

FOR IMMEDIATE RELEASE

**Regarding Transfer of Toshiba Group’s Materials & Devices Businesses
to a Wholly Owned Subsidiary by a Company Split,
Implementing Business Reorganization Announced on January 10, 2019**

TOKYO—Toshiba Corporation (TOKYO: 6502) today signed absorption-type company split agreements that transfer its materials and devices businesses to Toshiba Electronic Devices & Storage Corporation (hereinafter “TDSC”), its wholly owned subsidiary, with an effective date of April 1, 2019

This follows Toshiba’s January 10, 2019 announcement, “Toshiba Group to Reevaluate Organizational Structure,” announcing Toshiba’s decision to transfer the businesses, manufacturing operations and affiliated group companies operated by the Materials & Devices Division to related parts of the Group.

Currently, the Materials & Devices Division is responsible for the photocatalyst business*¹ and other materials-related business, and also oversees the management of two Toshiba Group companies, Toshiba Materials Co., Ltd. (hereinafter “TMAT”) and Toshiba Hokuto Electronics Corporation (hereinafter “THD”). These businesses will be transferred to TDSC, with an effective date of April 1, 2019

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 in November last year, Toshiba is implementing organizational changes to strengthen business operations and secure faster decision making across its business lines, and in its corporate operations. Measures to date include the January 1, 2019 establishment of the New Business Development Office, and consolidations that are concentrating business units in four key group companies. The reorganization of the materials and devices businesses is part of this process.

With an effective date of April 1, 2019, the Materials & Devices Division will transfer its photocatalyst business to TMAT by the means of an absorption-type company split. On the same date, after completion of the transfer of the photocatalyst business, TMAT and THD will be transferred to TDSC through an absorption-type company split agreements.

*¹ The photocatalyst is a light-activated substance to oxidize and decompose organic matter with which it comes into contact. Toshiba's tungsten oxide photocatalyst is activated not only by ultraviolet light but also indoor lighting.

2. Overview of the Company Splits

(1) Schedule

Date of decision of the company splits	February 25, 2019
Date of signing the company split agreements	February 25, 2019
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 784 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 Toshiba is the splitting company and TMAT and TDSC are the succeeding companies.

(3) Allotment related to company splits

In the company splits, TMAT will issue 400 shares and TDSC will issue 1,000 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 TMAT or TDSC.

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

Under the terms of the absorption-type company split agreements, TMAT and TDSC will succeed to the assets, rights, obligations, and contractual status, etc., that belong to the transferred businesses. TMAT and TDSC'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 TMAT and TDSC will be able to fulfill all obligations that have a maturity date on or after the effective date of the company splits.

3. Overview of companies associated with the company splits

TMAT

	Splitting company	Succeeding company (TMAT)
(1) Name	Toshiba Corporation	Toshiba Materials Co., Ltd.
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	8, Shinsugita-cho, Isogo-ku, Yokohama, Kanagawa
(3) Name and title of representative	Nobuaki Kurumatani Representative Executive Officer, Chairman & CEO	Katsuaki Aoki, PhD President & CEO
(4) Business outline	Through its subsidiaries: Energy Systems & Solutions; Infrastructure Systems & Solutions; Storage & Electronic Devices Solutions; and Industrial ICT Solutions	Development, manufacturing and sales of Fine Ceramics, Applied Phosphor Products, High-purity Metals, Magnetic Parts, Tungsten and Molybdenum, Special Metals and Alloys and other application products.
(5) Capital stock	200,044 million yen	480 million yen
(6) Establishment	June 25, 1904	October 1, 2003
(7) No. of outstanding shares	586,000,000 shares	9,600 shares
(8) Fiscal term	March 31	March 31
(9) No. of employees	141,256 (consolidated)	386 (non-consolidated)
(10) Main financing bank	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited MUFJ Bank, Ltd.	Sumitomo Mitsui Banking Corporation
(11) Major shareholders and shareholding ratio	GOLDMAN, SACHS & CO. REG 14.6% GOLDMAN SACHS INTERNATIONAL 6.9% ECM MF 4.9%	Toshiba Corporation 100.0%

	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)	1,989 million yen
Total assets	4,458,211 million yen (consolidated)	10,970 million yen
Shareholder's equity per share	1,201.78 yen (consolidated)	207,282.46 yen
Net sales	3,947,596 million yen (consolidated)	15,638 million yen
Operating income	86,184 million yen (consolidated)	1,060 million yen
Recurring profit	—	958 million yen
Net income attributable to shareholders of the company	804,011 million yen (consolidated)	589 million yen
Net income per share attributable to shareholders of the company	1,628.88 yen (consolidated)	61,380.19 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 splitting company is based on US GAAP.
3. Financial condition and operating performance in preceding fiscal year of the succeeding company 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.

4. Operating income of the splitting company is stated as figures after reclassification reflecting changes in US GAAP.
5. The splitting company consolidated its shares at a 1 for 10 rate 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.

TDSC

	Splitting company	Succeeding company (TDSC)
(1) Name	Toshiba Corporation	Toshiba Electronic Devices & Storage Corporation
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	1-1 Shibaura 1-chome, Minato-ku, Tokyo
(3) Name and title of representative	Nobuaki Kurumatani Representative Executive Officer, Chairman & CEO	Hiroshi Fukuchi President & CEO
(4) Business outline	Through its subsidiaries: Energy Systems & Solutions; Infrastructure Systems & Solutions; Storage & Electronic Devices Solutions; and Industrial ICT Solutions	Development, manufacturing and sales of discrete semiconductors, system LSIs and HDDs and related products. Businesses related to the above
(5) Capital stock	200,044 million yen	10,000 million yen
(6) Establishment	June 25, 1904	April 27, 2017
(7) No. of outstanding shares	586,000,000 shares	3,000 shares
(8) Fiscal term	March 31	March 31
(9) No. of employees	141,256 (consolidated) (as of March 31, 2018)	22,300 (consolidated) (as of June 30, 2018)
(10) Main financing bank	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited MUFJ Bank, Ltd.	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited. The Bank of Yokohama, Ltd.

(11) Major shareholders and shareholding ratio	GOLDMAN, SACHS & CO. REG 14.6% GOLDMAN SACHS INTERNATIONAL 6.9% 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%	Toshiba Corporation 100.0%
(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)	90,409 million yen
Total assets	4,458,211 million yen (consolidated)	340,006 million yen
Shareholder's equity per share	1,201.78 yen (consolidated)	36,169,600.00 yen
Net sales	3,947,596 million yen (consolidated)	546,679 million yen
Operating income	86,184 million yen (consolidated)	18,982 million yen
Recurring profit	—	38,660 million yen
Net income attributable to shareholders of the company	804,011 million yen (consolidated)	18,624 million yen
Net income per share attributable to shareholders of the company	1,628.88 yen (consolidated)	7,449,870.76 yen

Notes;

1. Major shareholders and shareholding ratio are as of March 31, 2018.
2. Financial condition and operating performance in preceding fiscal year of the splitting company is based on US GAAP.
3. Financial condition and operating performance in preceding fiscal year of the succeeding company 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.

4. Operating income of the splitting company is stated as figures after reclassification reflecting changes in US GAAP.
5. The splitting company consolidated its shares at a 1 for 10 rate 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 businesses to be split or absorbed

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

i. Photocatalyst business

Development, manufacture, sales of photocatalyst

ii. Shares of subsidiaries

TMAT (Toshiba 100%)

THD (Toshiba 86.69%)

(Reference) Overview of THD

Name: Toshiba Hokuto Electronics Corporation

Address: 1975, 23-chome, Minami 5-jodori, Asahikawa, Hokkaido

Name and title of representative: Norio Murakawa, President & CEO

Business outline: Manufacture and sales of magnetrons, thermal print head, avionics color display tubes and flexible printed circuit boards.

Net sales: 14,767 million yen (fiscal year ended March 2018, consolidated)

Capital stock: 988 million yen (as of March 31, 2018)

(Toshiba 86.69%, Toshiba Insurance Service Corporation 8.49%,
Others 4.82%)

(2) Operating performance of the businesses to be split or absorbed

Net sales 30,500 million yen and operating income 1,100 million yen
(fiscal year ended March 2018, consolidated)

(3) Items and value of the businesses to be split or absorbed (as of December 31, 2018)

Assets		Liabilities	
Items	Book Value (billion yen)	Items	Book Value (billion yen)
Current assets	0.02	Current liabilities	0.0
Fixed assets	4.3	Fixed liabilities	0.0
Total	4.32	Total	0.0

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, name and title of representative, principal business, stated capital or fiscal term.

6. Overview of succeeding company after the company splits

There will be no change in the succeeding companies' 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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