

May 13, 2022
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice Regarding Shareholder Return Policy, Determination of Record date for
Special Dividend and Dividend Forecast for FY2022**

TOKYO—Toshiba Corporation (TOKYO: 6502) (“Toshiba”) announced today that its Board of Directors has agreed upon an amended policy for shareholder returns (the shareholder return policy), set the date of record for a special dividend at June 30, 2022, and released its dividend forecast for FY2022.

1. Shareholder return policy

As announced in the “Notice on Establishment of the Special Committee” dated April 7, 2022, and the “Notice Regarding Commencement of Discussion with Potential Investors and Sponsors” dated April 21, 2022, Toshiba suspended the related strategic reorganization through a spin-off detailed in its February 7, 2022 announcements, “(Update) Notice Regarding Toshiba Group’s Strategic Reorganization” and “ Business Strategy of Toshiba Group”, and decided to solicit proposal on strategic alternatives (including privatization) from potential partners in order to enhance Toshiba’s corporate value. This process is ongoing.

In light of these circumstances, Toshiba’s Board of Directors met today, and agreed upon an amended shareholder return policy), as described below.

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 a regular basis. The capital in excess of the appropriate level will be used to provide shareholder returns, including share repurchases in FY22 and FY23, to the extent that doing so does not interfere with the smooth execution of the forthcoming business separation. While maximizing shareholder’s value, Toshiba Corporation will immediately monetize its shares in KIOXIA Holdings Corporation to the extent which is practically possible to conduct, and it will return the net proceeds in full to shareholders, within the limits stipulated by applicable laws and regulations. Furthermore, Toshiba expects to continue to undertake portfolio streamlining, including business

divestitures, 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.

Assuming the smooth execution of the business plan disclosed today, based on the above policy, it is expected that the capital will exceed the appropriate capital level by approximately 300 billion yen in the next two years. 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.

(*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.

While maximizing shareholder's value, Toshiba will immediately monetize its shares in KIOXIA Holdings Corporation to the extent that is practically possible, and will return the net proceeds in full to shareholders, within the limits stipulated by applicable laws and regulations.

Furthermore, Toshiba will continue to review the evaluation of the appropriate level of capital based on the change in business strategy and circumstance, and will also use appropriate leverage to continually improve capital allocations, 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.

2. Additional shareholder return

Following verification of the appropriate shareholder equity level against the financial results for the fiscal year ending March 2022 and the business outlook for the fiscal year ending March 2023, Toshiba's Board of Directors has confirmed a surplus against the appropriate shareholder equity level of approximately 70 billion yen. While the above mentioned solicitation of proposals of strategic alternatives continues, Toshiba has deemed

that an additional shareholders return based on the confirmation of the surplus will be executed in full by a special dividend of 160 yen per share, with June 30, 2022 as the date of record.

Toshiba’s decision to pay this special dividend of 160 yen per share, is reflected in the dividend forecast. The dividend forecast also covers ordinary dividends for FY2022, and sets the interim dividend for the end of the first half at 60 yen per share, with the date record of September 30, and the year-end dividend at 70 yen per share, with the date of record of March 31. This total annual dividend of 130 yen per share aligns with the policy of an average consolidated dividend payout ratio of at least 30% against the FY2022 forecast, which indicates a net profit of 175 billion yen, exclusive of any forecast of equity earnings (losses) at KIOXIA. The combination of the abovementioned special dividend and the ordinary full-year dividend is 290 yen per share.

Record Date	Dividend per share			
	Special June 30	Interim September 30	Year-end March 31	Full year
Forecast for FY2022, ending March 2023	160 yen	60 yen	70 yen	290 yen
Actual dividends for FY2021, ended March 2022	110 yen	40 yen	70 yen	220 yen

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