November 12, 2021
Toshiba Corporation

FOR IMMEDIATE RELEASE

Notice Regarding Shareholder Return Policy

TOKYO—Toshiba Corporation (TOKYO: 6502) ("Toshiba") announced today that its Board of Directors has agreed upon an amended policy for shareholder return (the Shareholder return policy).

1. Reasons for the amendment

Toshiba views the distribution of profits to shareholders as one of its most important management objectives, and has worked to strengthen returns through various means, including share repurchase programs, while endeavoring to maintain stable dividends in order to maximize medium- to long term shareholder value. Taking the above into account, and in order to further clarify Toshiba's stance on return of profits to shareholders, Toshiba has made certain amendment to its distribution policy, which are describe below.

2. Amendments to Shareholder Return Policy
(Before amendment)
Toshiba intends to maintain an average consolidated dividend payout ratio of at least 30% (*Note), and shareholders' equity in excess of the appropriate level will be used to provide shareholder returns, including share repurchases. The appropriate level of capital shall be reviewed by the Board of Directors on regular basis. While Toshiba will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation, it is Toshiba's intention in principle, to return the majority of the net proceeds from any KIOXIA Holdings Corporation divestiture to shareholders. Furthermore, if the external environment stabilizes, enabling capital markets and the global pandemic to be more predictable in the fall, Toshiba expects to be in a position to undertake more proactive portfolio streamlining and divestures, including the assessment of highly accretive M&A opportunities to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of Toshiba.
(*Note) For the time being, equity method profit and loss for KIOXIA Holdings Corporation is excluded from Toshiba's policy on shareholder returns.

(After Amendment)

Toshiba intends to maintain an average consolidated dividend payout ratio of at least 30% (*Note), and shareholders' equity in excess of the appropriate level will be used to provide shareholder returns, including share repurchases. The appropriate level of capital shall be reviewed by the Board of Directors on a regular basis. And, capital in excess of the appropriate level of capital will be used to provide shareholder returns, including share repurchase in FY22 and FY23, to the extent that it would not interfere with the smooth execution of the business separation. In connection with the separation of the businesses, Toshiba intends to monetize shares in Kioxia Holdings Corporation while maximizing shareholders value and return the net proceeds in full to shareholders as soon as practicable to the extent that doing so does not interfere with the smooth implementation of the intended spin-off. Furthermore, Toshiba expects to continue to undertake additional portfolio streamlining including business divestures while planning to use appropriate leverage to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of Toshiba.

(*Note) For the time being, equity method profit and loss for KIOXIA Holdings Corporation is excluded from Toshiba's policy on shareholder returns.

(Reference) Toshiba expects shareholder returns over the next two years of roughly 100 billion yen over the next two years.

# # #