

Notice on Conclusion of Absorption-type Company Split Agreements
in Respect of In-house Companies

TOKYO–Toshiba Corporation (“the Company”) has today concluded absorption-type company split agreements (“the Company Split Agreements”) in respect of Infrastructure Systems & Solutions Company (“ISS”), Storage & Electronic Devices Solutions Company (“SDS”) and Industrial ICT Solutions Company (excluding Information Systems Division and the R&D group reporting to corporate in the Software & AI Technology Center, “INS”) and wishes to announce the information on matters that remained undecided in the previous announcement “Toshiba to Reinforce Organizational Management” made on April 24, 2017.

The Company announced, on April 24, 2017, that the aforementioned three in-house companies will be separated from the Company by company splits (“the Company Splits”).

Underlined sections below indicate matters that were undecided at, and/or have changed from, the April 24, 2017 announcement. Also, some disclosure items and details are omitted since the Company Splits are between the Company and its wholly-owned subsidiaries (“the Succeeding Companies”).

The company split involving Energy Systems Solutions Company and the Nuclear Energy Systems & Solutions Division is subject to approval by the annual ordinary general meeting of the shareholders of the Company. The company split agreement will be deliberated by Toshiba’s board of directors, along with the agenda of the general meeting, which will be decided and announced by the Company in due course.

1. Purpose of the Company Splits

The purposes of the Company Splits of ISS, SDS and INS are as follows:

- (1) ISS, SDS and INS, as autonomous business entities, will focus on maximizing their business value, developing and expanding new businesses while strengthening the collaboration amongst the Company group. They will also enhance governance by directly owning affiliate companies and subsidiaries in order to make business responsibilities clearer, compared to the current in-house company structure. Furthermore, ISS, SDS and INS will directly fulfill accountabilities to the market and customers.
- (2) ISS, SDS and INS will each establish an internal control structure according to its own business characteristics, and further strengthen its governance by directly receiving outside auditing. ISS and INS will establish optimal structures that take into consideration business continuity in respect of maintaining their licenses, including special construction business licenses.
- (3) The Company, after the Company Splits, will focus on maximizing corporate value and strengthening the governance of the group as a whole, advance the group’s business strategy planning and resource allocation and enhance its risk management function.

2. Method of the Company Splits

- (1) By means of absorption-type company splits, ISS, SDS and INS, the Company's in-house companies, will be succeeded by the Company's wholly-owned subsidiaries.
- (2) Please refer to the appendix for individual details of each Company Split for ISS, SDS and INS.

3. Schedule

<u>Date of signing of the Company Split Agreements (ISS, SDS and INS)</u>	<u>May 30, 2017</u>
Effective date of the Company Splits (ISS, SDS and INS)	July 1, 2017 (planned)

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Appendix

I. Infrastructure Systems & Solutions Company (“ISS”)

1. Purpose of the company split of ISS

The Company positions the social infrastructure business as a focus business domain. By splitting and transferring ISS to Toshiba Electric Service Corporation (“TDS”) by means of a company split (“Company Split #1”), it aims to allow the business to establish a management structure capable of optimal and rapid decision-making in a changing business environment, and to deploy an enhanced governance structure. The Company also aims to realize continuous growth for the social infrastructure business by positioning it to continue to promote a spiral lifecycle business offering products, systems and services that improve customer value, which will ultimately lead to maximization of the corporate value of the Group.

In addition, TDS, the succeeding company, holds special construction business licenses, essential for the social infrastructure business, which will realize a continuous and smooth business transition.

2. Overview of Company Split #1

(1) Schedule

<u>Date of signing of the Company Split Agreement</u>	<u>May 30, 2017</u>
<u>Effective date of the Company Split #1</u>	<u>July 1, 2017 (planned)</u>

Notes: Company Split #1 falls into the category of a simplified absorption-type company split defined in 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 Company Split #1

The absorption-type company split method will be used, in which the Company is the splitting company and TDS is the succeeding company.

(3) Allotment related to Company Split #1

TDS will issue 400 shares of common stock and allot all of them to the Company in exchange for transferred rights and obligations.

(4) Treatment of share options and bonds with share options associated with Company Split #1

The Company has not issued any share options or bonds with share options.

(5) Change in the stated capital associated with Company Split #1

Company Split #1 will neither increase nor decrease the amount of the stated capital of the Company.

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

TDS will succeed to the assets, rights, obligations, and contractual status, etc., that belong to

the “Transferred Business,” in principle. The term “Transferred Business” is defined in 4(1) of this notice.

(7) Outlook of performance of obligations

It is understood that TDS will be able to fulfill all obligations that have a maturity date on or after the effective date of Company Split #1.

3. Overview of companies associated with Company Split #1

	Splitting company	Succeeding company
(1) Name	Toshiba Corporation	Toshiba Electric Service Corporation
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	24-1 Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo
(3) Name and Title of Representatives	Satoshi Tsunakawa, Representative Executive Officer, President & CEO	Keiichi Yamato, President & CEO
(4) Business Outline	Energy Systems & Solutions, Infrastructure Systems & Solutions, Storage & Electronic Devices Solutions and Industrial ICT Solutions	Maintenance, inspection and repair of electrical equipment, information / communications equipment, machinery equipment and related systems Test run adjustment Construction work, operation and maintenance management
(5) Capital Stock	200,000 million yen	100 million yen
(6) Establishment	June 25, 1904	May 11, 1987
(7) No. of Outstanding Shares	4,237,602,026 shares	1,600 shares
(8) Fiscal Term	March 31	March 31
(9) No. of Employees	<u>153,492</u> (consolidated)	<u>1,228</u>
(10) Main Financing Banks	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(11) Major Shareholders and Shareholding Ratio	<u>Goldman Sachs International</u> (standing proxy: <u>Goldman Sachs Japan Co., Ltd.</u>)	Toshiba Corporation 100%

	<u>8.90%</u> JP Morgan Chase Bank 380055 (standing proxy: Mizuho Bank, Ltd.) <u>6.91%</u> <u>Chase Manhattan Bank Gts</u> <u>Clients Account Escrow</u> <u>(standing proxy: Mizuho</u> <u>Bank, Ltd.)</u> <u>3.78%</u> The Dai-ichi Life Insurance Company, Limited 2.72% Toshiba Employees Shareholding Association <u>2.71%</u>	
(12) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal year ended March 31, 2016)		
Net Assets (Equity)	672,258 million yen (consolidated)	3,599 million yen
Total Assets	5,433,341 million yen (consolidated)	17,986 million yen
Shareholders' Equity per Share	77.67 yen (consolidated)	2,249,732.02 yen
Net Sales	5,668,688 million yen (consolidated)	38,436 million yen
Operating Income	-708,738 million yen (consolidated)	4,672 million yen
Recurring Profit	---	4,670 million yen
Net Income (Loss)	-460,013 million yen (consolidated)	3,332 million yen
Net Income (Loss) per Share	-108.64 yen (consolidated)	2,082,854.62 yen

Notes:

1. Number of Employees, Major Shareholders and Shareholding Ratios are as of March 31, 2017.

2. Financial Condition and Operating Performance (excluding operating income) of the splitting company are based on US GAAP.

3. Financial Condition and Operating Performance in Preceding Fiscal Year are the results of the fiscal year ended March 31, 2016. For details of the outlook of Financial Condition and Operating Performance for FY2016, please refer to the "Notice on Outlook for FY2016 Business Results" announced on May 15, 2017.

4. Overview of the in-house company to be split
(1) Business of the in-house company to be split

Development, manufacture and sales of social infrastructure business products, systems and services. (“Transferred Business”)

(2) Business performance of the in-house company to be split

① Fiscal Year 2015

Consolidated sales: 1,352.9 billion yen

Consolidated operating income: -7.4 billion yen

② Fiscal Year 2016 (outlook of business results)

Consolidated sales: 1,260.0 billion yen

Consolidated operating income: 58.0 billion yen

Notes:

1. Figures continue to be audited by the independent accounting auditor, and may be subject to amendment.

(3) Items and amount of assets and liabilities to be split

<u>Assets</u>		<u>Liabilities</u>	
<u>Items</u>	<u>Book Value</u> <u>(billion yen)</u>	<u>Items</u>	<u>Book Value</u> <u>(billion yen)</u>
<u>Current Assets</u>	<u>166.9</u>	<u>Current Liabilities</u>	<u>126.9</u>
<u>Fixed Assets</u>	<u>123.3</u>	<u>Fixed Liabilities</u>	<u>34.8</u>
<u>Total</u>	<u>290.2</u>	<u>Total</u>	<u>161.7</u>

Note: Items and book values in the above are estimates of the book values at the end of June, 2017 calculated as of today. As a result, the actual book values of the items to be split may differ.

5. Overview of splitting company after Company Split #1

There will be no change in the splitting company’s name, address, name and title of the representative, principal business, stated capital, or fiscal term.

6. Overview of the succeeding company after Company Split #1 (After July 1, 2017)

Name	<u>Toshiba Infrastructure Systems & Solutions Corporation</u>
Address	<u>72-34, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa</u>
Name and Title of Representative	Not yet decided
Business Outline	Development, manufacture and sales of social infrastructure business products, systems and services
Capital Stock	<u>10,000 million yen</u>
Fiscal Term	<u>March 31</u>

7. Future Outlook

As TDS is a wholly-owned subsidiary of the Company, Company Split #1 will have no impact on the Company’s consolidated financial results. The Company will announce items that are undecided at this point as they are clarified.

II. Storage & Electronic Devices Solutions Company (“SDS”)

1. Purpose of the company split of SDS

The Company positions the electronic devices business as a focus business domain. By splitting and transferring SDS to Toshiba Electronic Devices & Storage Corporation (“TDSC”) by means of a company split (“Company Split #2”), it aims to allow the business to establish a management structure capable of flexible and rapid decision-making, and to deploy an enhanced governance structure. The Company also aims to realize continuous growth for the electronic devices business by positioning it to offer products that improve customer value, which will ultimately maximize the corporate value of the group.

2. Overview of Company Split #2

(1) Schedule

<u>Date of signing of the Company Split Agreement</u>	<u>May 30, 2017</u>
<u>Effective date of the Company Split #2</u>	<u>July 1, 2017 (planned)</u>

Notes: Company Split #2 falls into the category of a simplified absorption-type company split defined in 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 Company Split #2

The absorption-type company split method will be used, in which the Company is the splitting company and TDSC is the succeeding company.

(3) Allotment related to Company Split #2

TDSC will issue 2,000 shares of common stock and allot all of them to the Company in exchange for transferred rights and obligations.

(4) Treatment of share options and bonds with share options associated with Company Split #2

The Company has not issued any share options or bonds with share options.

(5) Change in the stated capital associated with Company Split #2

Company Split #2 will neither increase nor decrease the amount of the stated capital of the Company.

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

TDSC will succeed to the assets, rights, obligations, and contractual status, etc., that belong to the “Transferred Business,” in principle. The term “Transferred Business” is defined in 4(1) of this notice.

(7) Outlook of performance of obligations

It is understood that TDSC will be able to fulfill all obligations that have a maturity date on or after the effective date of Company Split #2.

3. Overview of companies associated with Company Split #2

	Splitting company	Succeeding company
(1) Name	Toshiba Corporation	<u>Toshiba Electronic Devices & Storage Corporation</u>
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	<u>1-1 Shibaura 1-chome, Minato-ku, Tokyo</u>
(3) Name and Title of Representatives	Satoshi Tsunakawa, Representative Executive Officer, President & CEO	<u>Kenji Kishimoto</u> <u>President & CEO</u>
(4) Business Outline	Energy Systems & Solutions, Infrastructure Systems & Solutions, Storage & Electronic Devices Solutions and Industrial ICT Solutions	Development, manufacture and sales of discrete semiconductors, system LSIs and HDDs and related products Business related to the above
(5) Capital Stock	200,000 million yen	<u>10 million yen</u>
(6) Establishment	June 25, 1904	<u>April 27, 2017</u>
(7) No. of Outstanding Shares	4,237,602,026 shares	<u>1,000 shares</u>
(8) Fiscal Term	March 31	<u>March 31</u>
(9) No. of Employees	<u>153,492</u> (consolidated)	<u>0</u> (as of May 30, 2017)
(10) Main Financing Banks	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd.	---
(11) Major Shareholders and Shareholding Ratio	<u>Goldman Sachs International</u> (standing proxy: <u>Goldman Sachs Japan Co., Ltd.</u>) <u>8.90%</u> JP Morgan Chase Bank 380055 (standing proxy: Mizuho Bank, Ltd.) <u>6.91%</u> <u>Chase Manhattan Bank Gts Clients Account Escrow</u> (standing proxy: <u>Mizuho Bank, Ltd.</u>) <u>3.78%</u>	Toshiba Corporation 100% (as of May 30, 2017)

	The Dai-ichi Life Insurance Company, Limited 2.72%	
	Toshiba Employees Shareholding Association 2.71%	
(12) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal year ended March 31, 2016)		
Net Assets (Equity)	672,258 million yen (consolidated)	---
Total Assets	5,433,341 million yen (consolidated)	---
Shareholders' Equity per Share	77.67 yen (consolidated)	---
Net Sales	5,668,688 million yen (consolidated)	---
Operating Income	-708,738 million yen (consolidated)	---
Recurring Profit	---	---
Net Income (Loss)	-460,013 million yen (consolidated)	---
Net Income (Loss) per Share	-108.64 yen (consolidated)	---

Notes:

1. Number of Employees, Major Shareholders and Shareholding Ratios are as of March 31, 2017.

2. Financial Condition and Operating Performance (excluding operating income) of the splitting company are based on US GAAP.

3. Financial Condition and Operating Performance in Preceding Fiscal Year are the results of the fiscal year ended March 31, 2016. For details of the outlook of Financial Condition and Operating Performance for FY2016, please refer to the "Notice on Outlook for FY2016 Business Results" announced on May 15, 2017.

4. Overview of the in-house company to be split

(1) Business of the in-house company to be split

Development, manufacture and sales of discrete semiconductors, system LSIs and HDDs and related products

Business related to the above

("Transferred Business")

(2) Business performance of the in-house company to be split

① Fiscal Year 2015

Consolidated sales: 1,575.9 billion yen

Consolidated operating income: -100.0 billion yen

② Fiscal Year 2016 (outlook of business results)

Consolidated sales: 1,700.0 billion yen

Consolidated operating income: 247.0 billion yen

Note:

1. Figures above include the performance of the memory business (currently Toshiba Memory Corporation). However, the Company will not succeed to the shares in Toshiba Memory Corporation.
2. Figures continue to be audited by the independent accounting auditor, and may be subject to amendment.

(3) Items and amount of assets and liabilities to be split

<u>Assets</u>		<u>Liabilities</u>	
<u>Items</u>	<u>Book Value</u> <u>(billion yen)</u>	<u>Items</u>	<u>Book Value</u> <u>(billion yen)</u>
<u>Current Assets</u>	<u>217.4</u>	<u>Current</u> <u>Liabilities</u>	<u>206.4</u>
<u>Fixed Assets</u>	<u>91.2</u>	<u>Fixed Liabilities</u>	<u>30.4</u>
<u>Total</u>	<u>308.6</u>	<u>Total</u>	<u>236.8</u>

Note: Items and book values in the above are estimates of the book values at the end of June, 2017 calculated as of today. As a result, the actual book values of the items to be split may differ.

5. Overview of splitting company after Company Split #2

There will be no change in the splitting company's name, address, name and title of the representative, principal business, stated capital, or fiscal term.

6. Overview of the succeeding company after Company Split #2 (After July 1, 2017)

<u>Name</u>	<u>Toshiba Electronic Devices & Storage Corporation</u>
<u>Address</u>	<u>1-1 Shibaura 1-chome, Minato-ku, Tokyo</u>
<u>Name and Title of Representative</u>	<u>Not yet decided</u>
<u>Business Outline</u>	<u>Development, manufacture and sales of discrete semiconductors, system LSIs and HDDs and related products</u> <u>Business related to the above</u>
<u>Capital Stock</u>	<u>10,000 million yen</u>
<u>Fiscal Term</u>	<u>March 31</u>

7. Future Outlook

As TDSC is a wholly-owned subsidiary of the Company, Company Split #2 will have no impact on the Company's consolidated financial results. The Company will announce items that are undecided at this point as they are clarified.

III. Industrial ICT Solutions Company (“INS”)

1. Purpose of the company split of INS

The Company positions the ICT solutions business as a focus business domain. By splitting and transferring INS to Toshiba Solutions Corporation (“TSOL”) by means of a company split (“Company Split #3”), it aims to allow the business to establish a management structure capable of flexible and rapid decision-making in a fast changing ICT market, and to deploy an enhanced governance structure. The Company also aims to realize further growth for the business and an improved industry presence in order to become an innovator that responds to the market’s digital transformation in a timely manner, and that creates and provides valuable services. Furthermore, it will contribute to maximization of the corporate value of the group by utilizing the ICT technology.

In addition, TSOL, the succeeding company, holds special construction business licenses, essential for the ICT solutions business, which will realize a continuous and smooth business transition.

2. Overview of Company Split #3

(1) Schedule

<u>Date of signing of the Company Split Agreement</u>	<u>May 30, 2017</u>
<u>Effective date of the Company Split #3</u>	<u>July 1, 2017 (planned)</u>

Notes: Company Split #3 falls into the category of a simplified absorption-type company split defined in 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 Company Split #3

The absorption-type company split method will be used, in which the Company is the splitting company and TSOL is the succeeding company.

(3) Allotment related to Company Split #3

TSOL will issue 430 shares of common stock and allot all of them to the Company in exchange for transferred rights and obligations.

(4) Treatment of share options and bonds with share options associated with Company Split #3

The Company has not issued any share options or bonds with share options.

(5) Change in the stated capital associated with Company Split #3

Company Split #3 will neither increase nor decrease the amount of the stated capital of the Company.

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

TSOL will succeed to the assets, rights, obligations, and contractual status, etc., that belong to the “Transferred Business,” in principle. The term “Transferred Business” is defined in 4(1)

of this notice.

(7) Outlook of performance of obligations

It is understood that TSOL will be able to fulfill all obligations that have a maturity date on or after the effective date of Company Split #3.

3. Overview of companies associated with Company Split #3

	Splitting company	Succeeding company
(1) Name	Toshiba Corporation	Toshiba Solutions Corporation
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	72-34, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa
(3) Name and Title of Representatives	Satoshi Tsunakawa, Representative Executive Officer, President & CEO	Hironobu Nishikori, President & CEO
(4) Business Outline	Energy Systems & Solutions, Infrastructure Systems & Solutions, Storage & Electronic Devices Solutions and Industrial ICT Solutions	System Integration, Development, manufacture and sales of ICT solutions that utilize IoT and AI
(5) Capital Stock	200,000 million yen	23,500 million yen
(6) Establishment	June 25, 1904	October 1, 2003
(7) No. of Outstanding Shares	4,237,602,026 shares	203,570 shares
(8) Fiscal Term	March 31	March 31
(9) No. of Employees	<u>153,492</u> (consolidated)	<u>3,146</u>
(10) Main Financing Banks	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(11) Major Shareholders and Shareholding Ratio	<u>Goldman Sachs International</u> <u>(standing proxy: Goldman Sachs Japan Co., Ltd.)</u> <u>8.90%</u> JP Morgan Chase Bank 380055 (standing proxy: Mizuho Bank, Ltd.) <u>6.91%</u> <u>Chase Manhattan Bank Gts</u>	Toshiba Corporation 100%

	<u>Clients Account Escrow</u> <u>(standing proxy: Mizuho</u> <u>Bank, Ltd.)</u> <u>3.78%</u> The Dai-ichi Life Insurance Company, Limited 2.72% Toshiba Employees Shareholding Association <u>2.71%</u>	
(12) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal year ended March 31, 2016)		
Net Assets (Equity)	672,258 million yen (consolidated)	38,231 million yen
Total Assets	5,433,341 million yen (consolidated)	103,244 million yen
Shareholders' Equity per Share	77.67 yen (consolidated)	172,099 yen
Net Sales	5,668,688 million yen (consolidated)	118,745 million yen
Operating Income	-708,738 million yen (consolidated)	6,910 million yen
Recurring Profit	---	8,993 million yen
Net Income (Loss)	-460,013 million yen (consolidated)	-1,713 million yen
Net Income (Loss) per Share	-108.64 yen (consolidated)	-8,416 yen

Notes:

1. Number of Employees, Major Shareholders and Shareholding Ratios are as of March 31, 2017.

2. Financial Condition and Operating Performance (excluding operating income) of the splitting company are based on US GAAP.

3. Financial Condition and Operating Performance in Preceding Fiscal Year are the results of the fiscal year ended March 31, 2016. For details of the outlook of Financial Condition and Operating Performance for FY2016, please refer to the "Notice on Outlook for FY2016 Business Results" announced on May 15, 2017.

4. Overview of the in-house company to be split

(1) Business of the in-house company to be split

Development, manufacture and sales of ICT solutions business products, systems and services. ("Transferred Business")

(2) Business performance of the in-house company to be split

① Fiscal Year 2015

Consolidated sales: 256.8 billion yen

Consolidated operating income: 8.7 billion yen

② Fiscal Year 2016 (outlook of business results)

Consolidated sales: 240.0 billion yen

Consolidated operating income: 12.0 billion yen

Note:

1. Figures above include the performance of INS's Information Systems Division and the R&D group reporting to corporate in the Software & AI Technology Center.

2. Figures continue to be audited by the independent accounting auditor, and may be subject to amendment.

(3) Items and amount of assets and liabilities to be split

<u>Assets</u>		<u>Liabilities</u>	
<u>Items</u>	<u>Book Value</u> <u>(billion yen)</u>	<u>Items</u>	<u>Book Value</u> <u>(billion yen)</u>
<u>Current Assets</u>	<u>29.5</u>	<u>Current Liabilities</u>	<u>27.6</u>
<u>Fixed Assets</u>	<u>4.0</u>	<u>Fixed Liabilities</u>	<u>1.9</u>
<u>Total</u>	<u>33.5</u>	<u>Total</u>	<u>29.5</u>

Note: Items and book values in the above are estimates of the book values at the end of June, 2017 calculated as of today. As a result, the actual book values of the items to be split may differ.

5. Overview of splitting company after Company Split #3

There will be no change in the splitting company's name, address, name and title of the representative, principal business, stated capital, or fiscal term.

6. Overview of the succeeding company after Company Split #3 (After July 1, 2017)

Name	<u>Toshiba Digital Solutions Corporation</u>
Address	<u>72-34, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa</u>
Name and Title of Representative	<u>Not yet decided</u>
Business Outline	<u>Development, manufacture and sales of ICT solutions business products, systems and services</u>
Capital Stock	<u>23,500 million yen</u>
Fiscal Term	<u>March 31</u>

7. Future Outlook

As TSOL is a wholly-owned subsidiary of the Company, Company Split #3 will have no impact on the Company's consolidated financial results. The Company will announce items that are undecided at this point as they are clarified.

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