

July 1, 2019

Toshiba Corporation

FOR IMMEDIATE RELEASE

Notice on Toshiba's Issuance of New Shares as Stock Compensation

TOKYO---Toshiba Corporation (Tokyo: 6502) hereby announces that, pursuant to the delegation of authority approved by resolution of the board of directors of Toshiba, its Representative Executive Officer has today decided to issue new shares as stock compensation (hereinafter "Issuance of New Shares"), as described below.

The Issuance of New Shares falls under third-party allotment as it includes former executive officers of Toshiba and some of directors of subsidiaries of Toshiba during FY 2019 who retired from these positions (hereinafter referred to as "Retirees") during the period from March 31, 2019 to the date hereof. The allotment to Retirees will be implemented as stock compensation for services rendered during the period in which the Retirees held these positions. Therefore, information is provided in accordance with the requirements in respect of timely disclosure of stock compensation.

1. Outline of Issuance

(1) Payment date	July 17, 2019
(2) Class and number of shares to be issued	77,577 shares of Toshiba's common stock
(3) Issue price	3,355 yen per share
(4) Aggregate issue price	260,270,835 yen

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(5) Scheduled Beneficiaries	15 executive officers of Toshiba (excluding Retirees) (*): 48,869 shares in total 2 executive officers of Toshiba (Retirees) 934 shares in total 10 directors of Toshiba’s key group companies (excluding Retirees) (*): 19,250 shares in total 3 directors of Toshiba’s key group companies (Retirees) 915 shares in total 4 employees of Toshiba: 7,609 shares in total
(6) Others	The Issuance of New Shares is subject to the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.

* Five people who serve or served concurrently as executive officers of Toshiba and directors of Toshiba’s key group companies are included as both executive officers of Toshiba and directors of Toshiba’s key group companies, since stock compensation will be allotted based on position. One person who served as an executive officer of Toshiba and a director of Toshiba’s key group companies during the period from July 2018 to March 2019, but who has served only as an executive officer of Toshiba since April 2019 is included as both an executive officer of Toshiba and a director of Toshiba’s key group.

2. Purpose of and Reasons for Issuance

Toshiba’s compensation committee resolved at a meeting held in May 2018 to implement a stock compensation system (hereinafter “Compensation System”) that allots shares of Toshiba’s common stock subject to transfer restrictions to Toshiba’s executive officers and to some directors of Toshiba’s core operating companies, with the aim of encouraging the Beneficiaries to share the same values as the company’s shareholders, and to provide them with an incentive to drive forward medium- to long-term business growth.

Subsequently, Toshiba’s compensation committee resolved at a meeting held in November 2018 to revise the Compensation System to introduce performance-linked stock compensation in addition to fixed compensation in stock, as an incentive to improve enterprise value by (i) building greater awareness of the responsibility to improve Toshiba group’s medium- to long-term enterprise value, without excessively pursuing short-term profit; (ii) ensuring that the compensation of Toshiba’s executive officers reflects

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shareholder recognition of Toshiba Group as an entity worthy of investment, and to provide an incentive to improve shareholder value; and (iii) aligning interests with shareholders and to strengthen management from the shareholder perspective. In addition, the decision was made to include some employees of Toshiba in the same incentive system, in addition to executives of Toshiba and some directors, of Toshiba's key group companies, in accordance with the purposes of the Compensation System (hereinafter collectively referred to as the "System," covering the said employee incentive system and the Compensation System).

Based on the principles of the System, Toshiba's compensation committee, the board of directors, of subsidiaries of Toshiba and Representative Executive Officer of Toshiba decided to allot shares of Toshiba's common stock as stock compensation (for employees of Toshiba, as incentives, the same hereinafter) to executive officers and some employees of Toshiba, and some directors of subsidiaries of Toshiba (hereinafter, including Retirees, "Beneficiaries").

It is reasonable to grant people who worked at Toshiba or at a Toshiba core operating company during the immediately preceding fiscal year a certain amount as performance-linked compensation in accordance with Toshiba's performance in that fiscal year. Consequently, some Retirees are included as Beneficiaries for the Performance-linked Stock Compensation for FY2018 (defined below). Performance-linked compensation is granted in shares of Toshiba's common stock and cash, with the aim of further enhancing awareness of improving Toshiba group's medium- to long-term enterprise value. Therefore, Toshiba, by granting shares of Toshiba's common stock to Beneficiaries even after their retirement aims to provide an incentive to further enhance the Beneficiaries' awareness of the medium- to long-term enterprise value while they were conducting business.

3. Details of the Issuance

(1) Details of Issuance

The shares of Toshiba's common stock under the Issuance of New Shares shall be issued in accordance with the decision made on July 1, 2019 by Toshiba's Representative Executive Officer, in light of the System and the above decisions of the compensation committee of Toshiba, the board of directors of subsidiaries of Toshiba and Representative Executive Officer of Toshiba, based on the resolution of Toshiba's board of directors

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pursuant to the provisions of Article 416, Paragraph 4 of the Companies Act.

The Beneficiary who is an executive officer or an employee of Toshiba will make an in-kind contribution to Toshiba of the monetary compensation receivables paid by Toshiba to such Beneficiary in order to grant to such Beneficiaries shares of Toshiba's common stock as stock compensation. On the other hand, the Beneficiary who is a director of a subsidiary of Toshiba will make an in-kind contribution to Toshiba of the monetary compensation receivables paid by the relevant subsidiary of Toshiba to such Beneficiary in order to grant to such Beneficiaries shares of Toshiba's common stock as stock compensation (Toshiba will concomitantly assume the obligation of such subsidiary of Toshiba related to the monetary compensation receivables granted by the relevant subsidiary of Toshiba to its director). The amount of monetary compensation receivables to be paid to Beneficiaries shall be the total of (i) share compensation as fixed compensation for Beneficiaries for the period from July 2019 to June 2020 (hereinafter "Fixed Stock Compensation for FY2019"), (ii) share compensation as fixed compensation for Beneficiaries who assumed their positions as an executive officer of Toshiba or a director of subsidiaries of Toshiba on or after July 2018 for the period from the month when such Beneficiaries assumed such positions to June 2019 (hereinafter "Fixed Stock Compensation for FY2018"), and (iii) share compensation as performance-linked compensation for the period from April 2018 to March 2019 (hereinafter "Performance-Linked Stock Compensation for FY2018"), determined after considering the Beneficiaries' appropriate compensation and its components.

In addition, with regard to the Issuance of the New Shares, Toshiba will enter into allotment agreements (hereinafter "Allotment Agreement"), summary of which is described in "4. Overview of Allotment Agreements," with Beneficiaries (excluding Retirees). In addition, allotment agreements that Toshiba will enter into with Retirees do not provide transfer restriction; however, if it is found that there was certain events, including, but not limited to, such as a violation of law, that occurred during the certain period, and Toshiba determines it appropriate for the relevant Retiree to return the allotted shares, such Retiree shall return the allotted shares to Toshiba without any consideration without delay

(2) Basis of Calculation of Amount to be Paid In and Details thereto

In order to eliminate any arbitrariness in the determination of the issue price, Toshiba has

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determined the issue price is 3,355 yen, which is the closing price of shares of Toshiba's common stock on the Tokyo Stock Exchange on June 28, 2019 (the business day immediately preceding the date of the decision made by Toshiba's Representative Executive Officer). Toshiba believes that the issue price, which is equal to the market price immediately preceding the date of the decision made by Toshiba's Representative Executive Officer, is reasonable, and is not considered as being a specially favorable price.

4. Overview of Allotment Agreements

(1) Transfer Restriction Period

During the period from July 17, 2019 to July 16, 2049 (hereinafter "Transfer Restriction Period"), transferring, offering as collateral or making any other disposition of the allotted shares (hereinafter "Shares") is prohibited (hereinafter "Transfer Restriction").

(2) Conditions for Lifting the Transfer Restriction

As of the expiration of the Transfer Restriction Period, Transfer Restriction on all of the Shares held by Beneficiaries at that time shall be lifted.

However, if, during the Transfer Restriction Period, due to expiration of his or her term of office, his or her legal age, his or her death or any other justifiable reason that is approved by Toshiba, (1) an executive officer of Toshiba or a director of a subsidiary of Toshiba retires from his or her position(s), as applicable, as a director or an executive officer of Toshiba, or Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation or Toshiba Digital Solutions Corporation (hereinafter, collectively "Toshiba Group"), or (2) an employee of Toshiba retires from his or her position, as applicable, as an employee of Toshiba, or a director or an executive officer of a Toshiba Group, the Transfer Restriction shall be lifted with respect to a certain number of the Shares. In such case, Transfer Restriction shall be lifted from all of the Shares granted as Fixed Stock Compensation for FY 2018 (hereinafter "Stock Compensation (Fixed Stock Compensation for FY 2018)") and Performance-Linked Stock Compensation for FY 2018 (hereinafter "Stock Compensation (Performance-Linked Stock Compensation for FY 2018)"). The number of Shares granted as Fixed Stock Compensation for FY 2019 (hereinafter "Stock Compensation (Fixed Stock Compensation for FY 2019)") from which Transfer Restriction shall be lifted shall be the number calculated by multiplying (x)

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the number obtained by dividing the number of months in the period from July 2019 to the month that includes the date of resignation or retirement by 12 (if the result of the calculation is more than 1, such number shall be deemed 1) by (y) the number of the Shares to be allotted to each Beneficiary as Stock Compensation (Fixed Stock Compensation for FY 2019). In such cases, Toshiba may make reasonable adjustment to the date on which the Transfer Restriction shall be lifted, as appropriate. Furthermore, the Shares from which the Transfer Restriction will not be lifted in the above case shall be acquired by Toshiba automatically, without any consideration.

(3) Acquisition by Toshiba Without Consideration

(i) As to an Beneficiary who is an executive officer of Toshiba or a director of subsidiaries of Toshiba, if certain events occur, including, but not limited to, such as an executive officer of Toshiba or a director of subsidiaries of Toshiba resigning from his or her position(s) (except if such Beneficiary is appointed or reappointed as a director or an executive officer of Toshiba Group) during the Transfer Restriction Period, or (ii) as to Beneficiary who is an employee of Toshiba, if certain events occur, including, but not limited to, such as an employee resigning or retiring from his or her position(s) of a director or an executive officer of Toshiba Group or an employee of Toshiba (except if such employee is appointed or reappointed as a director or an executive officer of Toshiba Group) during the Transfer Restriction Period, Toshiba will acquire the Shares automatically, without any consideration, except for the Shares that are subject to the lifting of the Transfer Restriction due to resignation or retirement, as described in “(2) Conditions for Lifting the Transfer Restriction”. In addition, with respect to the Shares subject to the lifting of the Transfer Restriction due to resignation or retirement as set forth in “(2) Conditions for Lifting the Transfer Restriction” above, if, after the lifting of the Transfer Restriction, it is found that there was certain events, including, but not limited to, such as a violation of the law, that occurred during the period prior to the lifting of the Transfer Restriction, and Toshiba determines it appropriate for the Beneficiary to return the Shares, such Beneficiaries shall return the Shares to Toshiba without any consideration without delay.

(4) Treatment in Case of Organizational Restructuring of Toshiba

If a matter relating to a merger agreement under which Toshiba shall become the

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dissolving company, a share exchange agreement or a share transfer plan under which Toshiba shall become a wholly-owned subsidiary, or any other organizational restructuring is approved at a general meeting of shareholders of Toshiba (or if an approval at a general meeting of shareholders is not required, then an approval by the board of directors of Toshiba) during the Transfer Restriction Period, pursuant to a resolution of Toshiba's compensation committee, the Transfer Restriction shall be lifted with respect to all of the Shares granted as the Stock Compensation (Fixed Stock Compensation for FY 2018) and the Stock Compensation (Performance-Linked Stock Compensation for FY 2018) on the business day immediately preceding the effective date of such organizational restructuring. With respect to the Stock Compensation (Fixed Stock Compensation for FY 2019), the Transfer Restriction shall be lifted on the business day immediately preceding the effective date of such organizational restructuring with respect to the number calculated by multiplying (x) the number obtained by dividing the number of months in the period from July 2019 to the month that includes the approval date of such organizational restructuring by 12 (if the result of the calculation is more than 1, such number shall be deemed to be 1) by (y) the number of the Shares granted as Stock Compensation (Fixed Stock Compensation for FY 2019) held by the Beneficiary as of the approval date of such organizational restructuring. The Shares with respect to which the Transfer Restriction is not lifted shall be automatically acquired by Toshiba without any consideration.

(5) Provision concerning Management of Shares

In order to prevent the transfer of the Shares, creation of any security interest thereon, or their otherwise being disposed of during the Transfer Restriction Period, the Shares shall be maintained in dedicated accounts established by the Beneficiaries at Nomura Securities Co., Ltd. In order to ensure the effectiveness of the Transfer Restriction and other agreements in respect of the Shares, Toshiba will execute an agreement with Nomura Securities Co., Ltd. with respect to the management of the accounts of the Shares held by the respective Beneficiaries. Further, the Beneficiaries will agree to the treatment of the Shares pursuant to the said agreement with respect to the management of the accounts.

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