

FOR IMMEDIATE RELEASE

**(Update) Counting of voting rights exercised at the Ordinary General Meeting of Shareholders for the 181st Fiscal Period**

TOKYO— Toshiba Corporation (“Toshiba”) today announced that it will submit an amendment to the August 4, 2020 extraordinary report on the results of the exercise of voting rights at the 181st Ordinary General Meeting of Shareholders (the "Annual Shareholders Meeting"), in order to correct the reported results. This amendment does not change the results of voting on matters submitted to the meeting.

**1. Background**

In a September 18, 2020, announcement, “Counting of voting rights exercised at the Ordinary General Meeting of Shareholders for the 181st Fiscal Period,” Toshiba reported that a certain shareholder of the Company had informed it that the voting rights that the shareholder has exercised by completing a voting card and mailing it to Toshiba were not reflected in the results of the voting count for the Annual Shareholders Meeting.

In response to this, Toshiba requested Sumitomo Mitsui Trust Bank, Limited ("SMTB"), the transfer agent responsible for counting the voting rights submitted by mail, and Japan Post Co., Ltd., the entity that delivered mailed voting rights exercise forms, to investigate the delivery and aggregation status. A summary of these results of SMTB’s investigation is contained in the September 18 announcement.

SMTB found that 1,139 voting cards were delivered and received by July 30, 2020 but not counted as a valid exercise of voting rights. This constituted a total of 58,747 voting rights, 1.3% of votes cast. Subsequently, SMTB has reported that the total voting cards not recorded as valid voting exercise but delivered by July 30, 2020 is actually 1,142, including those that had already been exercised electronically, and they are all reflected in the results of re-tabulation. SMTB has also reported recurrence prevention measures that will be applied to general meetings of shareholders from now on.

In the September 18 announcement, Toshiba also announced steps to ensure the transparency of the process, and that the Audit Committee, which is comprised solely of outside directors, was conducting a review of the methods and results of SMTB’s investigation, supported by an independent outside attorney. The review intended to request additional verification from SMTB and Japan Post in respect of certain discrepancies found in reports received from the two companies.

In accordance with the Statement of Opinion that the Audit Committee compiled based on the results of review, Toshiba decided to correct the results of the voting rights exercise report for the annual shareholders meeting.

## **2. Outline of the investigation result report of the external law firm and the Statement of Opinion compiled by the Audit Committee**

The contents of the Statement of Opinion, which rest on the findings of the independent outside attorney (Torikai Law Office), as delivered in its investigation result report ("Torikai Report"), are as follows. SMBT has already published an overview of the post-dating processing, so that description is omitted.

### **(1) Summary of the Torikai Report**

#### **(i) Outline of the investigation**

- Since the voting forms of the Company constitute postage recipient payment mail with large account exclusive numbers (numbers exclusively assigned to large accounts), Torikai checked the delivery process of voting forms at Japan Post, focusing on processing such type of postage, in both cases of using normal processing and post-dating processing respectively.
- Torikai checked the tabulation process of the voting forms at Japan Stockholders Data Service Company, Ltd. (hereinafter referred to as "JaSt") in both cases of using normal processing and post-dating processing respectively.

#### **(ii) Overview of "post-dating processing"**

(omitted)

#### **(iii) Examination of the points on which the explanations by SMTB and by Japan Post are not consistent**

- According to Japan Post's report, the voting forms accepted by the Nihonbashi Post Office, Shin-Tokyo Post Office, and Ginza Post Office, marked with "00-08," "08-12," and "12-18" on July 27 (Torikai confirmed there are at least 22 voting forms) should have physically arrived at JaSt on July 29. On the other hand, according to SMTB's report, only two voting forms postmarked July 27 arrived at JaSt on July 29 (which were tallied as having actually arrived at JaSt on July 30 based on the post-dating processing by JaSt).
- If Japan Post's explanations are correct, it will become necessary to doubt that at SMTB (JaSt), all of the voting forms that arrived at JaSt were not processed on the same day and were left unattended, and were processed on or after the day following the arrival date.
- Although in light of operational status of related post offices etc., Japan Post carried out a investigation on the route of the voting forms in this matter to the extent they could,

they reported that they could not specify the delivery date because there is no record of the voting forms and no recorded data from acceptance to delivery.

- On the other hand, SMTB allowed us to view material that can confirm the work status of JaSt etc., and we viewed it. As a result, at least on July 30 of this year, there was no evidence that voting forms that seemed to have been delivered from the post office the day before were left unprocessed, and it was confirmed that operations consistent with the explanations, that all of the voting forms delivered from the post office around 9:15 am on July 30 were brought to the OCR room and the images were processed during the same day when work was being done. We also received disclosure of internal control records (July this year) confirming that no documents, including voting forms, were left at JaSt's operational site.
- Furthermore, between JaSt and the Suginami Minami Post Office, if delivered to JaSt within the exercise period and if delivered after the exercise period had passed, it was to be treated as different postage, besides, since the postage for voting forms brought in on the final day of the exercise period, was calculated not with the postage when delivered within the exercise period, but with the postage when delivered after the exercise period has passed, should most of the voting forms that were brought in on July 29 have been handled as having been brought in on July 30 due to work delays at JaSt, etc., and then the postage thereon calculated based on the postage when delivered after the exercise period, the Suginami Minami Post Office would have been made some comment, but no such objection is seen to have actually been made.
- In the light of the above, we consider that at least for the voting forms of your firm at the General Meeting, there is no great likelihood of there being such problems as not only the voting forms that arrived at JaSt on July 30 but also the voting forms that arrived on or before July 29th being processed as having arrived after the exercise period, outside of the issue of post-dating processing.
- Considering the above comprehensively, we consider that there is no great likelihood that the explanations by SMTB regarding the contents of post-dating processing differ from the facts. Then, we recognize that the results of the investigation relating to the Modified SMTB Report are the results of re-tabulation, by deducing that the voting forms that truly arrived at JaSt on July 30, on the premise of the contents of such post-dating processing, arrived within the exercise period.

(iv) Conclusion

- Therefore, there are no special circumstances to consider the investigation method and results of the Modified SMTB Report to be unreasonable.

**(2) Summary of the Statement of Opinion compiled by the Audit Committee**

- According to Torikai Report, it was concluded that regarding the modified report by SMTB including the number of the relevant voting forms that should be modified and counted, there are no special circumstances to determine that the investigation method and results are unreasonable.

- It is necessary to handle the exercise of rights by voting forms as having been done as of the time when the relevant voting forms actually arrived at JaSt. Therefore, we can only say that the post-dating processing by JaSt that caused the voting forms that were physically received before the expiration of the exercise period for the General Meeting but not tabulated as effective exercise of voting rights exist was incorrect processing.
- However, considering the fact that the number of voting rights relating to the voting forms that must be modified and counted as stated above compose approx. 1.3% in terms of the voting rights ratio, and which would not cause any variation in the quorum for individual proposals and the results of resolutions at the General Meeting, and that more than three months have already passed from the day of the General Meeting, we consider there to be no fault that would have an impact on the effect of resolutions of individual proposals of the General Meeting.
- Considering the fact that SMTB is a financial institution for which strict internal controls are required under the supervision of the Financial Services Agency, and also a stock transfer agency approved by the TSE, and that the existence of post-dating processing became obvious for the first time with the impetus of this investigation, and that not only the Company but other listed companies that consign stock-related affairs to SMTB would not know about this, we consider there to be no particular question about the properness of the fact that the Company has consigned stock-related affairs including tabulation of the results of exercise of voting rights for general meetings to SMTB.
- Nonetheless, from the viewpoint of ensuring the exercise of voting rights, that is, the most important rights of shareholders, the fact that a part of the voting forms that should originally have been handled as effective exercise of voting rights has been processed as invalid at JaSt must be taken seriously.
- SMTB has explained that it will let JaSt abolish the “post-dating processing”, and take measures to prevent recurrence of similar problems, including (1) introduction of new tabulation methods, (2) further strengthening of compliance and management system of laws and regulations, and (3) encouragement of the exercise of electronic voting system, and these measures themselves are appropriate. However, in order to protect the exercise of voting rights by our shareholders, it is important that those measures be actually implemented and maintained.
- Also, we consider that, upon sending out notices to call the general meeting of shareholders in the next term and thereafter, we must continue to strive to develop a proper environment relating to the exercise of voting rights at the general shareholders meeting, including encouraging shareholders to vote by electronic methods, or early sending of call notices.

### **3. Overview of the correction**

A total of 58,747 voting rights (constituting 1.3% of exercised voting rights) that were delivered by July 30, 2020 but not counted as valid exercise of the voting rights, are considered valid. Toshiba recounted the results for each item on the agenda, and reports the details in the

amendment to the extraordinary report that is has submitted today. See the appendix for corrected results. The Company once again states that this amendment to the figures does not affect the results on votes on matters placed before the Annual Shareholders Meeting.

#### **4. Future policy**

SMTB announced on September 24, 2020, in “Notice regarding the Findings of the Investigation into Operations concerning Tallying of our Clients’ Voting Rights Exercise Forms” that it will discontinue post-dating processing of Voting Rights Exercise Forms, and will conduct counts solely on the basis of the date of receipt of the Voting Rights Exercise Forms from Japan Post, and will strive to optimize its operations. In addition, SMTB will further promote initiatives to encourage the use of electronic methods to exercise of voting rights, which will enable more accurate, prompt and efficient tallying of exercised voting rights. We sincerely regret that we were unable to reflect the considered opinions of a certain number of shareholders in the tabulation. For more information on the preventive measures against recurrence taken by SMTB, please refer to the "Notice regarding Reforms and Preventative Measures, etc. in Operations for the Tallying of Voting Rights Exercise Forms," dated December 17, 2020.

Toshiba will check the implementation status of the prevent reoccurrence measures by SMTB, and also encourage shareholders to exercise their voting rights by electronic means when it sends them of convocations of general meetings of shareholders, starting in the next fiscal year. Toshiba will also continue to make efforts to improve the overall efficiency of general meetings of shareholders, including early provision of notices of convocation.

## Appendix

The corrected voting results at the Ordinary General Meeting of Shareholders for the 181st Fiscal Period are as follows.

(Before correction)

Proposal	For	Against	Abstention *1	*2	Approval requirements	Results of resolution	Ratio of “For”	Ratio of “Against”
<b>Proposal No. 1</b>	3,237,642	9,650	63,916	1,305	*3	Approved	97.74%	0.29%
<b>Proposal No. 2</b>								
Satoshi TSUNAKAWA	2,979,833	267,207	64,579	1,305	*4	Approved	89.95%	8.07%
Nobuaki KURUMATANI	1,920,234	628,121	763,264	1,305	*4	Approved	57.96%	18.96%
Yuki FURUTA	2,697,344	549,696	64,579	1,305	*4	Approved	81.42%	16.59%
Junji OTA	1,973,905	574,450	763,264	1,305	*4	Approved	59.58%	17.34%
Nobuyuki KOBAYASHI	2,834,611	412,429	64,579	1,305	*4	Approved	85.56%	12.45%
Takashi YAMAUCHI	2,698,122	548,918	64,579	1,305	*4	Approved	81.44%	16.57%
Yoshiaki FUJIMORI	2,587,097	659,943	64,579	1,305	*4	Approved	78.09%	19.92%
Paul J. BROUGH	2,537,848	10,507	763,264	1,305	*4	Approved	76.60%	0.32%
Ayako Hirota WEISSMAN	2,538,951	9,404	763,264	1,305	*4	Approved	76.64%	0.28%
Jerome Thomas BLACK	2,538,859	9,496	763,264	1,305	*4	Approved	76.63%	0.29%
George Raymond ZAGE III	2,285,562	10,195	1,015,862	1,305	*4	Approved	68.99%	0.31%
Osamu NAGAYAMA	3,236,683	11,020	63,916	1,305	*4	Approved	97.70%	0.33%
<b>Proposal No. 3</b>								
Allen CHU	813,981	1,734,809	63,916	1,305	*4	Rejected	31.14%	66.37%
Yuya SHIMIZU	813,977	1,734,813	63,916	1,305	*4	Rejected	31.14%	66.37%
<b>Proposal No. 4</b>								
Akira TAKEUCHI	1,389,562	1,814,056	107,870	1,305	*4	Rejected	41.95%	54.76%
Tadaaki SUGIYAMA	1,248,388	1,955,230	107,870	1,305	*4	Rejected	37.68%	59.02%
Yoichiro IMAI	1,438,620	1,814,542	58,326	1,305	*4	Rejected	43.43%	54.77%

\*1: There is no box for “Abstain” on the voting right exercise form of the Company and the Company does not count “Abstain” voting at the Meeting. However, the Company counts “Abstain” voting only when certain shareholders expressly indicate their intention to abstain.

\*2: The number of voting rights of shareholders actually present at the Meeting whose indication for the relevant proposal could not be confirmed.

\*3: The resolution for this proposal shall be adopted by a majority consisting of not less than two-thirds (2/3) of the voting rights held by the shareholders present and voting at the Meeting (including postal and electronic voting). Quorum of the resolution for this proposal is one-third (1/3) or more of the total number of voting rights.

\*4: The resolution for each proposal shall be adopted by a simple majority of the voting rights held by the shareholders present and voting at the Meeting (including postal and electronic voting). Quorum of the resolution for each proposal is one-third (1/3) or more of the total number of voting rights.

(After correction)

Proposal	For	Against	Abstention *1	*2	Approval requirements	Results of resolution	Ratio of “For”	Ratio of “Against”
<b>Proposal No. 1</b>	3,295,942	10,088	63,916	1,305	*3	Approved	97.77%	0.30%
<b>Proposal No. 2</b>								
Satoshi TSUNAKAWA	3,038,126	267,668	64,579	1,305	*4	Approved	90.11%	7.94%
Nobuaki KURUMATANI	1,928,526	678,583	763,264	1,305	*4	Approved	57.20%	20.13%
Yuki FURUTA	2,705,475	600,319	64,579	1,305	*4	Approved	80.24%	17.80%
Junji OTA	1,982,206	624,903	763,264	1,305	*4	Approved	58.79%	18.53%
Nobuyuki KOBAYASHI	2,892,916	412,878	64,579	1,305	*4	Approved	85.80%	12.25%
Takashi YAMAUCHI	2,706,431	599,363	64,579	1,305	*4	Approved	80.27%	17.78%
Yoshiaki FUJIMORI	2,595,398	710,396	64,579	1,305	*4	Approved	76.98%	21.07%
Paul J. BROUGH	2,596,141	10,968	763,264	1,305	*4	Approved	77.00%	0.33%
Ayako Hirota WEISSMAN	2,597,249	9,860	763,264	1,305	*4	Approved	77.03%	0.29%
Jerome Thomas BLACK	2,597,152	9,957	763,264	1,305	*4	Approved	77.03%	0.30%
George Raymond ZAGE III	2,343,860	10,651	1,015,862	1,305	*4	Approved	69.52%	0.32%
Osamu NAGAYAMA	3,294,818	11,639	63,916	1,305	*4	Approved	97.72%	0.35%
<b>Proposal No. 3</b>								
Allen CHU	865,443	1,742,100	63,916	1,305	*4	Rejected	32.38%	65.18%
Yuya SHIMIZU	865,473	1,742,070	63,916	1,305	*4	Rejected	32.38%	65.18%
<b>Proposal No. 4</b>								
Akira TAKEUCHI	1,441,387	1,820,984	107,870	1,305	*4	Rejected	42.75%	54.01%
Tadaaki SUGIYAMA	1,250,212	2,012,159	107,870	1,305	*4	Rejected	37.08%	59.68%
Yoichiro IMAI	1,490,410	1,821,505	58,326	1,305	*4	Rejected	44.21%	54.03%

- \*1: There is no box for “Abstain” on the voting right exercise form of the Company and the Company does not count “Abstain” voting at the Meeting. However, the Company counts “Abstain” voting only when certain shareholders expressly indicate their intention to abstain.
- \*2: The number of voting rights of shareholders actually present at the Meeting whose indication for the relevant proposal could not be confirmed.
- \*3: The resolution for this proposal shall be adopted by a majority consisting of not less than two-thirds (2/3) of the voting rights held by the shareholders present and voting at the Meeting (including postal and electronic voting). Quorum of the resolution for this proposal is one-third (1/3) or more of the total number of voting rights.
- \*4: The resolution for each proposal shall be adopted by a simple majority of the voting rights held by the shareholders present and voting at the Meeting (including postal and electronic voting). Quorum of the resolution for each proposal is one-third (1/3) or more of the total number of voting rights.

###