are as of March 31, 2016.
3. Shareholder's equity per share and net income per share for the Succeeding Company is calculated based on the total No. of outstanding shares (excluding treasury stock) as of March 31, 2016.

#### 5. Overview of Business Unit to be Split

##### (1) Businesses of Business Unit to be Split (the Business)

The industrial video camera system, business including video cameras for medical equipment promoted by the Company's Video Sensing Business Promotion Div., Life Science Div.

##### (2) Financial Performance of Business to be Split (non-consolidated)

Net sales: 3,936 million yen (FY2015 result)

##### (3) Items and Book Value Related to Assets and Liabilities to be Split and Transferred (non-consolidated)

Assets		Liabilities	
Items	Book Value (million)	Items	Book Value (million)
Current Assets	327	Current Assets	0
Fixed Assets	104	Fixed Assets	0
Total	431	Total	0

Note: Items and the book value of the above are estimates for use at the time of the split based on the amount as of August 2016. As a result, the items and the book value to be split may vary.

6. Condition of Splitting Company after the Company Split

The name, address, name and title of representative, business outline, capital stock, and fiscal term of the splitting company will not change

7. Future Outlook

The Company is expected to record consolidated profit (before taxes) of approximately 12.3 billion yen as a result of the Company Split. This profit has been included in the company's consolidated financial results forecast for FY2016, ending March 31, 2017, announced on May 12, 2016.

Reference:

Consolidated Financial Results Forecast for FY2016 (announced on May 12, 2016) and Preceding Fiscal Year

	Forecast for FY2016 (ending March 31, 2017)	Results for FY2015 (ended March 31, 2016)
Net sales	5,100,000 million yen	5,668,688 million yen
Operating income	120,000 million yen	-708,738 million yen
Income (Loss) from continuing operations, before income taxes and noncontrolling interests	85,000 million yen	-633,145 million yen
Net income (loss) attributable to shareholders of the Company	100,000 million yen	-460,013 million yen

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