

February 2020

To Our Shareholders

Toshiba Machine Co., Ltd.

**Management Reform Plan toward the New “Shibaura Machine” and
Independent Outside Directors’ Thoughts on the Company’s Opinion (Opposition)
towards the TOB on Its Shares**

On February 4, 2020, the Company announced the Management Reform Plan toward the New “Shibaura Machine.” Independent outside directors believe that the Management Reform Plan has sufficiently reflected upon the unsatisfied result not to achieve the targets set in the previous mid-term management plan and entails the management’s sincere resolution and strong sense of responsibility. Additionally, the contents are based on high expertise and deep analysis of the Company’s business, as well as with the aim to fundamentally reform management. Furthermore, with points such as clarifying the use of funds, which had been retained, we believe that this plan has differentiated itself from previous mid-term management plans.

We will be in charge of oversight to ensure that the Management Reform Plan is implemented properly to maximize the Company’s mid- to long-term corporate value and the common interest of shareholders.

Currently, a tender offer for the Company’s shares has been made by City Index Eleventh Co., Ltd., a subsidiary of Office Support K.K. The offer will (1) hinder the implementation of the Management Reform Plan toward the new “Shibaura Machine,” (2) likely damage the corporate value of the Company, and (3) neglect the opinions of shareholders. Based on the recommendations from the Independent Committee of the Company, a unanimous decision by the Board of Directors was agreed upon to express their opinions and opposition to the tender offer.

To our shareholders, please review the released statements regarding the Management Reform Plan toward the New “Shibaura Machine” as well as the Company’s Opinion (Opposition) towards the TOB on Its Shares, and make careful judgement regarding the current situation.

All Independent Outside Directors

Toshiba Machine Co., Ltd.

Kiyoshi Sato

Seigo Iwasaki

Hiroshi Inoue

Kazumine Terawaki

Yoshihiro Ogura

Yutaka Usami