

February 7, 2020
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice Regarding Transfer of Shares of Toshiba's wholly Owned Subsidiaries to
Toshiba's Subsidiary Providing Corporate Staff Services by a Company Splits**

TOKYO—On February 7, 2020, Toshiba Corporation (TOKYO: 6502) announced that it will transfer all outstanding shares of Toshiba Insurance Service Corporation (hereinafter “TISCO”) and Toshiba Tourist Corporation (hereinafter “Toshiba Tourist”), to Toshiba Business & Life Service Corporation (hereinafter “TBLS”), by means of simplified absorption-type company splits. TISCO, Toshiba Tourist and TBLS are wholly owned subsidiaries of Toshiba. The company expects to complete all necessary procedures by July 1, 2020.

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

Under the Toshiba Next Plan, introduced on November 8, 2018, Toshiba is implementing organizational changes to strengthen business operations and secure faster decision making across its business lines, and in its corporate operations.

Similarly, Toshiba has reorganized the management structures of subsidiaries providing Toshiba Group with corporate staff services. On November 1, 2019, Toshiba merged four its subsidiaries into a wholly owned subsidiary, Toshiba Business Expert Corporation (hereinafter, “TBEX”), that offers expert corporate staff functions: human resources development and training; support services for human resources; and services for intellectual property, and manufacturing engineering and development. On November 7, 2019, the company announced the transfer to UT Group Co., Ltd. of the outstanding shares of its consolidated subsidiaries in the personnel dispatch and general affairs service businesses.

As part of the current reorganization process, TBLS, as the succeeding company, will absorb TBEX with an effective date of April 1, 2020 (scheduled), toward further strengthening internal controls and business operations, and securing faster decision making. Along with the merger, Toshiba will execute the company splits mentioned above.

Notes; TBLS will change its name to “Toshiba Business Expert Corporation” on the effective date of the merger between TBLS and TBEX.

2. Overview of the company splits

(1) Schedule

Date of decision of the company splits	February 7, 2020
Date of signing the company split agreements	April , 2020 (scheduled)
Effective date of the company splits	July 1, 2020 (scheduled)

Note: The company splits fall into the category of simplified absorption-type company splits defined in Paragraph 2 of Article 784 of the Companies Act. Therefore, the company will not hold a general meeting of shareholders for approval of the contracts for the absorption-type company splits.

(2) Method of company splits

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

(3) Allotment related to company splits

In the company splits, TBLS will issue 238,300 shares, all of which shall be delivered to Toshiba in lieu of the rights and obligations to be absorbed.

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

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

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

The 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, TBLS will succeed to the assets, rights, obligations, and contractual status, etc., that belong to the transferred businesses. TBLS’s succession to obligations from Toshiba will be carried out through cumulative assumption of obligation.

(7) Outlook of performance of obligations

It is understood that TBLS 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

	Splitting company	Succeeding company
(1) Name	Toshiba Corporation	Toshiba Business & Life Service Corporation (TBLS)
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	Kawasaki Nisshin-Cho Bldg, 7-1, Nisshin-Cho, Kawasaki-ku, Kawasaki-shi, Kanagawa
(3) Name and title of representative	Nobuaki Kurumatani Representative Executive Officer, Chairman & CEO	Fumiaki Ushio, President & CEO
(4) Business outline	Energy systems & solutions, infrastructure systems & solutions, building solutions, retail & printing solutions, electronic devices & storage solutions, and digital solutions	Welfare services, procurement business, copy printing business, office supplies sales business, construction and greening business, and other business support
(5) Capital stock	200,175 million yen	100 million yen
(6) Establishment	June 25, 1904	April 2, 1973
(7) No. of outstanding shares	455,000,000 shares	213,200 shares
(8) Fiscal term	March 31	March 31
(9) No. of employees	128,697 (consolidated)	2,260 (non-consolidated)
(10) Main financing bank	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited MUFJ Bank, Ltd.	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Bank of Yokohama, Ltd.
(11) Major shareholders and shareholding ratio	GOLDMAN, SACHS & CO. REG 9.47% SMP PARTNERS (CAYMAN) LIMITED AS TRUSTEE OF ECM MASTER FUND 6.81%	Toshiba Corporation 100.0%

	GOLDMAN SACHS INTERNATIONAL 4.33% CHINOOK HOLDINGS LTD 3.74% KING STREET CAPITAL MASTER FUND, LTD. 2.88%	
(12) Financial condition and operating performance in preceding fiscal year (fiscal year ended March 31, 2019)		
Net assets (Equity)	1,699,045 million yen (consolidated)	1,412 million yen
Total assets	4,297,344 million yen (consolidated)	9,494 million yen
Shareholder's equity per share	2,691.21 yen (consolidated)	6,624 yen
Net sales	3,693,539 million yen (consolidated)	38,411 million yen
Operating income	35,447 million yen (consolidated)	535 million yen
Recurring profit	—	523 million yen
Net income attributable to shareholders of the company	1,013,256 million yen (consolidated)	127 million yen
Net income per share attributable to shareholders of the company	1,641.85 yen (consolidated)	600 yen

Notes;

1. TBLs will change its name to "Toshiba Business Expert Corporation" on April 1, 2020, the effective date of the merger between TBLs and TBEX.
2. No. of employees is as of March 31, 2019.
3. No. of major shareholders and shareholding ratios are as of September 30, 2019.
4. The financial condition and operating performance of the splitting company in the preceding fiscal year is based on US GAAP.
5. The financial condition and operating performance of the succeeding company in the preceding fiscal year is based on JGAAP. The figures in Net income attributable to

shareholders of the company and Net income per share attributable to shareholders of the company each mean net income and net income per share.

As detailed in the November 7, 2019 announcement, “Notice Regarding Transfer of Shares of Toshiba’s Consolidated Subsidiaries in the Personnel Dispatch and General Affairs Service Businesses,” TBLs will transfer its personnel dispatch and some general affairs service businesses to TBLs Service Business Corporation (hereinafter TSV), a wholly owned subsidiary of TBLs, by means of a simplified absorption-type company split, with the effective date of April 1, 2020. Toshiba Group will subsequently transfer all outstanding shares of TSV to UT Group Co., Ltd. on the same day. The figures in the above table includes the TBLs personnel dispatch and some general affairs service businesses.

6. The splitting company consolidated its shares at a rate of 1 for 10 on October 1, 2018. The shareholders’ equity per share and the net income per share attributable to shareholders of the company of the splitting company are calculated assuming that the consolidation was conducted at the beginning of the year.

4. Overview of the shares to be split or transferred

Toshiba Insurance Service Corporation (TISCO) (Toshiba 100%)

Toshiba Tourist Corporation (Toshiba Tourist) (Toshiba 100%)

(Reference)

Overview of TISCO

Name:	Toshiba Insurance Service Corporation
Address:	7-1, Nisshin-Cho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Name and title of the representative:	Kazuya Kaneko, President & CEO
Business outline:	Life and non-life insurance agency
Net sales:	5,486 million yen (fiscal year ended March 2019)
Capital stock:	150 million yen (as of March 31, 2019)

Overview of Toshiba Tourist

Name:	Toshiba Tourist Corporation
Address:	12-1, Ekimaehoncho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Name and title of the representative:	Chikahiro Hayashi, President & CEO
Business outline:	Travel business, non-life insurance agency

Net sales: 1,367 million yen (fiscal year ended March 2019)
Capital stock: 50 million yen (as of March 31, 2019)

5. Overview of splitting company after the company splits

There will be no change in the splitting company's name, address, name of the representative, business outline, capital stock or fiscal term, but the title of the representative will change, effective April 1, 2020 as follows;

Name and title of the representative: Nobuaki Kurumatani
Representative Executive Officer,
President & CEO

6. Overview of succeeding company after the company splits

There will be no change in the succeeding company's capital stock or fiscal term, but the company's name, address, name and title of the representative, business outline will change as follows;

Name: Toshiba Business Expert Corporation
Address: 555, Toriyama-Cho, Kohoku-Ku, Yokohama, Japan
Name and title of the representative: Naoto Hasegawa President & CEO
Business outline: Human resources development and training, support services for human resources, services in intellectual property, manufacturing engineering and development, welfare services, procurement business, copy printing business, office supplies sales business, construction and greening business, and other business support
Capital stock: 100 million yen (no change)
Fiscal term: March 31 (no change)

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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