

March 9, 2020

Office Support Co., Ltd.

**Request to Vote Against Agenda Items at Extraordinary Shareholders' Meeting  
and Regarding the Possibility of a Withdrawal of the Tender Offer**

To the Shareholders of Toshiba Machine Co., Ltd.:

Office Support Co., Ltd. and S-GRANT CO., LTD. (the "Tender Offerors" hereafter), are against both agenda items 1 and 2 of the extraordinary shareholder meeting of Toshiba Machine Co., Ltd. ("Toshiba Machine" hereafter), scheduled for March 27.

1. Shall the implementation and execution of the buyout defense mechanisms be approved by vote, we will immediately withdraw the Tender Offer provided that the conditions of withdrawal as written in the Tender Offer Notification Form are met.

If the majority of shareholders approve agenda items 1 and 2 at the extraordinary shareholder meeting (the "Agenda Items" hereafter), that means that the majority of the shareholders have decided that that they are in favor of the buyout defense mechanism, that the Tender Offerors should not acquire shares in Toshiba Machine, and that there is no need for shareholders to be able to purchase shares at a price of 1x PBR, so we will take these results seriously and immediately withdraw the Tender Offer that is being conducted by our subsidiary (the "Tender Offer" hereafter), provided that conditions of withdrawal as written in the Tender Offer Notification Form are met. In that case, shareholders will not be able to sell their shares in Toshiba Machine to our subsidiary at the price of 3,456 yen.

On the other hand, if the majority of shareholders vote against either Agenda Items 1 or 2, that would mean that the shareholders would like Toshiba Machine to pursue ROE in its management as the Tender Offerors have been advocating (of necessary owned capital being between 40 to 50 billion yen, and making investments to opportunities that are most discounted, comparing its own shares to the investment opportunities), so we will keep asking Toshiba Machine management to pursue improvements in shareholder value together with the other shareholders.

## 2. The Tender Offerors approve of Toshiba Machine's "progress"

Prior to the commencement of this Tender Offer, Toshiba Machine created 3-year mid-term management plans 10 times in the last 10 years, and not only did it fail to achieve targets even once, but it also conducted insincere management, changing mid-term managements while they were being conducted, in order to blur accountability. However, after the commencement of the Tender Offer, a special dividend of 3 billion yen has been approved, 8.5% ROE has been committed to in the new mid-term management plan, and a long-term vision has been stipulated. Additionally, the Tender Offerors approve of the fact that Toshiba Machine management has made progress after the commencement of the Tender Offer, stating that they "intend to move forward with indomitable determination and resolve" in relation to the formation of the management reform plan, with a sincere focus on enterprise value and shareholder value.

## 3. Share prices shall improve if ROE-focused management is fulfilled

The Tender Offers hope wish that Toshiba Machine, for once, succeed in achieving their stated goals of 8.5% ROE through enhancing shareholder returns, making new investments, transforming their business model, and reforming governance. The share price currently remains significantly below BPS (book value per share) despite the Tender Offer being executed, and we believe that this is because the shareholders are concerned whether the management reform plan announced by the Toshiba Machine management will be executed successfully. As the Tender Offerors do not intend to obtain majority voting rights or management control of Toshiba Machine through this Tender Offer, we intend to conduct governance as shareholders of a publicly traded company, along with all other shareholders, through close scrutiny of the results of the commitments made by the management team, and making approvals or refusals at shareholder meetings. If the aforementioned commitments are achieved, we believed that share prices will naturally improve. On the other hand, if the commitments are not met, we believe that management accountability of the Toshiba Machine management team will need to be clarified.

As mentioned earlier, the Tender Offerors do not intend to obtain majority voting rights or management control of Toshiba Machine through this Tender Offer. The Tender Offerors conducted this Tender Offer to provide an opportunity to sell the shares at a price of 1x PBR (price-to-book ratio) and bring attention to the discounted share price of Toshiba Machine, because Toshiba Machine management failed to sincerely

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work on improving shareholder value and ROE, allowing share prices to languish at a very discounted level significantly below 1x PBR (0.55x in January 2019 when share prices were at their lowest).

The implementation of a buyout defense mechanism deprives the shareholders of the opportunity to sell their shares. Fundamentally, the shareholders can express their support for or against the Tender Offer by selling their shares through the Tender Offer or not. If the Tender Offer is withdrawn because of the execution of the buyout defense mechanism, it will deprive the shareholders of the opportunity to sell their shares through the Tender Offer. The management team shall not take away such rights of shareholders.

The most important matter is for Toshiba Machine to realize sustainable growth of its enterprise value and shareholder value. We ask that the shareholders vote against the Agenda Items, in order to improve the enterprise value and shareholder value of Toshiba Machine. Blank votes that do not clarify whether shareholders are for or against the Agenda Items will be construed as being in agreement to the implementation and the execution of the buyout defense mechanism, so we ask that you clearly state that you are voting against the Agenda Items.

*\*Note: This document has been created with the intent to provide information regarding the Tender Offerors' opinions regarding the Tender Offer as well as the extraordinary shareholders' meeting of Toshiba Machine, and the Tender Offerors do not have the intent to be considered joint owners with other shareholders, as defined under the Financial Instruments and Exchange Act, through this document. Additionally, this document is not a solicitation to execute voting rights by proxy through the Tender Offerors or any other third party regarding the agenda items proposed by the Company for the shareholders' meeting of Toshiba Machine.*