

KING STREET®

March 11, 2019

Mr. Nobuaki Kurumatani
Chairman and Chief Executive Officer
Toshiba Corporation

Cc: Mr. Yoshimitsu Kobayashi – Chairman of the Board

Re: Toshiba | Proposal for New Board Slate

Dear Kurumatani-sama,

As one of Toshiba's largest shareholders, we sincerely believe that tremendous value can be unlocked through the Toshiba Next Plan and share your vision of a globally competitive company that benefits all stakeholders. We believe that we share the same objectives: to instill accountability, improve efficiency at all levels of the organization, focus on disciplined capital allocation, maximize the value of non-operating and underperforming businesses and assets, and renew the focus on Toshiba's business portfolio. Our goal is to return Toshiba to its rightful place as a crown jewel of corporate Japan. While your appointment as CEO signified a critical first step to improve Toshiba's leadership, an equally important next step is a dramatic change in the composition of the Board of Directors. Accordingly, we intend to propose the nomination of a slate of new independent Directors, including King Street's Co-founder, Brian J. Higgins, to replace a majority of the Board in order to assist you in this historic transformation.

The current Directors have done a commendable job navigating the Company through the last several years, and we thank them for their service. Now, however, a different type of Board is needed to lead its turnaround plan. The local and global business landscape is rapidly evolving and each of the Company's business segments is facing increased competition. Toshiba cannot afford complacency at any level. It needs a Board that has the experience to guide the Company's efforts to fully maximize its industrial strengths and empower the innovative potential of its employees. The Board must provide a renewed sense of urgency, assertive decision-making and a profitable growth mindset to unlock Toshiba's value. As described in our October 2018 presentation (www.unlockingtoshibavalue.com), under the right leadership, we believe Toshiba

shares could be worth over ¥11,000, but this goal cannot be achieved by maintaining the status quo.

Among other things, the new Board must:

- (i) ensure management applies rigorous financial discipline to capital allocation decisions, including use of excess cash, determination of optimal capital structure and capital expenditure return requirements;
- (ii) drive management to re-examine Toshiba's business portfolio with a critical eye on competitive position, sector landscape, synergies available and profitable growth prospects;
- (iii) direct management to evaluate non-operating and underperforming businesses and assets (while respecting that Toshiba may need to be engaged in certain activities important to Japan's national security interests);
- (iv) ensure that management attains global peer profitability levels at each business segment based on projections supported by robust, bottoms-up analysis; and
- (v) instill a culture of accountability and ownership at all levels of the organization.

We have identified a number of highly qualified candidates who understand these priorities and are keen to dedicate their time, energy and expertise to implement the Toshiba Next Plan. The candidates' independence; leadership skills; capital allocation, investing, M&A and turnaround expertise; industry and global business experience and corporate governance knowledge will maximize the chance of successfully revitalizing Toshiba.

As you seek to transform the Company's business through the Toshiba Next Plan, King Street is also working tirelessly to support your efforts. Over the last two years, we have demonstrated our commitment to Toshiba through extensive constructive engagement, thoughtful analysis and suggestions and our participation in the November 2017 common equity raise. The proposed nomination of our Co-founder, Brian J. Higgins, is a further testament to King Street's deep commitment to Japan, Toshiba and your success.

We are willing to take this extraordinary step given the significant value we believe can be unlocked through Toshiba's transformation, the importance of Toshiba's success to Japan's corporate governance reform and the careful eye of global capital markets on Toshiba's turnaround efforts. We strongly believe that, with a focused sense of urgency, Toshiba can re-emerge as one of the best and most admired companies in Japan and become a role model for the Third Arrow reforms put forward by Prime Minister Abe. We remain committed to returning

Toshiba to a preeminent place on the global industrial stage.

As discussed with you previously, we continue to hope to reach a consensual resolution regarding this matter. Otherwise we will be proposing a specific slate of Directors in a timely manner to comply with Toshiba's corporate calendar.

Regards,

King Street Capital Management, L.P.