FOR IMMEDIATE RELEASE

TOSHIBA

TOSHIBA PROVIDES UPDATE ON STRATEGIC REORGANIZATION TO ENHANCE SHAREHOLDER VALUE

Refined Plan Includes Tax-Free Spin-off of Device Co., Resulting in Two Distinctive Companies with Agile Management and Leaner Cost Structures to Enhance Choices for Shareholders

Reflects the Board's Continued Commitment to Engage with Shareholders and Regulators to Achieve the Best Outcome for All Stakeholders; Remains On-Track to be Completed in the Second Half of FY2023

Decided and Announced to Divest Toshiba Carrier Corporation and Identified 3 Other Major Non-Core Assets

Expects ¥300 Billion of Shareholder Returns Over the Next 2 Years, Assuming the Smooth Execution of the Business Plan

TOKYO, Japan — February 7, 2022 — Toshiba Corporation (TOKYO: 6502) ("Toshiba" or the "Company"), as part of its Toshiba IR Day, today provided an update on its November 12, 2021 strategic reorganization announcement. Toshiba announced its intention to separate the Company into two standalone companies, instead of three, as previously announced:

- **Toshiba/ Infrastructure Service Co.**, comprising Toshiba's Energy Systems & Solutions, Infrastructure Systems & Solutions, Digital Solutions and Battery businesses, in addition to Toshiba's ownership stake in Kioxia Holdings Corporation ("KHC"); and
- **Device Co.**[1], consisting of Toshiba's Electronic Devices & Storage Solutions business.

The decision to separate into two independent, publicly traded companies is the result of the Toshiba Board of Directors' continued and thorough review of the strategic reorganization plan and process, as well as the Company's extensive engagement with shareholders, regulators and other stakeholders. Toshiba determined that the fastest, most effective and efficient way to deliver sustainable profitable growth, enhanced shareholder value and compelling benefits to customers, business partners and employees is to proceed with the separation into two standalone companies.

Satoshi Tsunakawa, Interim Chairperson, President and Chief Executive Officer of Toshiba, said: "After further engaging with key stakeholders and completing the additional analysis, we determined that separating Toshiba into two standalone companies and divesting certain non-core assets is in the best long-term interests of our Company and its shareholders, customers, business partners and employees. The refined strategic reorganization plan creates two distinctive companies that are well-positioned to take advantage of their unique strengths and business cycles. We will be able to deliver these benefits while providing a clearer path to completion, reducing the associated costs, maintaining tax-free status and keeping to our stated timeframe of completing the spin-off in the second half of FY2023."

Paul J. Brough, Independent Director, Chairperson of Toshiba's Strategic Review Committee, said: "Stakeholder feedback is an important part of any strategic process. The refinement of the separation plan reflects the open and robust conversations we have had with shareholders and other relevant parties. As the Board and management team move forward with the separation plan, we remain focused on enhancing shareholder value, including returning excess capital to shareholders and externalization of non-core businesses to streamline and focus our two standalone companies."

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[1] Official name to be announced upon completion of the spin-off.

Overview of the Two Companies

Toshiba/ Infrastructure Service Co.

Infrastructure Service Co. will consist of Toshiba's Energy Systems & Solutions, Infrastructure Systems & Solutions, Digital Solutions and Battery businesses, in addition to Toshiba's ownership stake in KHC. Its products and services will include power generation, transmission and distribution, renewable energy, energy management, systems solutions for public infrastructure, railways and industry, and IT solutions for government agencies and private companies. Its increased focus, combined with its innovative technological solutions, will enable it to play a leading role in driving the transition to renewable energy to meet ambitious global carbon neutrality goals and advancing infrastructure resilience.

Toshiba/ Infrastructure Service Co. is expected to have net sales of ¥1.52 trillion in FY2021 and is projected to grow at a compound annual growth rate ("CAGR") of 5.3%, reaching ¥1.87 trillion by FY2025. It also expects to improve operating income margins from 3.6% to 6.4% over the same period.

While maximizing shareholder's value, Toshiba will immediately monetize its shares in KHC to the extent which is practically possible to conduct, and will return the net proceeds in full to shareholders, within the limits stipulated by applicable laws and regulations. The Company plans to put forward a shareholder resolution outlining its plans for its KHC holdings at the upcoming extraordinary general meeting of shareholders ("EGM"), which will take place in March 2022.

Device Co.

Device Co.'s structure remains unchanged from the announcement on November 12, 2021. It will comprise Toshiba's Electronic Devices & Storage Solutions business. Its products will include power semiconductors (silicon, compounds), optical semiconductors, analog integrated circuits, high-capacity hard disk drives ("HDD") for data centers (nearline HDDs) and semiconductor manufacturing equipment. It will be a leader in supporting the evolution of social and IT infrastructure.

Device Co. is expected to have ¥860 billion in net sales in FY2021 and is projected – when excluding the memory resale portion – to grow at a CAGR of 4.1%, reaching ¥1.01 trillion by FY2025. It expects operating income margins to improve from 6.4% in FY2021 to 7.9% by FY2025.

Separation Timeline

Device Co. will be spun-off from Toshiba and company stock of Device Co. will be distributed to Toshiba's shareholders at the time of the spin-off record date. Toshiba is working with relevant authorities and advisors to determine the best and the most effective and efficient way to spin-off the business with an intention of effecting the transaction in a tax-qualified spin-off structure via the recent tax reform legislation in Japan.

The reorganization remains on track to be completed in the second half of fiscal year 2023, subject to the completion of necessary procedures, including the approval from Toshiba's general shareholder meeting and fulfillment of all review requirements from relevant authorities. The financial results of Device Co. must be audited for a two-year period, beginning with FY2021 results, before the spin-offs can be completed.

Non-Core Assets

As part of the strategic reorganization process, Toshiba separately announced today that it has entered into an agreement to sell its joint venture stake in Toshiba Carrier Corporation to the Carrier Group for approximately ¥100 billion. The Company is also moving forward with divestiture plans for Toshiba Elevator and Building Systems Corporation and Toshiba Lighting & Technology Corporation. In developing its strategic plan, Toshiba has designated Toshiba Tec Corporation (TOKYO:6588) as a non-core business. Toshiba will work with Toshiba Tec in the short-term, to the extent practical, to facilitate Toshiba Tec's own mid- to long-term business plan following this designation.

Shareholder Returns

As Toshiba announced in November 2021, any capital in excess of the appropriate level of capital will be used to fund shareholder returns, including share repurchases in FY2022 and FY2023, to the extent that it would not interfere with the smooth execution of the business separation.

After reviewing the updated capital requirements to support Toshiba's growth plans, it is expected that the capital will exceed the appropriate capital level by approximately ¥300 billion in the next two years, assuming the smooth execution of the business plan disclosed today. This excess capital will be used for shareholder returns to the extent that it does not interfere with the smooth execution of the spin-off. The Company disclosed an ¥100 billion plan in November 2021, and today announced that it expects to increase the amount by ¥200 billion.

Toshiba IR Day

Toshiba will host its IR Day on February 7 and 8 for a review and explanation of the business strategies for Toshiba/ Infrastructure Services Co and Device Co. The English live streaming is scheduled to start at 13:00 JST on both days. More details on Toshiba's IR Day are available on the Company's Investor Relations page.

About Toshiba Corporation

Toshiba Corporation leads a global group of companies that combines knowledge and capabilities from over 140 years of experience in a wide range of businesses—from energy and social infrastructure to electronic devices—with world-class capabilities in information processing, digital and AI technologies. Guided by the Basic Commitment of the Toshiba Group, "Committed to People, Committed to the Future," Toshiba contributes to society's positive development with services and solutions that lead to a better world. The Group and its 120,000 employees worldwide secured annual sales of 3.1 trillion yen (US$27.5 billion) in fiscal year 2020.
Find out more about Toshiba at www.global.toshiba/ww/outline/corporate.html

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Forward-looking Statements and Other Cautionary

This document has been prepared solely for the purposes of providing information regarding the strategic reorganization described herein (“Reorganization”) and does not constitute an offer to sell or a solicitation of an offer to buy any security of Toshiba, its subsidiaries or any other company in Japan, the United States or any other jurisdiction.

This document has been translated from the Japanese-language original document for reference purposes only. In the event of any conflict or discrepancy between this document and the Japanese-language original, the Japanese-language original shall prevail in all respects.

This document contains forward-looking statements and prospects concerning the future plans, strategies, and the performance of Toshiba group.

These statements are not historical facts; rather, they are based on assumptions and judgments formed by the management of Toshiba group in light of currently available information. They include items which have not been finalized at this point and future plans which have yet to be confirmed or require further consideration.

Since Toshiba group promotes business in various market environments in many countries and regions, its activities are subject to a number of risks and uncertainties which include, but are not limited to, those related to economic conditions, worldwide competition in the electronics business, customer demand, foreign currency exchange rates, tax and other regulations, geopolitical risk, and natural disasters. Toshiba therefore cautions readers that actual results may differ from those expressed or implied by any forward-looking statements. Please refer to the annual securities report (yuukashoken houkokusho) and the quarterly securities report (shihanki houkokusho) (both issued in Japanese only) for detailed information on Toshiba group’s business risks.

Unless otherwise noted, all figures are 12-month totals on a consolidated basis.

Results in segments have been reclassified to reflect the current organizational structure, unless stated otherwise. Since Toshiba is not involved in the management of Kioxia Holdings Corporation (formerly Toshiba Memory Holdings; "KHC") and is not provided with any forecasted business results for this company, Toshiba group's forward-looking statements concerning financial conditions, results of operations, and cash flows do not include the impact of KHC.

The execution of the spin-off described in this document is subject to approval at Toshiba's general shareholders’ meeting and the fulfillment of all review requirements of the relevant regulatory authorities.

Depending on the applicable laws and regulations (including securities listing regulations and U.S. laws and regulations), developments in the application, revision and enforcement of various regulatory regimes including tax regulations, interpretations by the relevant authorities, further consideration in the future and other factors, the implementation of the Reorganization may take longer than expected and there may be changes in the structure of the Reorganization.