

February 13, 2019
Toshiba Corporation

FOR IMMEDIATE RELEASE

(Update) Notice Regarding the Decision to Transfer to Toshiba the Battery Business Owned and Operated by and the Shares of Subsidiaries that Operate the Building Solutions Businesses Owned by a Wholly-Owned Subsidiary of Toshiba Corporation by Company Splits

TOKYO—On December 26, 2018, Toshiba Corporation (TOKYO: 6502) announced that it would transfer to itself the battery business of Toshiba Infrastructure Systems & Solutions Corporation (hereinafter “TISS”), a wholly owned subsidiary of Toshiba, and the shares of subsidiaries that operate the building solutions businesses owned by TISS, by means of company splits. Items reported on the date of the announcement that require disclosure but were undecided at that point have now been confirmed, and they are underlined in the following update of the initial release.

Some disclosure items and details are omitted since the company splits are between Toshiba and its wholly-owned subsidiary.

1. Purpose of the company splits

In the Toshiba Next Plan announced on November 8, 2018, Toshiba positions the battery business, which develops, manufactures and markets the SCiB™, a rechargeable lithium-ion battery, as the Group’s new growth business. Toshiba will transfer the business from TISS by an absorption-type company split, and appoint an executive to manage the business as an independent business unit. Toshiba expects this move to speed up decision making and strengthen management, so as to accelerate the growth of the battery business by maximizing access to the Group’s technologies, manufacturing and sales resources.

Toshiba anticipates long-term growth in the elevator and escalator business, lighting business and air conditioner business, the core businesses of the building solutions businesses, which is positioned as one of the Group’s focus business domains. The absorption-type company splits from TISS will transfer the shares of Toshiba Elevator and Building Systems Corporation, Toshiba Lighting & Technology Corporation and Toshiba Carrier Corporation to Toshiba. The business will be managed by a new Group Relations Division headed by an executive. Toshiba will further stimulate collaboration amongst the three companies, and accelerate decision making to reinforce the management of the building solutions businesses.

2. Overview of the company splits

(1) Schedule

Date of decision of the company splits	December 26, 2018
Date of signing the company split agreements	<u>February 25, 2019 (Scheduled)</u>
Effective date of the company splits	April 1, 2019 (Scheduled)

Note: The company splits fall into the category of simplified absorption-type company splits defined in Paragraph 2 of Article 796 of the Companies Act. Therefore, the company will not hold a general meeting of shareholders for the approval related to the contracts for the absorption-type company splits.

(2) Method of company splits

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

(3) Allotment related to company splits

Toshiba will not issue any new shares or purchase the shares of the operations involved in the absorption-type company splits, since TISS is its wholly-owned subsidiary.

(4) Treatment of share options and bonds with share options associated with company splits

TISS has not issued any share options or bonds with share options.

(5) Change in the stated capital associated with company splits

Company splits will neither increase nor decrease the amount of the stated capital of Toshiba.

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

Under the terms of the absorption-type company split agreements, Toshiba will succeed the assets, rights, obligations, and contractual status, etc., that belong to the transferred businesses.

(7) Outlook of performance of obligations

It is understood that Toshiba will be able to fulfill all obligations that have a maturity date on or after the effective date of company splits.

3. Overview of companies associated with company splits

	Succeeding company	Splitting company
(1) Name	Toshiba Corporation	Toshiba Infrastructure Systems & 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 representative	Nobuaki Kurumatani Representative Executive Officer, Chairman & CEO	Shinichiro Akiba President & CEO
(4) Business outline	Through its subsidiaries: Energy Systems & Solutions; Infrastructure Systems & Solutions; Storage & Electronic Devices Solutions; and Industrial ICT Solutions	Development, manufacture and sales of social infrastructure business products, systems and services
(5) Capital stock	200,044 million yen	10,000 million yen
(6) Establishment	June 25, 1904	May 11, 1987
(7) No. of outstanding shares	586,000,000 shares (as of December 26, 2018)	2,001 shares
(8) Fiscal term	March 31	March 31
(9) No. of employees	141,256 (consolidated)	42,190 (consolidated)
(10) Main financing bank	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited MUFJ Bank, Ltd.	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited MUFJ Bank, Ltd.
(11) Major shareholders and shareholding ratio	GOLDMAN, SACHS & CO. REG 14.6% GOLDMAN SACHS INTERNATIONAL 6.9%	Toshiba Corporation 100.0%

	ECM MF 4.9% CREDIT SUISSE SECURITIES (USA) LLC SPCL. FOR EXCL. BEN 3.3% MSCO CUSTOMER SECURITIES 2.6% KING STREET CAPITAL MASTER FUND, LTD 2.3%	
(12) Financial condition and operating performance in preceding fiscal year (fiscal year ended March 31, 2018)		
Net assets (Equity)	1,010,734 million yen (consolidated)	139,086 million yen
Total assets	4,458,211 million yen (consolidated)	372,220 million yen
Shareholder's equity per share	120.18 yen (consolidated)	69,588,672.83 yen
Net sales	3,947,596 million yen (consolidated)	361,852 million yen
Operating income	64,070 million yen (consolidated)	14,611 million yen
Recurring profit	—	17,020 million yen
Net income	804,011 million yen (consolidated)	11,107 million yen
Net income per share	162.89 yen (consolidated)	5,845,970.01 yen

Notes;

1. No. of employees and Major shareholders and shareholding ratio are as of March 31, 2018.
2. Financial condition and operating performance in preceding fiscal year of the succeeding company is based on US GAAP.
3. Financial condition and operating performance in preceding fiscal year of the splitting company is based on JGAAP.

4. Overview of the businesses to be split or transferred

(1) Overview of the businesses to be split or transferred

a) Battery business

Development, manufacture, sales of the SCiB™,, rechargeable lithium-ion battery

b) Shares of subsidiaries of TISS that operate building solutions businesses

Toshiba Elevator and Building Systems Corporation

Toshiba Lighting & Technology Corporation

Toshiba Carrier Corporation

(Reference)

Overview of Toshiba Elevator and Building Systems Corporation

Name: Toshiba Elevator and Building Systems Corporation

Address: 72-34, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa

Name and title of representative: Makoto Nakagawa, President & CEO

Business outline: Development, design, manufacture, sales, installation and removal, maintenance, and repair and modification of elevators and escalators. Construction, remote monitoring and management of buildings.

Capital stock: Approximately 21.4 billion yen

Overview of Toshiba Lighting & Technology Corporation

Name: Toshiba Lighting & Technology Corporation

Address: 1-201-1, Funakoshi-cho, Yokosuka-shi, Kanagawa

Name and title of representative: Toshiyuki Hiraoka, President

Business outline: Development, design, manufacture and sales of lighting equipment and electrical construction materials.

Capital stock: 6 billion yen

Overview of Toshiba Carrier Corporation

Name: Toshiba Carrier Corporation

Address: 72-34, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa

Name and title of representative: Toru Kubo, President & CEO

Business outline: Design, manufacture, sales and maintenance of air-conditioning, heating, cooling, refrigeration, ventilation, hot water equipment, fixtures, compressors and control systems.

Capital stock: Approximately 11.5 billion yen

(2) Operating performance of the battery business and building solution businesses to be split or transferred

Net sales of 567.3 billion yen and operating income of 15.1 billion yen (fiscal year 2017 ended March 2018, consolidated)

(3) Items and value of the battery business and building solution businesses to be split or transferred (as of December 31, 2018)

<u>Assets</u>		<u>Liabilities</u>	
<u>Items</u>	<u>Book Value (billion yen)</u>	<u>Items</u>	<u>Book Value (billion yen)</u>
<u>Current assets</u>	<u>9.5</u>	<u>Current liabilities</u>	<u>8.6</u>
<u>Fixed assets</u>	<u>41.2</u>	<u>Fixed liabilities</u>	<u>2.6</u>
<u>Total</u>	<u>50.7</u>	<u>Total</u>	<u>11.2</u>

The book values for the above-mentioned items are as of December 31, 2018, and it is possible that they may differ at the time of the company splits.

5. Overview of splitting company after the company splits

There will be no change in the splitting company's name, address, principal business, stated capital or fiscal term, but the representative will change on the effective date of the company splits.

6. Overview of succeeding company after the company splits

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

7. Future outlook

As the company splits are between Toshiba and its wholly-owned subsidiary, the company splits will have no impact on Toshiba's consolidated financial results.

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