

January 27, 2017
Toshiba Corporation

FOR IMMEDIATE RELEASE

Notice on Decision to Implement a Company Split of the Memory Business

TOKYO– Toshiba Corporation (“the Company”) hereby gives notice that it has decided today that the Memory business (including the SSD business, but excluding its image sensor business) of the Storage & Electronic Devices Solutions Company, one of the Company’s in-house companies, will be separated from the Company by a company split (“the Company Split”) by March 31, 2017.

The Company is currently giving full and careful consideration to the assets that will be transferred in the Company Split, so as to ensure that it does not interfere with the operation of the Memory business after the Company Split. Further to this, the Memory business is one of the Company’s focus businesses, and the Company has therefore decided to confirm the intention of the shareholders and to seek approval for this course of action at an extraordinary general meeting of shareholders that it plans to hold in late March 2017, regardless of the amount of the transferred assets. Although there are still many undecided items, such as the assets to be transferred, which are still under review, and while the Company is still considering various structures with a view to an injection of third-party capital, as described in “1. Purpose of the Company Split,” the Company recognizes that some lead-time is required to prepare for the extraordinary general meeting and the related legal processes, including a public announcement of the record date, and therefore, decided today to execute the Company Split.

Since this transaction will be implemented by either an incorporation-type company split or an absorption-type company split in which the wholly owned subsidiary will become the succeeding company (a newly established company in the case of an incorporation-type company split, or a wholly owned succeeding subsidiary in the case of an absorption-type company split, hereinafter referred to as the “New Company”), some disclosure items and details are omitted.

1. Purpose of the Company Split

Toshiba has positioned the Memory business as a focus business where timely investments, accelerated development time and the ability to ramp-up the production of large capacity, highly reliable 3D memory devices (BiCS FLASH™) are essential to meet growing demand for storage. Splitting off the Memory business into a single business entity will afford it greater flexibility in rapid decision-making, and enhance financing options, which will lead to further growth of the business and maximize the corporate value of Toshiba Group.

At the same time, as stated in its December 27, 2016 release, “Possibility of Recognition of Goodwill and Loss related to Westinghouse’s Acquisition of CB&I Stone & Webster,” recognition of good will and loss related to the acquisition of CB&I Stone & Webster could reach several billion US dollars (several hundred billion yen). Given the possibility of a loss on impairment, Toshiba Group needs to enhance its financial structure, and the

Company is considering various capital measures. In this Company Split, the Company is considering an injection of third-party capital as a financial measure. The Company will make an announcement when specific capital measures are decided in the future.

2. Overview of the Company Split

(1) Schedule

Date of decision on details of the Company Split	Late February 2017
Date of the extraordinary general meeting of shareholders for approval on the Company Split	Late March 2017
Effective Date of the Company Split	March 31, 2017 (planned)

(2) Method of the Company Split

Not yet decided.

(3) Allotment related to the Company Split

Not yet decided.

(4) Treatment of share options and bonds with share options associated with the Company Split

The Company has not issued any share options or bonds with share options.

(5) Change in Stated Capital associated with the Company Split

Not yet decided.

(6) Rights and obligations to be transferred to the New Company

Not yet decided.

(7) Outlook of performance of obligations

It is understood that the New Company will be able to fulfill all obligations that have a maturity date on or after the Effective Date of the Company Split.

3. Overview of Companies associated with the Company Split.

	Splitting Company	New Company
(1) Name	Toshiba Corporation	Undecided
(2) Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo	Undecided
(3) Name and Title of Representatives	Satoshi Tsunakawa, Representative Executive Officer, President & CEO	Undecided
(4) Business Outline	Energy Systems & Solutions, Infrastructure Systems & Solutions, Retail & Printing	Development, manufacturing and sales of memory and related

	Solutions, Storage & Electronic Devices Solutions and Industrial ICT Solutions	products (plan)
(5) Capital Stock	200,000 million yen	Undecided
(6) Establishment	June 25, 1904	Undecided
(7) No. of Outstanding Shares	4,237,602,026 shares	Undecided
(8) Fiscal Term	March 31	Undecided
(9) No. of Employees	167,091 (consolidated)	Undecided
(10) Main Financing Bank	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Undecided
(11) Major Shareholders and Shareholding Ratio	JP Morgan Chase Bank 380055 (standing proxy: Mizuho Bank, Ltd.) 4.14% The Master Trust Bank of Japan, Ltd. (trust account) 3.76% Japan Trustee Services Bank, Ltd. (trust account) 2.90% Toshiba Employees Shareholding Association 2.88% The Dai-ichi Life Insurance Company, Limited 2.72%	Toshiba Corporation 100%
(12) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal year ended March 31, 2016)		
Net Assets (Equity)	672,258 million yen (consolidated)	---
Total Assets	5,433,341 million yen (consolidated)	---
Shareholder's Equity per Share	77.67 yen (consolidated)	---
Net Sales	5,668,688 million yen (consolidated)	---
Operating Income	-708,738 million yen (consolidated)	---

Recurring Profit	---	---
Net Income (Loss)	-460, 013 million yen (consolidated)	---
Net Income (Loss) per Share	-108.64 yen (consolidated)	---

Notes:

1. Number of Employees, Major Shareholders and Shareholding Ratios are as of September 30, 2016.
2. Financial Conditions and business results (excluding operating income) of the Splitting Company are based on US GAAP.

4. Overview of the business unit to be split

(1) Business of the business unit to be split

Development, manufacturing and sales of Memory and related products (to include SSDs, but excluding image sensors) (plan)

(2) Business performance of the Memory business to be split (Fiscal Year 2015)

Consolidated sales : 845.6 billion yen

Consolidated operating income: 110.0 billion yen

(3) Item and amount of assets and liabilities of the Memory business to be split

It is not decided at this point, as the assets and liabilities are under review

5. Overview of Splitting Company after the Company Split

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

6. Overview of the New Company after the Company Split

Name	Not yet decided
Address	Not yet decided
Name and Title of Representative	Not yet decided
Business Outline	Development, manufacturing and sales of Memories and related products (plan)
Capital Stock	Not yet decided
Fiscal Term	Not yet decided

7. Future Outlook

As the New Company will be Toshiba's wholly-owned subsidiary, this Company Split will have no impact on Toshiba's consolidated financial results. When the Company receives an injection of third-party capital, there will be the possibility of an impact on the Company's consolidated results. The Company will announce any such impact and any other items that are undecided at this point as they are clarified.

Reference:

Consolidated Financial Forecast (announced on November 8, 2016) and Business Results in the Preceding Fiscal Year

	Forecast for FY2016 (Fiscal year ending March 31, 2017)	Results in FY2015 (Fiscal year ended March 31, 2016)
Net Sales	5,400,000 million yen	5,668,688 million yen
Operating Income	180,000 million yen	-708,738 million yen
Income before Income Taxes and Non-controlling Interests	130,000 million yen	-633,145 million yen
Net Income (Loss) Attributable to Shareholders of the Company	145,000 million yen	-460,013 million yen

Notes:

As stated in its December 27, 2016 release, the “Possibility of Recognition of Goodwill and Loss related to Westinghouse’s Acquisition of CB&I Stone & Webster,” the Company faces the possibility of recording an impairment loss in respect of Toshiba’s Group company Westinghouse’s purchase price allocation for the acquisition of CB&I Stone & Webster. Toshiba will announce this impact and other matters on February 14, 2017, as announced on January 24, 2017 in the “Notice on Determination for the Goodwill and Loss Related to the Acquisition of CB&I Stone and Webster”.

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