

February 24, 2017
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice of Incorporation-Type Company Split of Group Company
and Conclusion of Share Transfer Agreement**

Tokyo--Toshiba Corporation (TOKYO:6502) has today decided to transfer (“Share Transfer”) Miike Power Plant, a coal-fired power generation business (“The Business”) operated by Sigma Power Ariake Corporation (“SPAC”), a subsidiary of Sigma Power Holdings Limited Liability Company, a wholly-owned consolidated subsidiary of Toshiba, to the IDI Infrastructure #3 Limited Liability Partnership (“Third Fund”) managed by IDI infrastructures Inc. (“IDI”), an energy and infrastructure business investment fund.

SPAC will execute the Share Transfer by establishing a new company (“New Company”) through the incorporation-type company split method (“Company Split”), which will take over The Business and transfer all stock of New Company to a specific purpose company (“SPC”) financed by Third Fund. The details of the Company Split and Share Transfer are as below.

1. Purpose of the Company Split and Share Transfer

Toshiba is seeking to strengthen its profitability and financial platform by thoroughly reviewing the assets it holds and their necessity, and considering selling off those that are non-essential. In line with this, Toshiba will transfer The Business.

The Business maintains high earnings as a baseload electricity source in Kyushu District, Japan, but also requires continual investments in equipment investments and business organization in order to adapt to a changing energy market environment.

Toshiba recognizes that transferring The Business to a third party that concentrates on the power business will both help to strengthen Toshiba’s financial platform and also maximize the potential and value of The Business.

SPAC currently operates Miike Power Plant and the Mikawa Power Plant. It will continue to operate Mikawa, which also serves as a testing facility for carbon capture and storage (CCS) technology, and power generation systems.

2. Schedule of Company Split and Share Transfer

Date of decision on Company Split and Share Transfer made by SPAC's board of directors	Feb. 24, 2017
Signing of Share Transfer Agreement	
Approval of Company Split by SPAC Shareholder	Mar. 23, 2017 (planned)
Effective date of Company Split	Mar. 31, 2017 (planned)
Share Transfer	Mar. 31, 2017 (planned)

3. Overview of the Company Split

(1) Method of the Company Split

Incorporation-type company split method, in which SPAC is the splitting company that takes over The Business and New Company is the succeeding company.

(2) Consideration associated with the Company Split

All 10,000 common stock issued by New Company will be held by SPAC. On the stock transfer date described in 2 above, the stock will be transferred to SPC.

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

The splitting company has not issued any share option or bonds with share options.

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

The Company Split will neither increase nor decrease SPAC's capital stock.

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

New Company will succeed the assets, debts and contractual obligations, etc., of The Business as of the effective date of the split. Succession of Obligations will be done by noncumulative taking of obligations.

(6) Probability of fulfillment of obligations

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

4. Overview of Participants in the Company Split

	Splitting Company (SPAC)	New Company	
(1) Name	Sigma Power Ariake Co., Ltd	Miike Power Plant Corporation	
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	1-1 Shibaura 1-chome, Minato-ku, Tokyo	
(3) Name and Title of Representatives	Shigeki Fujimoto President	Hirofumi Inoue President	
(4) Business Outline	Power generation business	Power generation business	
(5) Capital Stock	425 million yen	100 million yen	
(6) Establishment	April 1,2005	March 31, 2017(planned)	
(7) No. of Outstanding Shares	17,000 shares	10,000 shares	
(8) Fiscal Term	March 31	September 30	
(9) No. of Employees	86	43(planned)	
(10) Major Shareholders and Shareholding Ratio	Sigma Power Holdings Corporation (81.3%) Toshiba Corporation (11.8%) NIPPON COKE & ENGINEERING COMPANY, LIMITED (5.9%) NIPPON STEEL & SUMIKIN ENGINEERING CO., LTD (1.0%)	Sigma Power Ariake Co., Ltd (100%)	
(11) Relation between participants			
	Capital	SPAC will hold all stock of New Company as of the effective date of the split and transfer them to SPC as of the effective date of Company Split	
	Personal	None	
	Business	None	
(12) Financial Condition and Operating Performance of Splitting Company Sigma Power Ariake Corp. (M Yen; consolidated; fiscal year ending March)			
	FY2013	FY2014	FY2015
Net Assets (Equity)	4,630	8,483	11,419
Total Assets	9,612	16,788	15,767
Shareholder's Equity per Share (Yen)	272,346	499,021	671,699
Net Sales	16,372	18,815	16,204

Operating Income	5,452	5,948	4,779
Recurring Profit	5,502	6,001	4,688
Net Income (Loss)	3,547	3,966	3,446
Net Income (Loss) per Share	208,700	233,275	202,679
Dividend per Share	6,660	30,000	26,000

5. Overview of Business Unit to be Split

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

The coal-fired power generation business of Miike Power Plant operated by SPAC,

(2) Financial Performance of Business to be Split (The Business) (M Yen)

	FY2015 (ending March 2016)
Net Sales	12,959
Gross Profit	4,468
Operating Income	4,430
Recurring Profit	4,468

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

Assets		Liabilities	
Items	Book Value (M yen)	Items	Book Value (M Yen)
Current Assets	2,274	Current Assets	2,295
Fixed Assets	2,919	Fixed Assets	81
Total	5,193	Total	2,376

Note: Items and the book value of the above are based on the balance sheet as of January 31, 2017. The items and the book value of assets and liabilities to be split will be settled after reflecting the increase or decrease in the book value by the effective date of Company Split.

The name, address, name of representatives, business outline, capital stock and fiscal term of the splitting company will not be changed after the Company Split.

6. Share Transfer

(1) Outline of the changing companies

As described in “4. Overview of Participants in the Company Split”.

(2) Outline of the Company acquiring the shares (as of February 24, 2017)
The following description is based on information available before the transfer procedure. Miike Power Station Co., will become wholly-owned subsidiary of Third Party by the Share Transfer date.

(1) Name	Miike Power Station Co.,	
(2) Address	2-26-1, Minami-Aoyama, Minato-ku, Tokyo	
(3) Name and Title of Representatives	Hirofumi Inoue President	
(4) Business Outline	Power generation business	
(5) Capital Stock	25,000 yen	
(6) Establishment	February 8, 2017	
(7) No. of Outstanding Shares	1	
(8) Fiscal Term	December 31	
(9) Net Assets	50,000 yen	
(10) Total Assets	50,000 yen	
(11) Major Shareholders and Shareholding Ratio	An individual person (100%)	
(12) Relation between participants		
	Capital	None
	Personal	None
	Business	None
	Status of Related Parties	None

(3) Outline of IDI

Name	IDI infrastructures Inc.
Address	2-26-1 Minamiaoyama, Minato-ku, Tokyo
Establishment	October 15, 2007
Name and Title of Representatives	Hiroshi Saitama CEO
Major Shareholder and Shareholding Ratio	Daiwa Securities Co.Ltd. (50.01%)
Business Outline	Management of energy and infrastructure business investment funds

(4) Share transferred, transfer price, shares held before and after the transfer

(1) Shares held before transfer	10,000 shares (number of voting rights: 10,000 holding ratio: 100%)
(2) Shares transferred	10,000 shares (number of voting rights: 10,000 holding ratio: 100%)
(3) Transfer Price	22 billion yen
(4) Shares held after transfer	0 shares (number of voting rights: 0, holding ratio: 0%)

7. Future Outlook

The financial impact on Toshiba's consolidated net income as a result of the company split has been estimated at approx.10 billion yen, an amount included in the FY2016 provisional forecast announced on February 14.

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