

TOSHIBA Group's Strategic Reorganization Plan Rejected at Extraordinary General Meeting of Shareholders—Concerned about Prolonged Management Turmoil

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the results of the resolution at the extraordinary general meeting of shareholders of TOSHIBA CORPORATION (security code: 6502).

- (1) On March 24, 2022, TOSHIBA CORPORATION (the "Company") announced that its strategic reorganization plan that would split the Toshiba Group in two was rejected at an extraordinary general meeting of shareholders held on the same day. Also rejected was the "Re-examination of Strategy adopted by the Strategic Committee and the Board Directors," which was proposed by the Company's shareholders and was to be compared and evaluated against the strategic reorganization plan, which included taking its shares private and proactively considering accepting minority investments.
- (2) JCR has not reflected the strategic reorganization plan in its rating to date because JCR thinks that it is difficult to estimate the feasibility of the plan. Therefore, the rejection of the strategic reorganization plan will not affect the rating. Although the rejection of the plan is not legally binding, JCR is concerned that the possibility of prolonged management turmoil at the Company has increased.

Hiroyuki Chikusa, Hiroaki Sekiguchi

<Reference>

Issuer: TOSHIBA CORPORATION

Long-term Issuer Rating: BBB+ Outlook: Stable

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)