

November 16, 2020

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, as described below.

1. Outline of Issuance

(1) Payment date	December 8, 2020
(2) Class and number of shares to be issued	280,690 shares of Toshiba's common stock
(3) Issue price	2,724 yen per share
(4) Aggregate issue price	764,599,560 yen
(5) Scheduled Beneficiaries	18 executive officers of Toshiba: 108,029 shares in total 8 directors of Toshiba 17,922 shares in total 26 directors of subsidiaries of Toshiba: 72,072 shares in total 9 corporate officers of Toshiba: 18,519 shares in total 76 employees of Toshiba: 32,969 shares in total 89 employees of subsidiaries of Toshiba: 31,179 shares in total
(6) Others	The issuance of new shares is subject to the taking effect of the shelf registration statement and the filing of shelf registration supplemental document in accordance with the Financial Instruments and Exchange Act.

(\*Note)

1. Scheduled Beneficiaries include those who resigned or retired from the positions of the Beneficiaries (defined below) at present.
2. Four persons who serve concurrently as executive officers of Toshiba and directors of subsidiaries of Toshiba are included as both executive officers of Toshiba and

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directors of subsidiaries of Toshiba. Two persons who served concurrently as executive officers of Toshiba and directors of subsidiaries of Toshiba during the period from July 2019 to March 2020, but who have resigned from both positions since April 2020, are included as both executive officers of Toshiba and directors of subsidiaries of Toshiba. One person who served as an executive officer of Toshiba during the period from July 2019 to March 2020, but who has served only as a director of Toshiba since April 2020, is included as both executive officers of Toshiba and directors of Toshiba.

3. Employees of Toshiba includes (i) seven persons who served only as employees of Toshiba during FY2019, but who have served only as corporate officers of Toshiba since April 2020, (ii) one person who served only as an employee of Toshiba during FY2019, but who has served concurrently as an executive officer of Toshiba and a director of a subsidiary of Toshiba since April 2020, and (iii) one person who served only as an employee of Toshiba during FY2019, but who served only as a corporate officer of Toshiba during a period from April 2020 to May 2020 and has served only as an executive officer of Toshiba since June 2020. The foregoing Scheduled Beneficiaries are also included as the positions of the Beneficiaries as which they have served respectively since April 2020.
4. Employees of subsidiaries of Toshiba includes seven persons who, during FY2019, served as employees of subsidiaries of Toshiba that are eligible for the grant of the shares of Toshiba's common stock, but, since April 2020, have served concurrently as directors and employees of subsidiaries of Toshiba that are eligible for the grant of the shares of Toshiba's common stock. The foregoing Scheduled Beneficiaries are also included as directors of subsidiaries of Toshiba.

## 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 them 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, in November 2018, Toshiba partially revised the Compensation System to introduce performance-linked stock compensation system in addition to fixed compensation in stock. In addition, the decision was made to include some employees of Toshiba in the same incentive system (performance-linked type) on and after April 2019 in accordance with the purposes of the Compensation System, in addition to executive officers of Toshiba and some directors of Toshiba's key group companies. Toshiba has further revised the Compensation System to include some directors (i.e. chairman of the board and outside directors) and corporate officers of Toshiba, some directors of

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subsidiaries of Toshiba that are not Toshiba's key group companies and some employees of subsidiaries of Toshiba (including Toshiba's key group companies) in the system, and has introduced a system to grant shares of Toshiba's common stock (non-performance-linked type) as an incentive for candidate successors to executive positions to some employees of Toshiba and subsidiaries of Toshiba, including Toshiba's key group companies (hereinafter the system to grant incentives for employees of Toshiba and its subsidiaries and the Compensation System are collectively referred to as the "System," and the persons to whom the System is applicable are collectively referred to as the "Beneficiaries"). As it is reasonable to grant performance-linked compensation and performance-linked incentive, which shall be calculated in accordance with Toshiba's performance in a fiscal year, to people who work for the Toshiba group during that fiscal year, Beneficiaries who resigned or retired from their positions (hereinafter "Retirees") are included as Beneficiaries of the performance-linked compensation and performance-linked incentive. Toshiba believes that the System, in which the shares are granted to Retirees based on Toshiba's performance in a fiscal year when they worked for the Toshiba group, with the aim of further enhancing awareness of improving Toshiba group's medium- to long-term enterprise value, can provide an incentive to further enhance the medium- to long-term enterprise value while they are conducting business.

In order to grant to the Beneficiary shares of Toshiba's common stock as stock compensation for executive officers, directors and corporate officers of Toshiba and its subsidiaries and as incentive for employees of Toshiba and its subsidiaries (hereinafter collectively referred to as "Stock Compensation, etc.") under the System, the issuance of new shares and the disposal of treasury shares are conducted by (1) causing the Beneficiary who is an executive officer, a director, a corporate officer or an employee of Toshiba to make an in-kind contribution to Toshiba of the monetary compensation receivables (in respect of the employees of Toshiba and its subsidiaries, monetary receivables; hereinafter the same will apply) to be granted by Toshiba to such Beneficiary or (2) causing the Beneficiary who is a director or an employee of a subsidiary of Toshiba to make an in-kind contribution to Toshiba of the monetary compensation receivables to be granted by such subsidiary of Toshiba to such Beneficiary (Toshiba will concomitantly assume the monetary obligation of such subsidiary of Toshiba relating to the said monetary compensation receivables to be granted by such subsidiary of Toshiba to its directors and employees).

The amount of monetary compensation receivables to be granted to each Beneficiary in order to issue new shares for the purpose of granting shares of Toshiba's common stock

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as Stock Compensation, etc. under the System will be the total amount of the compensations and incentives that are granted to each Beneficiary among those described in (i) to (v) below and will be determined after considering, among others, the Beneficiaries' appropriate compensation and the components thereof.

- (i) Stock compensation as fixed compensation for the period from July 2020 to June 2021 (hereinafter "Fixed Stock Compensation for FY2020")
- (ii) Stock compensation as fixed compensation for Beneficiaries who assumed their positions as executive officer or corporate officer of Toshiba or director of subsidiaries of Toshiba on or after July 2019 for the period from the month when such Beneficiaries assumed such positions to June 2020 (hereinafter "Fixed Stock Compensation for FY2019")
- (iii) Stock compensation as performance-linked compensation for the period from April 2019 to March 2020 (hereinafter "Performance-Linked Stock Compensation for FY2019")
- (iv) Performance-linked incentive for the period from April 2019 to March 2020 (hereinafter "Performance-Linked Incentive for FY 2019")
- (v) Non-performance-linked incentive for candidate successors to executive positions for FY 2020 (hereinafter "Next Jinzai Incentive for FY 2020")

### 3. Details of the Issuance

#### (1) Details of Issuance

Pursuant to the System, Toshiba's compensation committee, the board of directors of subsidiaries of Toshiba and the Representative Executive Officer of Toshiba decided to allot shares of Toshiba's common stock as Stock Compensation, etc. to some executive officers, directors and corporate officers of Toshiba, some directors of subsidiaries of Toshiba, some employees of Toshiba and its subsidiaries (including Retirees, respectively) (hereinafter "Decision of Allotment").

The issuance of the shares of Toshiba's common stock under the offering pursuant to the Decision of Allotment (hereinafter "Issuance of New Shares") shall be issued in accordance with the decision made on November 16, 2020 by Toshiba's Representative Executive Officer based on the resolution of Toshiba's board of directors pursuant to the provisions of Article 416, Paragraph 4 of the Companies Act, in light of the System and the above decisions of the compensation committee of Toshiba, the board of directors of

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subsidiaries of Toshiba and the Representative Executive Officer of Toshiba.

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

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

In order to eliminate any arbitrariness in the determination of the issue price, Toshiba has determined that the issue price is 2,724 yen, which is the closing price of shares of Toshiba’s common stock on the Tokyo Stock Exchange on November 13, 2020 (the business day immediately preceding the date of the decision made by Toshiba’s Representative Executive Officer regarding the Issuance of New Shares) (hereinafter “Immediately Preceding Trading Day”). Such issue price respectively represents a 0.94% discount against the simple one-month average of the closing prices before the Immediately Preceding Trading Day (2,749.9 yen); a 6.92% discount against the simple three-month average of the closing prices before the Immediately Preceding Trading Day (2,926.5 yen); and an 12.22% discount against the simple six-month average of the closing prices before the Immediately Preceding Trading Day (3,103.1 yen).

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 an especially favorable price. Further, Toshiba’s Audit Committee presented their opinion that such issue price can be evaluated as not falling within the specially favorable price for the Scheduled Beneficiaries.

## 4. Overview of Allotment Agreements

### (1) Transfer Restriction Period

During the period from December 8, 2020 to December 7, 2050 (hereinafter “Transfer Restriction Period”), transferring, offering as collateral or making any other disposition of the allotted shares (hereinafter “Shares”) is prohibited

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(hereinafter “Transfer Restriction”).

(2) Conditions for Lifting the Transfer Restriction

As of the expiration of the Transfer Restriction Period, the 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, a Beneficiary who is an executive officer, a director or a corporate officer of Toshiba or a director of its subsidiaries retires from his or her position(s), as applicable, as a director, an executive officer or a corporate officer of Toshiba, or Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation or Toshiba Digital Solutions Corporation, or as a president of Toshiba Elevator and Building Systems Corporation, Toshiba Carrier Corporation or Toshiba Lighting & Technology Corporation, the Transfer Restriction shall be lifted with respect to a certain number of the Shares. In such case, the Transfer Restriction shall be lifted from all of the Shares granted as Fixed Stock Compensation for FY 2019 (hereinafter “Stock Compensation (Fixed Stock Compensation for FY 2019)”) and the Shares granted as Performance-Linked Stock Compensation for FY 2019 (hereinafter “Stock Compensation (Performance-Linked Stock Compensation for FY 2019)”). The number of Shares granted as Fixed Stock Compensation for FY 2020 (hereinafter “Stock Compensation (Fixed Stock Compensation for FY 2020)”) from which the Transfer Restriction shall be lifted shall be the number calculated by multiplying (x) the number obtained by dividing the number of months in the period from July 2020 to the month that includes the date of resignation by 12 (if the result of the calculation is greater 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 2020). In such cases, Toshiba may make reasonable adjustment to the date on which the Transfer Restriction shall be lifted, as appropriate. Also, 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, a Beneficiary who is an employee of Toshiba or an employee of its subsidiaries resigns or retires from his or her position(s), as applicable, as a director, an executive officer, a corporate officer or employee of Toshiba, or Toshiba Energy Systems &

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Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation or Toshiba Digital Solutions Corporation, or as a president, a director, a statutory auditor, a corporate officer or an employee of Toshiba Elevator and Building Systems Corporation, Toshiba Carrier Corporation or Toshiba Lighting & Technology Corporation, the Transfer Restriction shall be lifted with respect to a certain number of the Shares. In such case, the Transfer Restriction shall be lifted from all of the Shares granted as Performance-Linked Incentive for FY 2019 (hereinafter “Stock Incentive (Performance-Linked Incentive for FY 2019)”) and the Shares granted as Next Jinzai Incentive for FY 2020 (hereinafter “Stock Incentive (Next Jinzai Incentive for FY 2020)”). 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

If, during the Transfer Restriction Period, certain events occur, including, but not limited to, an Beneficiary who is an executive officer, a director or a corporate officer of Toshiba or a director of its subsidiaries resigning from his or her position(s), as applicable, as a director, an executive officer or a corporate officer of Toshiba, or Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation or Toshiba Digital Solutions Corporation, or as a president of Toshiba Elevator and Building Systems Corporation, Toshiba Carrier Corporation or Toshiba Lighting & Technology Corporation (except if such Beneficiary is appointed or reappointed as a director, an executive officer or a corporate officer of Toshiba, or Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation or Toshiba Digital Solutions Corporation, or as a president of Toshiba Elevator and Building Systems Corporation, Toshiba Carrier Corporation or Toshiba Lighting & Technology Corporation), 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, as described in “(2) Conditions for Lifting the Transfer Restriction” above. Also, if, during the Transfer Restriction Period, certain events occur, including, but not limited to, an Beneficiary

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who is an employee of Toshiba or an employee of its subsidiaries resigning or retiring from his or her position(s), as applicable, as a director, an executive officer, a corporate officer or an employee of Toshiba, or Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation or Toshiba Digital Solutions Corporation, or as a president, a director, a statutory auditor, a corporate officer or an employee of Toshiba Elevator and Building Systems Corporation, Toshiba Carrier Corporation or Toshiba Lighting & Technology Corporation (except if such Beneficiary is appointed or reappointed as a director, an executive officer, a corporate officer or employee of Toshiba, or Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation or Toshiba Digital Solutions Corporation, or as a president, a director, a statutory auditor, a corporate officer or an employee of Toshiba Elevator and Building Systems Corporation, Toshiba Carrier Corporation or Toshiba Lighting & Technology Corporation), 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, as described in “(2) Conditions for Lifting the Transfer Restriction” above.

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, a violation of the law, that occurred during the period prior to the lifting of the Transfer Restriction, and Toshiba determines that it is appropriate for the Beneficiary to return the Shares, such Beneficiaries shall return the Shares to Toshiba without any consideration and 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 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

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be lifted with respect to all of the Stock Compensation (Fixed Stock Compensation for FY 2019), the Stock Compensation (Performance-Linked Stock Compensation for FY 2019), the Stock Incentive (Performance-Linked Incentive for FY 2019) and the Stock Incentive (Next Jinzai Incentive for FY 2020) on the business day immediately preceding the effective date of such organizational restructuring. With respect to the Stock Compensation (Fixed Stock Compensation for FY 2020), 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 2020 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 Stock Compensation (Fixed Stock Compensation for FY 2020) 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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