

December 4, 2017  
Toshiba Corporation

FOR IMMEDIATE RELEASE

### **Regarding the Sale of Certain Shares Held by Toshiba**

TOKYO—Toshiba Corporation (TOKYO: 6502) today announced that it will sell part of its shareholding in Shibaura Mechatronics Corporation (“Shibaura Mechatronics”), a Toshiba affiliate company accounted for by the equity method in Toshiba’s consolidated financial statements. Toshiba is the largest shareholder in Shibaura Mechatronics and holds approximately 36.54% of the company’s issued shares.

In order to improve the asset efficiency and the financial base while keeping the business relationship and future cooperation with Shibaura Mechatronics, Toshiba plans to sell up to approximately 26.54% of the issued shares in Shibaura Mechatronics (the “Sale”) and retain the remaining approximately 10% of Shibaura Mechatronics’ issued shares. Once the Sale is completed as planned, Shibaura Mechatronics will no longer be Toshiba’s affiliate company accounted for by the equity method.

The Sale consists of transfers of shares through transactions negotiated with Shin-Etsu Engineering Co., Ltd. (“Shin-Etsu Engineering”) and with NuFlare Technology, Inc. (“NuFlare”), Toshiba’s consolidated subsidiary; through a domestic offering with SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) as the lead manager and underwriter (the “Domestic Offering”); and by exercise of a Greenshoe option\*<sup>1</sup> that Toshiba will grant to SMBC Nikko Securities. In addition, Shibaura Mechatronics’ board of directors meeting, today, resolved the matters concerning the repurchase of shares of its common stock through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3). When Shibaura Mechatronics decides to repurchase its shares based on this resolution, Toshiba plans to apply for such share repurchase (the “Application”).

\*<sup>1</sup>A Greenshoe option is a system to stabilize, with other transactions such as over-allotment, a share’s demand-supply balance immediately after an equity offering. In this transaction, Toshiba will grant to SMBC Nikko Securities a right to acquire additional shares of Shibaura Mechatronics common stock in the situation where the secondary offering (over-allotment) of shares of Shibaura Mechatronics common stock to be borrowed by SMBC Nikko Securities from Toshiba is conducted.

1. Number of shares to be sold

A maximum of 13,784,000 shares of common stock of Shibaura Mechatronics (approx. 26.54% of issued shares; approx. 27.83% of total voting rights) from Toshiba’s current holdings of 18,977,463 shares (approx. 36.54% of issued shares; approx. 38.31%\*<sup>2</sup> of total voting rights )

\*<sup>2</sup> The percentage of total voting rights is a reference amount calculated by using the parameter of September 30, 2017, and does not take a change in the number of treasury stock as a result of the execution of the Sale into consideration.

Total number of issued shares (1):	51,926,194 shares
Number of treasury stock (2):	2,316,000 shares
Number of shares less than one unit (3):	84,194 shares
Total number of issued shares (excluding treasury stock and shares less than one unit) (1) – (2) – (3):	49,526,000 shares

## 2. Summary of the Sale

### (1) Domestic Offering

- a) Number of shares to be sold: 8,337,000 shares

The above stated number of shares will be sold in the Domestic Offering.

In addition, when Shibaura Mechatronics decides to repurchase shares of its common stock through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), there is a possibility that Toshiba will sell part of its holding to Shibaura Mechatronics by the Application. If this transaction is executed, the number of shares sold in the Domestic Offering may decrease. In addition, as stated below in “(3) Negotiated transaction,” if Shibaura Mechatronics decides to repurchase its shares based on the resolution at its board meeting, the number of shares to be sold to NuFlare will be determined, on the next business day following the date of such Shibaura Mechatronics’ decision, based on the closing price of Shibaura Mechatronics’ common stock at Tokyo Stock Exchange on the date of such decision. If the number of shares to be sold to NuFlare falls below 1,600,000, which is the maximum number of shares to be sold to NuFlare, the difference between such maximum number and the actual number to be sold may be added to the number of the shares to be offered in the Domestic Offering

### (2) Greenshoe option in relation to over-allotment

- b) Number of shares to be sold: Maximum of 1,250,000 shares

The above stated number is the maximum number of additional shares of Shibaura Mechatronics common stock SMBC Nikko Securities will have the right to acquire in the situation where the secondary offering by way of over-allotment is conducted in relation to the Domestic Offering. The number of shares of common stock to be sold through the secondary offering by way of over-allotment may be decreased or the secondary offering by way of over-allotment may not be conducted at all, depending on the demand-supply situation. If there is no over-allotment conducted, the Greenshoe option will not be granted. In addition, as a result of the sale of part of Toshiba’s holdings through the Application and the determination of the number of shares to be sold to NuFlare as stated in above (1), if there is a change in the number of shares for Domestic Offering, the number of shares to be sold by over-allotment may change accordingly. The number of shares that shall be subject to Greenshoe option, will also change in order to be equal to the number of shares to be sold by over-allotment. Furthermore, even in the situation where Greenshoe option is granted, there is a possibility that part or all of the Greenshoe option will not be exercised, depending on the market trend.

(3) Negotiated transaction

Negotiated transactions, in which Shin-Etsu Engineering and NuFlare are transferees, will be executed.

a) Number of shares to be sold

Shin-Etsu Engineering: 2,597,000 shares

NuFlare: Maximum of 1,600,000 shares

As stated in above (1), there is a possibility that number of shares to be sold to NuFlare will be decreased.

Sales price for these negotiated transactions will be equivalent to the sales price for the Domestic Offering stated in above (1), and will be determined on December 12, 2017 at the earliest.

3. Objectives of the Sale

Toshiba promotes improvement in the efficient utilization of Group assets to strengthen its profitability and its financial base. After considering its continuing business relationship and future cooperation with Shibaura Mechatronics, Toshiba has decided to sell part of its holding in line with its consistent policy of making efficient use of the Group assets and to improve its financial base. Toshiba will retain approximately 10% of the issued shares, but sell the remaining approximately 26.54%.

4. Future outlook

When the Sale has been completed as planned, Toshiba Group's holding in Shibaura Mechatronics, including NuFlare's holding, will be reduced to below 20% of total number of issued shares, and Shibaura Mechatronics is expected to be excluded from Toshiba's affiliate company accounted for by the equity method.

Toshiba will promptly announce the impact of the Sale on Toshiba's financial statements after the number of shares to be sold and the sales price have been determined and their respective impacts have been finalized. There will be no significant impact on the business relationship between Toshiba and Shibaura Mechatronics as a result of the Sale.

Reference:

Outline Shibaura Mechatronics

Company Name:	Shibaura Mechatronics Corporation
Head Office:	2-5-1, Kasama, Sakae-ku, Yokohama, Kanagawa, Japan
Established:	October 12, 1939
Representative:	Shigeki Fujita, President and CEO
Paid in Capital:	6,761 million yen (As of March 31, 2017)
Sales:	42,737 million yen, consolidated (For the year ended March 31, 2017)
Number of Employees:	1,202, consolidated (As of March 31, 2017)
Main Shareholders:	Toshiba Corporation, The Master Trust Bank of Japan, Limited (trust accounts), Japan Trustee Services Bank, Limited (trust accounts), Japan Trustee Services Bank, Limited (trust accounts 5), Shibaura Mechatronics Employee Accumulation Stock Plan, DFA INTL SMALL CAP VALUE PORTFOLIO,

Major Businesses:

MSIP CLIENT SECURITIES,  
Japan Trustee Services Bank, Limited (trust accounts 1),  
Japan Trustee Services Bank, Limited (trust accounts 2),  
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)  
Manufacturing and sales of flat panel display manufacturing  
equipment; semiconductor manufacturing equipment; vacuum  
equipment; laser application equipment; and vending machines

## **Disclaimer**

This announcement contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group. These statements are based on management's assumptions and beliefs in light of the economic, financial and other data currently available. Since Toshiba Group is promoting business under various market environments in many countries and regions, they are subject to a number of their risks and uncertainties. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations. Major risk factors that may have a material influence on results are indicated below, though this list is not necessarily exhaustive.

- Major disasters, including earthquakes and typhoons;
- Disputes, including lawsuits, in Japan and other countries;
- Success or failure of alliances or joint ventures promoted in collaboration with other companies;
- Success or failure of new businesses or R&D investment;
- Changes in political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Rapid changes in the supply and demand situation in major markets and intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.

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