

February 7, 2022
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice Regarding Transfer of Shares of Toshiba's
Consolidated Subsidiaries in the Air-Conditioner Business**

TOKYO—Toshiba Corporation (TOKYO: 6502, Toshiba) today announced its intent to transfer 55% of the outstanding shares of Toshiba Carrier Corporation (TCC) held by Toshiba to US-based Carrier Corporation, a subsidiary of US-based Carrier Global Corporation (together, Carrier). TCC is majority owned and consolidated by Toshiba and is a heating, ventilating and air conditioning joint venture with Carrier.

Toshiba and Carrier today signed a share purchase agreement that anticipates completion of the transfer by September 30, 2022, subject to customary closing conditions such as regulatory approvals. Toshiba currently holds 60% of TCC's shares, but that will change to 5% as the result of the share transfer, and TCC will be deconsolidated from Toshiba Group.

1. Reason for the Transfer

TCC is a joint venture established in a strategic alliance with Carrier, a leading global provider of building and cold chain solutions. With its affiliated companies, TCC has operated as Toshiba Group's air-conditioner business. TCC has developed HVAC products that utilize TCC's heat pump, inverter and compressor technologies, including high energy-saving Variable Refrigerant Flow (VRF) air-conditioning systems for buildings and heat source systems. TCC has realized strong domestic sales and an increase in overseas sales in collaboration with Carrier.

In the course of considering the business portfolio based on Toshiba's new management policy and business plan, announced in "Notice Regarding Toshiba's Transformation to Enhance Shareholder Value," dated November 12, 2021, Toshiba concluded that the best way for Toshiba to realize the full potential and value of its air-conditioner business would be to reorganize it with strong partners able to realize its full growth potential.

Based on these above considerations, and in light of the expected growth of global demand for air conditioning equipment, Toshiba decided that the clear and best option is to reorganize TCC in way that strengthens its links with Carrier, with which TCC has had a close and cooperative relationship for over 20 years, and which has global sales channels. Today Toshiba determined to transfer 55% of the outstanding shares of TCC to Carrier. As a result of this transaction, TCC will be deconsolidated from Toshiba Group.

On completion of the transfer, Toshiba will grant TCC a license for use of the Toshiba brand in respect of the development, manufacture and sale of air-conditioning systems, ensuring that TCC is able to continue its operations.

The air-conditioning business for railways is operated by Toshiba Infrastructure Systems & Solutions Corporation, a Toshiba's group company. It is outside of the scope of the transfer, and it will continue to be operated within Toshiba Group.

2. Transfer Method

(1) Outline of Subsidiaries to be transferred

(1) Name	Toshiba Carrier Corporation (TCC)		
(2) Address	72-34 Horikawa-Cho, Saiwai-ku, Kawasaki-shi, Kanagawa, Japan		
(3) Name and Title of Representative	Toru Kubo, President and Representative Director		
(4) Business Outline	Development, manufacture and sale of air-conditioners, water heaters, etc.		
(5) Capital Stock	11,510 million yen		
(6) Established	December 3, 1966*		
(7) Major Shareholders and Shareholding Ratios	Toshiba Corporation 60% Carrier HVACR Investments B.V. 40%		
(8) Relationship between Toshiba and TCC	Capital	Toshiba's consolidated subsidiary	
	Personnel	Toshiba employees are assigned to TCC and TCC employees are assigned to Toshiba.	
	Business	Toshiba and its subsidiaries have business transactions with TCC in the air-conditioner business, including related materials. Toshiba and its subsidiaries provide TCC with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2018 (ending 2019/03)	FY 2019 (ending 2020/03)	FY2020 (ending 2021/03)

Net Assets (Equity)	34,847 million yen	31,627 million yen	32,098 million yen
Total Assets	75,135 million yen	79,873 million yen	80,198 million yen
BPS	316,792,834 yen	287,526,126 yen	291,803,116 yen
Sales	100,995 million yen	101,818 million yen	90,843 million yen
Operating Income	-1,094 million yen	-419 million yen	-3,118 million yen
Recurring Profit	6,239 million yen	6,802 million yen	9,341 million yen
Net Income	5,757 million yen	1,348 million yen	2,115 million yen
EPS	52,343,215 yen	12,254,763 yen	19,233,113 yen
Dividend per Share	14,218,181.82 yen	41,336,363.64 yen	15,281,818.18 yen

*TCC was established on April 1, 1999, when it took over Toshiba's air-conditioner business as the result of a company split. It took on its present form in 2008, when it merged with Toshiba Carrier Air Conditioning Systems Corporation.

Ten consolidated subsidiaries of TCC will be transferred to Carrier through the transfer of TCC shares, including Toshiba Carrier Air-conditioning Sales (Shanghai) Co., Ltd. (TCSA); Toshiba Carrier (Thailand) Co., Ltd. (TCTC); Toshiba Carrier Air Conditioning (China) Co., Ltd. (TCAC); Toshiba Carrier Europe S.A.S (TCEU); TCFG Compressor (Thailand) Co., Ltd. (TCFG); and Toshiba Technical Service & Maintenance Co., Ltd. (TTS). The outlines of TCSA, TCTC, TCAC, TCEU, TCFG and TTS follow.

a) TCSA

(1) Name	Toshiba Carrier Air-conditioning Sales (Shanghai) Co., Ltd. (TCSA)	
(2) Address	Rm. 501, No. 268 Middle Xizang Road Shanghai PRC	
(3) Name and Title of Representative	Takashi Nakahori, President and Representative Director	
(4) Business Outline	Sales of air-conditioners	
(5) Capital Stock	79,880 thousand CNY	
(6) Established	October 23, 2006	
(7) Major Shareholders and Shareholding Ratios	Toshiba Carrier Corporation 51% Carrier HVACR Investments B.V. 49%	
(8) Relationship between Toshiba and TCSA	Capital	Toshiba's consolidated subsidiary
	Personnel	Toshiba employees are assigned to TCSA.

	Business	Toshiba and its subsidiaries provide TCSA with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2018 (ending 2019/03)	FY 2019 (ending 2020/03)	FY2020 (ending 2021/03)
Net Assets (Equity)	7,607 million yen	8,610 million yen	9,396 million yen
Total Assets	15,033 million yen	15,498 million yen	22,308 million yen
BPS	-	-	-
Sales	43,832 million yen	42,656 million yen	56,631 million yen
Operating Income	2,725 million yen	2,267 million yen	2,663 million yen
Recurring Profit	2,628 million yen	2,141 million yen	3,064 million yen
Net Income	1,952 million yen	1,585 million yen	2,279 million yen
EPS	-	-	-
Dividend per Share	-	-	-

b) TCTC

(1) Name	Toshiba Carrier (Thailand) Co., Ltd. (TCTC)	
(2) Address	144/9 Moo5, Bangkadi Industrial Park, Tivanon Road, Amphur Muang, Pathumthani 12000, Thailand	
(3) Name and Title of Representative	Takehiko Sato, President and Representative Director	
(4) Business Outline	Manufacture and sale of commercial air-conditioners and room air-conditioners Import, export and wholesale of parts	
(5) Capital Stock	1,410,001 thousand THB	
(6) Established	April 1, 1999	
(7) Major Shareholders and Shareholding Ratios	Toshiba Carrier Corporation 50.00003% Carrier HVACR Investments B.V. 49.99997%	
(8) Relationship between Toshiba and TCTC	Capital	Toshiba's consolidated subsidiary
	Personnel	Toshiba employees are assigned to TCTC.

	Business	Toshiba and its subsidiaries have business transactions with TCTC in the air-conditioner business, including related materials. Toshiba and its subsidiaries provide TCTC with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2018 (ending 2019/03)	FY 2019 (ending 2020/03)	FY2020 (ending 2021/03)
Net Assets (Equity)	20,197 million yen	19,972 million yen	17,740 million yen
Total Assets	38,192 million yen	38,369 million yen	37,523 million yen
BPS	1,432 yen	1,416 yen	1,258 yen
Sales	56,801 million yen	62,635 million yen	53,445 million yen
Operating Income	7,309 million yen	8,535 million yen	8,012 million yen
Recurring Profit	7,022 million yen	8,380 million yen	8,626 million yen
Net Income	6,958 million yen	8,284 million yen	8,206 million yen
EPS	493 yen	588 yen	582 yen
Dividend per Share	514 yen	824 yen	350 yen

c) TCAC

(1) Name	Toshiba Carrier Air Conditioning (China) Co., LTD. (TCAC)	
(2) Address	NO.181, Weiken Street, Baiyang Block, Hangzhou Qiantang New Area, Zhejiang Province, 310018, China	
(3) Name and Title of Representative	Koji Wada, President and Representative Director	
(4) Business Outline	Manufacture and sale of commercial air-conditioners	
(5) Capital Stock	360 million CNY	
(6) Established	September 17, 2013	
(7) Major Shareholders and Shareholding Ratios	Toshiba Carrier Corporation 51% Carrier HVACR Investments B.V. 49%	
(8) Relationship between Toshiba	Capital	Toshiba's consolidated subsidiary
	Personnel	Not applicable.

and TCAC	Business	Toshiba and its subsidiaries have business transactions with TCAC in the air-conditioner business, including related materials. Toshiba and its subsidiaries provide TCAC with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2018 (ending 2019/03)	FY 2019 (ending 2020/03)	FY2020 (ending 2021/03)
Net Assets (Equity)	8,982 million yen	12,118 million yen	15,616 million yen
Total Assets	13,865 million yen	16,333 million yen	25,058 million yen
BPS	-	-	-
Sales	26,204 million yen	28,113 million yen	40,388 million yen
Operating Income	2,317 million yen	2,634 million yen	4,374 million yen
Recurring Profit	2,527 million yen	2,920 million yen	4,695 million yen
Net Income	1,895 million yen	2,225 million yen	3,506 million yen
EPS	-	-	-
Dividend per Share	-	-	-

d) TCEU

(1) Name	Toshiba Carrier Europe S.A.S (TCEU)	
(2) Address	Route De Thil-1120 Montluel, France	
(3) Name and Title of Representative	Tamotsu Adachi, President and Representative Director	
(4) Business Outline	Air-conditioning equipment design/development, product planning, sales technical support	
(5) Capital Stock	23,232.8 thousand EUR	
(6) Established	November 13, 2015	
(7) Major Shareholders and Shareholding Ratios	Toshiba Carrier Corporation 100%	
(8) Relationship between Toshiba	Capital	Toshiba's consolidated subsidiary
	Personnel	Not applicable.

and TCEU	Business	Toshiba and its subsidiaries provide TCEU with shared services in certain areas of its business operations.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2018 (ending 2019/03)	FY 2019 (ending 2020/03)	FY2020 (ending 2021/03)
Net Assets (Equity)	322 million yen	1,114 million yen	3,494 million yen
Total Assets	8,434 million yen	8,492 million yen	11,414 million yen
BPS	322 thousand yen	371 thousand yen	309 thousand yen
Sales	28,574 million yen	30,968 million yen	25,988 million yen
Operating Income	151 million yen	474 million yen	361 million yen
Recurring Profit	122 million yen	466 million yen	343 million yen
Net Income	78 million yen	317 million yen	240 million yen
EPS	78 thousand yen	106 thousand yen	21 thousand yen
Dividend per Share	0 yen	0 yen	0 yen

e) TCFG

(1) Name	TCFG Compressor (Thailand) Co., Ltd. (TCFG)	
(2) Address	Laem Chabang Industrial Estate, I-EA-T, Free Zone 2,212 Moo 3, Thungsuksul, Srirancha, Chonburi, Thailand	
(3) Name and Title of Representative	Kazu Takashima, President and Representative Director	
(4) Business Outline	Manufacture and sale of twin rotary compressors for air-conditioners	
(5) Capital Stock	870 million THB	
(6) Established	November 15, 2012	
(7) Major Shareholders and Shareholding Ratios	Toshiba Carrier Corporation 51% FGA (Thailand) Co., Ltd. 49%	
(8) Relationship between Toshiba and TCFG	Capital	Toshiba's consolidated subsidiary
	Personnel	Toshiba employees are assigned to TCFG.
	Business	Not applicable.
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years		

(Non-consolidated)			
Fiscal Years	FY2018 (ending 2019/03)	FY 2019 (ending 2020/03)	FY2020 (ending 2021/03)
Net Assets (Equity)	4,364 million yen	5,131 million yen	5,819 million yen
Total Assets	6,940 million yen	6,929 million yen	8,307 million yen
BPS	50 yen	59 yen	67 yen
Sales	11,134 million yen	12,730 million yen	12,652 million yen
Operating Income	557 million yen	1,025 million yen	808 million yen
Recurring Profit	587 million yen	1,099 million yen	747 million yen
Net Income	521 million yen	1,006 million yen	705 million yen
EPS	6 yen	12 yen	8 yen
Dividend per Share	0 yen	38 yen	48 yen

f) TTS

(1) Name	Toshiba Technical Service & Maintenance Co., Ltd. (TTS)	
(2) Address	2-7-2 Kandasuda-Cho, Chiyoda-Ku, Tokyo, Japan	
(3) Name and Title of Representative	Tadaaki Suzuki, President and Representative Director	
(4) Business Outline	Maintenance, repair and construction of commercial air-conditioners	
(5) Capital Stock	40 million yen	
(6) Established	October 19, 1990	
(7) Major Shareholders and Shareholding Ratios	Toshiba Carrier Corporation 100%	
(8) Relationship between Toshiba and TTS	Capital	Toshiba's consolidated subsidiary
	Personnel	Toshiba employees are assigned to TTS.
	Business	Toshiba and its subsidiaries have business transactions with TTS in the air-conditioner business, including related materials. Toshiba and its subsidiaries provide TTS with shared services in certain areas of its business operations.
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)		

Fiscal Years	FY2018 (ending 2019/03)	FY 2019 (ending 2020/03)	FY2020 (ending 2021/03)
Net Assets (Equity)	87 million yen	349 million yen	589 million yen
Total Assets	1,291 million yen	1,946 million yen	2,483 million yen
BPS	436 thousand yen	1,744 thousand yen	2,946 thousand yen
Sales	4,569 million yen	6,808 million yen	9,297 million yen
Operating Income	63 million yen	420 million yen	840 million yen
Recurring Profit	64 million yen	408 million yen	837 million yen
Net Income	37 million yen	262 million yen	539 million yen
EPS	186 thousand yen	1,308 thousand yen	2,696 thousand yen
Dividend per Share	0 thousand yen	1,494 thousand yen	2,696 thousand yen

(2) Outline of Purchaser

(1) Name	Carrier Corporation	
(2) Address	United Agent Group 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, Delaware, 19810, United States	
(3) Name and Title of Representative	Mark Thompson Chairman & President, Carrier Corporation	
(4) Business Outline	Provider of heating, ventilating, air conditioning, refrigeration and fire and security solutions	
(5) Capital Stock	Not disclosed	
(6) Established	1978	
(7) Consolidated Net Assets (Equity)	5.8 billion USD (as of September 30, 2021)	
(8) Consolidated Total Assets	13.9 billion USD (as of September 30, 2021)	
(9) Major Shareholders and Shareholding Ratios	100.0% owned by Carrier Global Corporation	
(10) Relationship between Toshiba and the company	Capital	Not applicable.
	Personnel	Not applicable.
	Business	Not applicable.
	Status of Related	Not applicable.

	Parties	
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(3) Shares held by Toshiba before and after the transfer

(1) Shares held before the Transfer	60%
(2) Shares transferred	55%
(3) Purchase price	Approx. 100 billion yen (enterprise value for 55% of the shares)*
(4) Shares after the Transfer	5%

* The final purchase price will be determined on the basis of the financial condition of the companies at the closing.

(4) Schedules

(1) Resolution	February 7, 2022 (today)
(2) Signing of the Share Purchase Agreement	February 7, 2022 (today)
(3) Expected completion of the Transfer	By September 30, 2022 (planned)

3. Future Outlook

In its FY2022 (April 1, 2022–March 31, 2023) consolidated results, Toshiba expects to record a profit from the transfer, but the specific figures are under scrutiny. There will be no impact on FY2021 results. Toshiba will make an announcement if any further decision is made that requires disclosure.

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Disclaimer:

This report of business results contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group. These statements are based on Toshiba's assumptions and beliefs in light of the data currently available to the Company. Actual results are subject to a number of risks and uncertainties and may differ significantly from Toshiba's assumptions. Major risk factors are as indicated below, though this list is not necessarily exhaustive.

- Major disasters, including earthquakes and typhoons;
- Lawsuits or other disputes in Japan or in other countries;
- Success or failure of businesses promoted by Toshiba Group in collaboration with other companies;
- Success or failure of new businesses or R&D investment;
- Changes in political or economic conditions in Japan or abroad; or regulatory changes;

- Rapid changes in the supply and demand situation in major markets or intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.