



Management Policy for the Next Mid-term Plan

May 14, 2021

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Forward-looking Statements

- This presentation contains forward-looking statements concerning 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 mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax and other regulations, geopolitical risk, and natural disasters. Toshiba therefore wishes to caution readers that actual results may differ from our expectations. 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 risk.
- Toshiba's fiscal year runs from April 1 to March 31. All figures are consolidated totals for 12 months, unless stated otherwise.
- 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 (former Toshiba Memory Holdings, hereinafter "Kioxia") and is not provided any forecasted business results, Toshiba Group's forward-looking statements concerning financial conditions, results of operations, and cash flows do not include the impact of Kioxia.

Rebuild Trust: Improve Relationships with All Stakeholders

To Retain

**Basic Commitment of the
Toshiba Group, Purpose,
and Values**

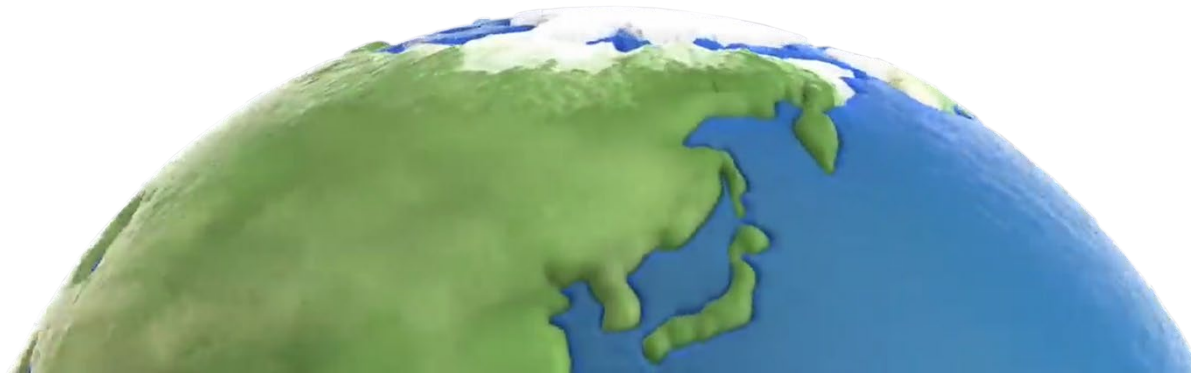
**The Concept of Toshiba
Next Plan**

To Amend

**Revise plans in response
to changes in the
environment**

To Improve Significantly

**Dialogue with
Stakeholders**



1.To Retain



Objectives of the Toshiba Next Plan

Improve Shareholder Value by Maximizing Corporate Value

Invest in Growth

- Develop new businesses
- Make investments to achieve organic growth

Manage Risk

- Maintain effective internal controls
- Avoid excessive risk taking
- Sustain Long-term corporate activities

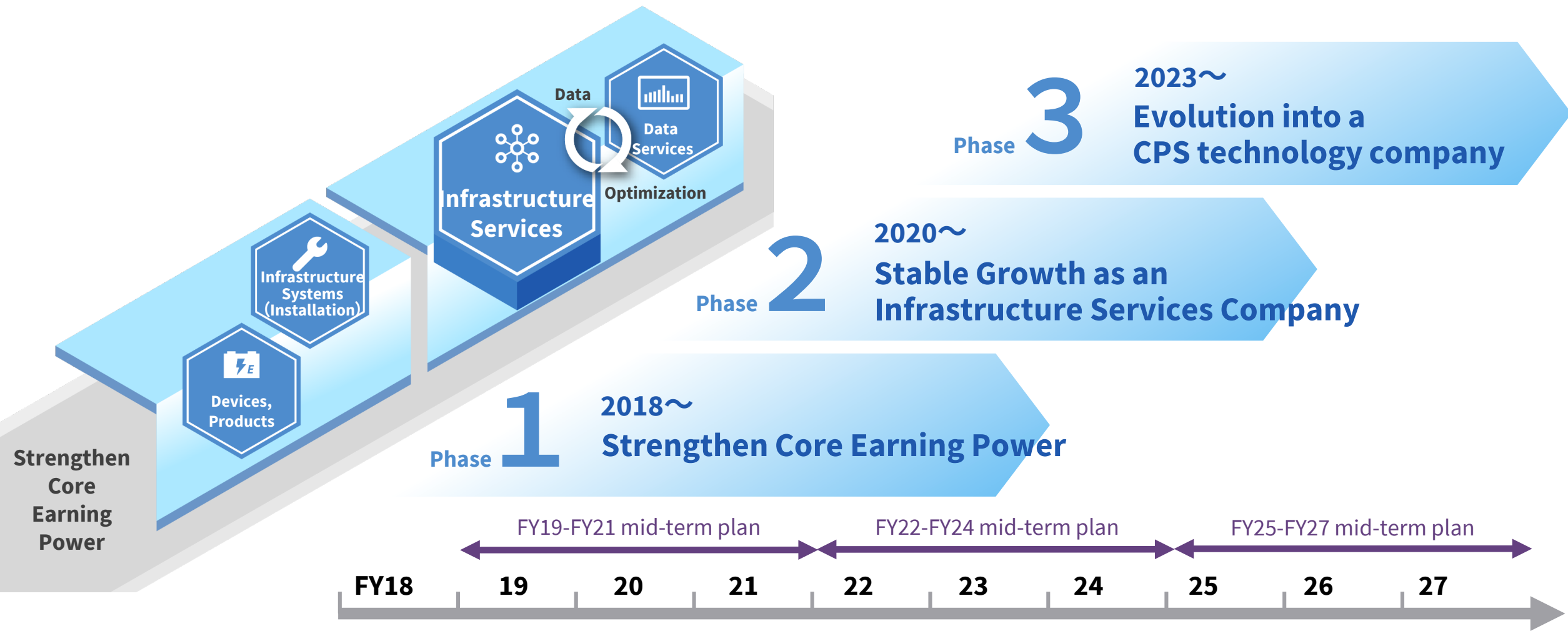
Enhance Core Earnings

- Strengthen core earning power
- Improve earnings structure by evolving into a CPS technology company

Enhance Total Shareholder Return (TSR*)

Overview of the Toshiba Next Plan: Growth in 3 Phases

**No change to basic direction;
will consider adjustments to reflect changes in the external environment**



Initiatives on Compliance and Governance

As a top priority of the management, continue initiatives to strengthen the internal control system

Efforts to Strengthen Internal Controls

Further improvement by suggestion from Compliance Advisory Meeting
Newly established Risk Compliance Office, promote group-wide activities
Enhance the whistle-blowing system globally
Manage compliance risk with zero tolerance

Advanced* Governance Structure

as a Japanese enterprise

Three Committees of Nomination, Audit, and Compensation each consist of independent outside directors.
Executive compensation is tied to mid- to long-term shareholder value enhancement.

* Toshiba's external Board ratio is 91%, while the Nikkei 225 companies average is approx. 30%.

Capital Allocation Basic Policy

Outline

Strengthen core earning power and focus investments in growth fields

Invested Capital

Shift business model from heavy capital to light capital

Growth Investment

Growth through organic growth and programmatic M&A rather than large-scale M&A

Cost of Capital

Use debt to finance growth and to optimize the cost of capital.

Maintain Shareholder Return Policy

Shareholder Return

Stable and continuous dividend payout through basic policy of average consolidated dividend payout ratio of at least 30%. Capital in excess of appropriate level of capital will be used to provide shareholder returns including share repurchase.

KIOXIA Share

Continue to evaluate alternative means to monetizing Kioxia shares, and intend to return a majority of the net proceeds to shareholders

2.To Amend

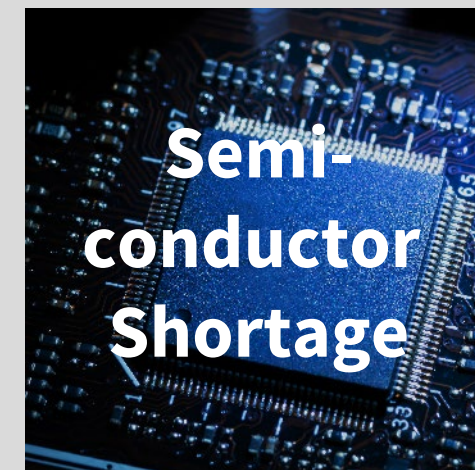


Revise plan to address changes in the environment

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**Consider COVID-19 impact, and emerging changes
in business and social structure**

**Economic
Fluctuation
Risk**



Contribution to Carbon Neutral Society

Targeted upfront investment in Toshiba Group technologies and solutions,
leveraging strengths to accelerate carbon neutral

Energy Creation

**Solar
Hydro
Wind**

Energy Conservation

**Power Semi-
conductor
Energy
Management**

New Technology

**New-type Solar
CCUS
Hydrogen**

Energy Matching

**Grid
Enhancement
VPP***
*Virtual Power Plant



Accelerate Growth in the Digital/Data Business

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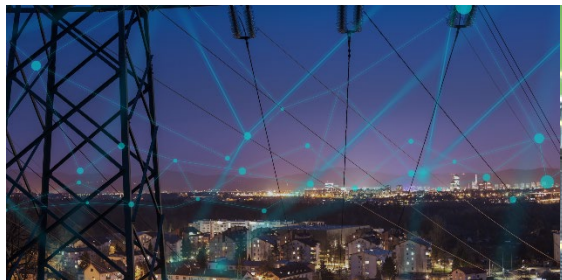
Address emerging demands driven by social change, utilizing our strengths in digital technologies and data

Energy Adjustment / Matching

Respond to social changes to realize carbon-neutral

VPP (Virtual Power Plant)

Established JV with Nest Kraftwerke, a major, established VPP Company in Europe



Quantum Security

Establish new standard network system for the quantum computing era

Quantum Key Distribution

Provide network service to realize secure data communication



Consumption Trends Big Data

Revitalize local communities by converting the data into something with value

Data matching PF

Measure advertisement effect using purchase data, enhance convenience for users of railway station and areas close by



Upcoming Schedule

Revise strategy including business portfolio by addressing changes in environment

Changes in Business and Social Structure

Economic
Fluctuation
Risk

COVID-19

US-China
Trade
Friction

Material
Price
Increase

Soaring
Transportation
Cost

Semi-
conductor
Shortage

Increased Momentum on Carbon Neutrality

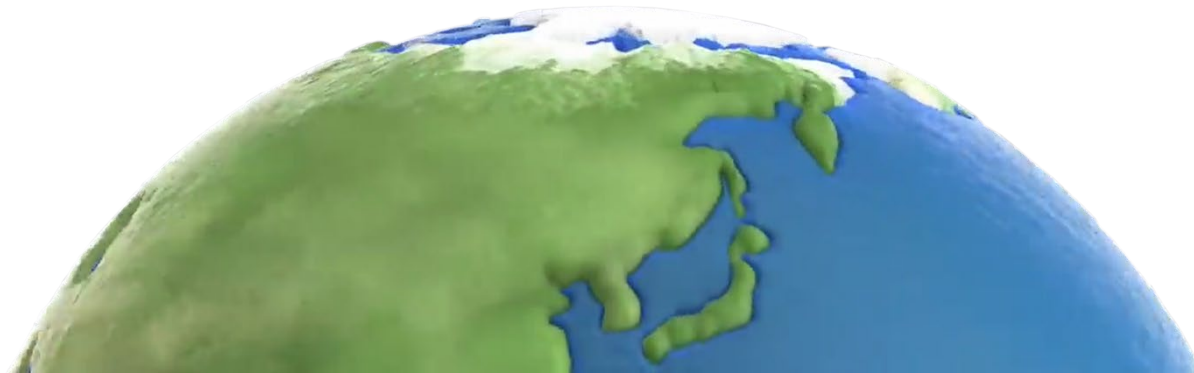


Accelerated Growth in Digital/ Data Business



Reflect in mid-term plan for FY22-24
(planned to be announced in October 2021)

3. To Improve Significantly



Rebuild Trusted Relationships with All Stakeholders

Taking action to drive change: Prioritizing dialogue with stakeholders to improve relationships

**Engagement with
Shareholders**

**Customers,
Suppliers
Business partners**

Employees
Foster a sense of unity

Society



Establishment of Strategic Review Committee

Further **enhance Corporate Governance.**

The Committee will comprise of the Chair of the Board of Directors of the Company as the Chair of the Committee, and **certain Outside Directors.**

The Committee shall undertake its actions, **independently from management** to support the Board in its decision making.

【Actions to be undertaken by the Committee】

- Engage in dialogue to listen to the opinions of shareholders, other stakeholders and outside experts;
- Verify the management's proposals on business and financial strategy while taking into due consideration the information gathered;
- Make recommendations to the Board regarding the Company's business and financial strategy, based on the Committee's conclusions;
- Explain the resulting Board resolutions to shareholders.

* As previously announced, the Board will seriously consider and evaluate any credible offers, objectively viewed, a bona-fide and concrete offer of acquisition. We believe that the process and content of such a proposal must satisfy our many stakeholders, including shareholders.

Direction for FY2021

Basic Policies for FY21 Outlook

Continue **to strengthen core earning power**, increase marginal profit ratio, and reduce fixed costs.

Meanwhile, **21 billion yen upfront investment** in growth areas.

Plan a budget with sufficient risk factors for each business reflecting changes in the environment.

Shareholder Return reflecting FY20 Results

FY20 year-end dividend of **70 yen, +30 yen increase** from the previous forecast.
(**annual dividend of 80 yen**, together with the interim dividend of 10 yen, **+60 yen increase** from FY19)

Moreover, capital in excess of appropriate level of capital after reflecting risk assets on the B/S, contingent liabilities, business plan etc. , this will allow **150 billion yen as additional shareholder return.**

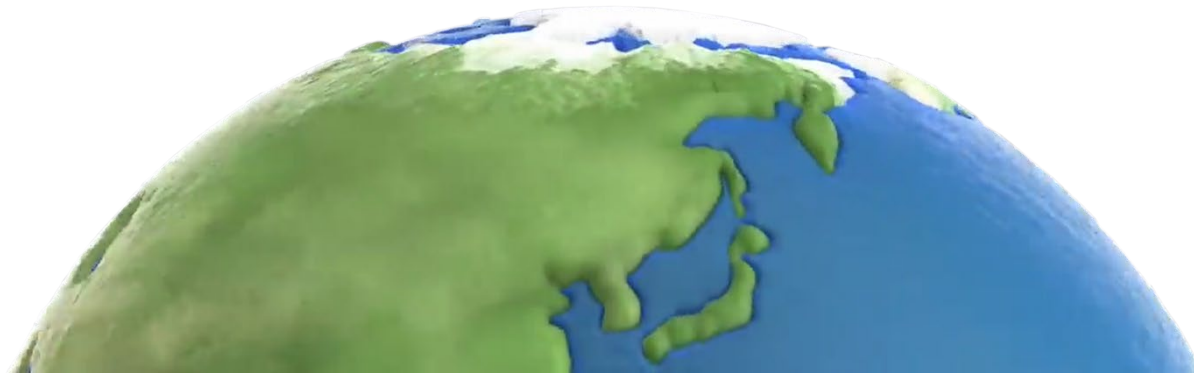
The Company will now consider specific methods for effecting the return, with consideration for factors including legal restrictions, and will announce its conclusions in early June.

For FY21 and beyond, we aim to increase dividend consistent with the basic policy of payout ratio of 30% or more.

A FY22-24 Mid-Term Plan that aims to maximize enterprise value through a revised strategy, including business portfolio

Quickly achieve stable management, and pass on to the next generation

**Committed to People,
Committed to the Future.**



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