

November 8, 2018  
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Toshiba Group to Implement Early Retirement  
Incentive Programs as Part of Structural Reform**

TOKYO—Toshiba Corporation (TOKYO: 6502) and some of its consolidated subsidiaries have decided to implement early retirement incentive programs, as part of the structural reform to improve core earning power announced today in the “Toshiba Next Plan.”

**1. Background to Early Retirement Incentive Program**

Toshiba today announced, in “Toshiba to Announce “Toshiba Next Plan” for Corporate Transformation,” that it will implement measures to improve core earning power, and will also secure investments for growth. Toshiba will deploy four reforms to improve core earning power. Through structural reform, Toshiba will exit non-focus businesses, optimize its work force, reorganize its production bases and reduce the number of subsidiaries. To reform procurement, it will apply various measures to lower its cost rate. Reforms of sales activities will improve overall efficiency while strengthening the sales force. Measures are also now in place to strengthen evaluations of project order acceptance. In process reform, investments will be made to renew IT infrastructure and to change numerous processes throughout the organization toward improving operational efficiencies. Additionally, Toshiba has planned capital expenditure of approximately 810 billion yen and R&D investments of approximately 930 billion yen to grow new businesses, improve profit margins and generate future cash flows.

In June 2018, Toshiba completed the transfer of the Memory business, which recorded sales of 1.2 trillion yen in FY2017. In October 2018, the company also completed the transfer of the PC business, which generated annual sales of 170 billion yen in FY2017, which followed the February 2018 completion of transfer of the Visual Products business. These transactions significantly changed the scope and scale of Toshiba’s overall business.

In light of the situations described above, as part of the structural reform to realize the Toshiba Next Plan, Toshiba and some of its consolidated subsidiaries have decided to implement early retirement incentive programs in Japan.

Toshiba will implement a program to build a staff organization appropriate for the sales scale, in response to a reduction in the Group’s sales, downsized business scale and changes in the business portfolio.

Toshiba Energy Systems & Solutions Corporation (ESS) will implement a program aimed at building an appropriate staff organization, also covering some of its subsidiaries, as it responds to the global trend to decarbonization by strengthening the service business in the thermal power plants, where new plant construction is shrinking, and its shift to the renewable energy business.

Toshiba Digital Solutions Corporation (TDSL) will implement a program mainly directed at corporate staff as it seeks to realize a structure that create profits without relying on an increase of sales, and to focus on high profit business and transition to a recurring business model.

## 2. Outline of Early Retirement Incentive Program

The programs will apply to employees who meet criteria individually decided by Toshiba, ESS, TDSL and some of their subsidiaries. The anticipated scope is 1,060 employees in total: 200 at Toshiba, including its subsidiaries; 800 at ESS, including its subsidiaries; and 60 at TDSL. Applications will be accepted from the third quarter of FY2018 and selected applicants will leave by the end of March 2019. The selected applicants will receive a special severance payment on top of a standard retirement payment, and those who request will receive outplacement support.

In addition to the above, some other consolidated subsidiaries are considering early retirement incentive programs that will apply to some 300 to 400 employees in total.

## 3. Outline of ESS, TDSL

Name	Toshiba Energy Systems & Solutions Corporation (ESS)	Toshiba Digital Solutions Corporations (TDSL)
Address	72-34 Horikawa-cho, Saiwai-ku Kawasaki-shi, Kanagawa, Japan	72-34 Horikawa-cho, Saiwai-ku Kawasaki-shi, Kanagawa, Japan
Name and Title of Representative	Mamoru Hatazawa, President & CEO	Hironobu Nishikori, President & CEO
Business Outline	Development, manufacturing and sales of energy business products, systems and services	System integration, development, manufacture and sales of ICT solutions that utilize IoT and AI
Capital Stock	10 billion yen	23.5 billion yen

## 4. Future Outlook

Toshiba expects to incur a total consolidated expense of approximately 13.9 billion yen in implementing the early retirement incentive programs, and that approximately 9.4 billion yen of that amount will be incurred in FY2018. This is reflected in the revised FY2018 Consolidated

Business Results Forecast announced today in “Notice Regarding Revision of Toshiba Corporation’s Consolidated Business Results Forecast for FY2018 and the Differences between Toshiba Corporation’s Non-Consolidated Business Results Forecast for FY2018 and Actual Business Results.” Final figures may change, depending on the number of applications.

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