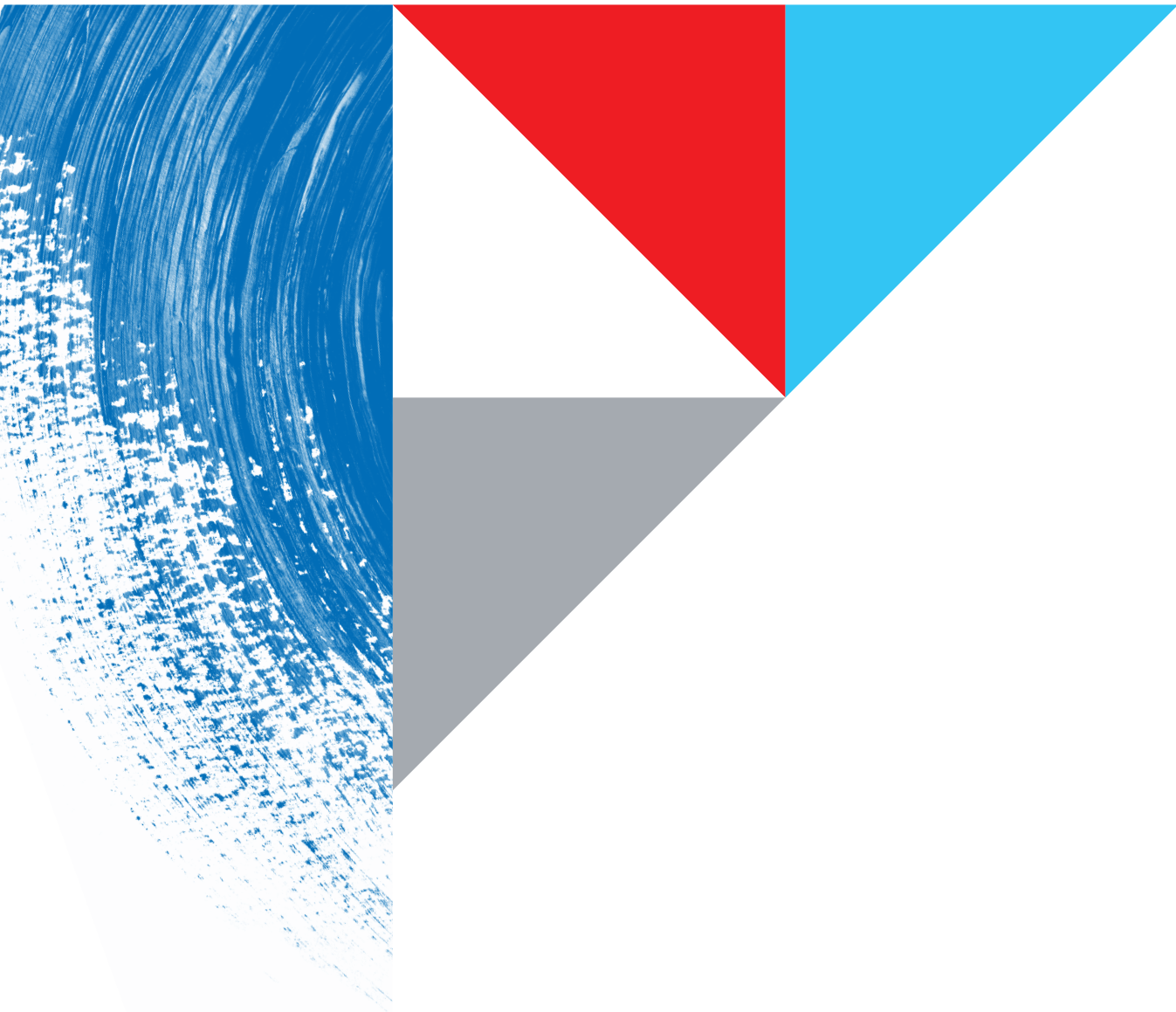


TOSHIBA

2019

Integrated Report

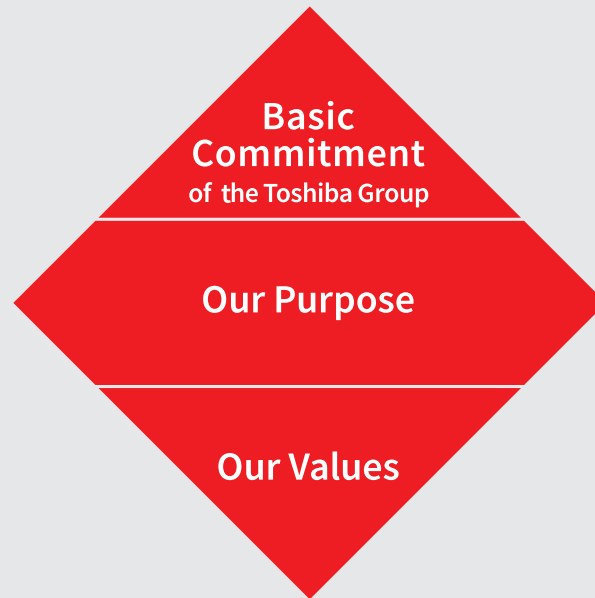
Year ended March 31, 2019



Committed to People, Committed to the Future.

The Essence of Toshiba

Toshiba Corporation introduces the “Essence of Toshiba” on July 1st, 2018.



The Essence of Toshiba illustrates our unwavering direction and values in all future corporate activities, and is the unifying force of Toshiba Group.

It comprises three components: Basic Commitment of the Toshiba Group, Our Purpose, and Our Values.

Basic Commitment of the Toshiba Group

Committed to People, Committed to the Future.

At Toshiba, we commit to raising the quality of life for people around the world, ensuring progress that is in harmony with our planet.

Our Purpose

We are Toshiba. We have an unwavering drive to make and do things that lead to a better world.

A planet that's safer and cleaner.
A society that's both sustainable and dynamic.
A life as comfortable as it is exciting.

That's the future we believe in. We see its possibilities, and work every day to deliver answers that will bring on a brilliant new day. By combining the power of invention with our expertise and desire for a better world, we imagine things that have never been – and make them a reality.

That is our potential. Working together, we inspire a belief in each other and our customers that no challenge is too great, and there's no promise we can't fulfill.

We turn on the promise of a new day.

Our Values

Do the right thing

We act with integrity, honesty and openness, doing what's right—not what's easy.

Look for a better way

We continually strive to find new and better ways, embracing change as a means for progress.

Always consider the impact

We think about how what we do will change the world for the better, both today and for generations to come.

Create together

We collaborate with each other and our customers, so that we can grow together.

CONTENTS

To Our Shareholders	02	CSR Management of Toshiba Group	
Business Model (Value Creation Cycle)	04	■ CSR Management	34
Message from the CEO	06	■ Message from the Executive in Charge of CSR	35
Financial and Non-Financial Highlights (Consolidated)	12	■ Active Participation in and Cooperation with External CSR Organizations	35
Message from the CFO	14	■ Stakeholders	36
Organization Structure	16	■ Material Issues	37
Business Review	17	SDGs Initiatives	38
■ Energy Systems & Solutions	18	Society	
■ Infrastructure Systems & Solutions	20	■ Respect for Human Rights	42
■ Storage & Electronic Devices Solutions	22	■ Employment and Labor Relations	43
■ Industrial ICT Solutions	24	■ Fair Evaluation and Talent Development	43
■ Others	25	■ Diversity Promotion	44
Segment Reclassification	26	■ CSR Management in the Supply Chain	45
Research & Development and Intellectual Property	27	Environment	
		■ Environmental Policy	46
		■ Environmental Management Structure	46
		■ Environmental Vision 2050	46
		■ Support of TCFD's Recommendations	46
		■ Reduction of GHG Emissions in the Supply Chain	46
		■ The Sixth Environmental Action Plan	47
		Governance	
		■ Corporate Governance	48
		■ Directors and Executive Officers	52
		■ Message from Chairman of the board of Directors	59
		■ Messages from Outside Directors	60
		Data Section	65
		Corporate History	77

To Our Shareholders

We are confidently and determinedly carrying out the Toshiba Next Plan, aiming to maximize corporate value and enhance shareholder value



Nobuaki Kurumatani
Representative Executive Officer,
Chairman and CEO



Satoshi Tsunakawa
Representative Executive Officer,
President and COO

Mr. Kurumatani: While it is often said that the lifespan of a corporation is about 30 years, Toshiba has for a very long period of more than 140 years contributed a great deal to society as it continued its business activities and further developed. Since I assumed the position of the CEO of Toshiba in April of 2018, I have visited all of the Company's many branches and plants and repeatedly engaged in dialogues with several thousands of our employees. Through these experiences I realized that the strength of Toshiba is not that of imitating what others are doing nor that of obtaining other companies' technologies through M&A; rather the strength of Toshiba is foremost that of being a technology company that throughout the many decades since the time of its founders has been characterized by a venture-type business model, based on its unique strengths in innovative technological development.

Mr. Tsunakawa: By carrying forward and re-emphasizing Toshiba's traditions and its venture spirit, we are totally dedicating all our efforts toward revitalizing Toshiba by capitalizing on our innovative technology development power as a driving force. In recent years, serious social problems such as energy shortages, depletion of essential natural resources and the growing awareness of the challenges posed by climate change are intensifying on a global scale. Focusing on the question of what the industrial model of the future will be, we believe that we are entering into a major period of transformation.

Mr. Kurumatani: When you look towards what the future will be like in 20 years, in both the cyber and physical worlds innovative technology development will take the lead, and we believe that we will see a new era where innovative technologies will have a very great impact on changing the social system. The business activities of Toshiba are at present still centered around hardware, but by fusing cyber technologies and physical technologies, we will contribute to society's further development, and at the same time, we will aim to transform Toshiba to become one of the world's leading CPS* (cyber physical systems) technology companies.

*CPS create added value by collecting vast amounts of data concerning such matters as technologies and customers in the real physical world, analyzing and processing these data in the cyber world through such measures as using digital technologies and making them into information and knowledge that are easy to use, thus creating value by means of a constant feedback loop between the cyber and physical worlds.

Mr. Tsunakawa: During FY2018, we carried out various measures to enable us to emerge from the severe business situation we were faced with. So far we were able to achieve a steady business prospect by cutting off the possibility of major future business risks by taking such steps as the selling of our memory business and our US LNG business as well as withdrawing from unprofitable businesses. In addition, issues with regard to the Company's balance sheet were resolved, and as a result, in effect we were able to realize debt-free management and set up a restructured business system that will lead Toshiba toward good future growth.

Mr. Kurumatani: In November 2018, we announced the Toshiba Next Plan, a systematic whole-company approach to management reform aimed at the rejuvenation of Toshiba. This Plan set numerical performance targets for the next five years up to FY2023 and established the directions and measures that will transform the entire company, putting its businesses on the path to realize solid future growth. The pillars of the Toshiba New Plan policy measures are "focusing on enhancing the earning power of core businesses" and "making intensive investments in growth areas." As measures to strengthen our core earning power, we are going forward with the systematic implementation of four crucial areas of reforms: (1) restructuring, (2) procurement reforms, (3) sales activities reforms and (4) process reforms. In addition, with regard to investment, we are carrying out investment focused on the business fields that we believe will directly lead to the achievement of income growth such as renewable energy generation, HVAC (heating, ventilation and air-conditioning) systems, power semiconductors, large-capacity HDDs for data centers and rechargeable lithium-ion batteries (SCiB™).

Mr. Tsunakawa: During the process of drawing up the Toshiba Next Plan we continually held extensive discussions with each business unit. The takeaways we gained from these many discussions are reflected in each of the measures being taken under the Toshiba Next Plan. With Toshiba Group united as one, we will move ahead with all of these measures, employing the high-speed PDCA (Plan-Do-Check-Action) cycle to identify new issues or delays at an early stage, and then we will proceed to consider new measures. Although we have decisively emerged from our severe business situation, we would like to achieve the new goals of the Toshiba Next Plan with the whole of Toshiba Group united as one and by strictly observing compliance.

Mr. Kurumatani: By assiduously carrying out the Toshiba Next Plan, Toshiba Group will strive to transform Toshiba Group to become one of the world's leading cutting-edge CPS technology companies in the medium to long term. Under our new, more broadlybased Board of Directors system, which consists of 10 outside directors among our 12 Directors with 4 of them coming from outside of Japan, we will aim to maximize corporate value and significantly increase shareholder value.

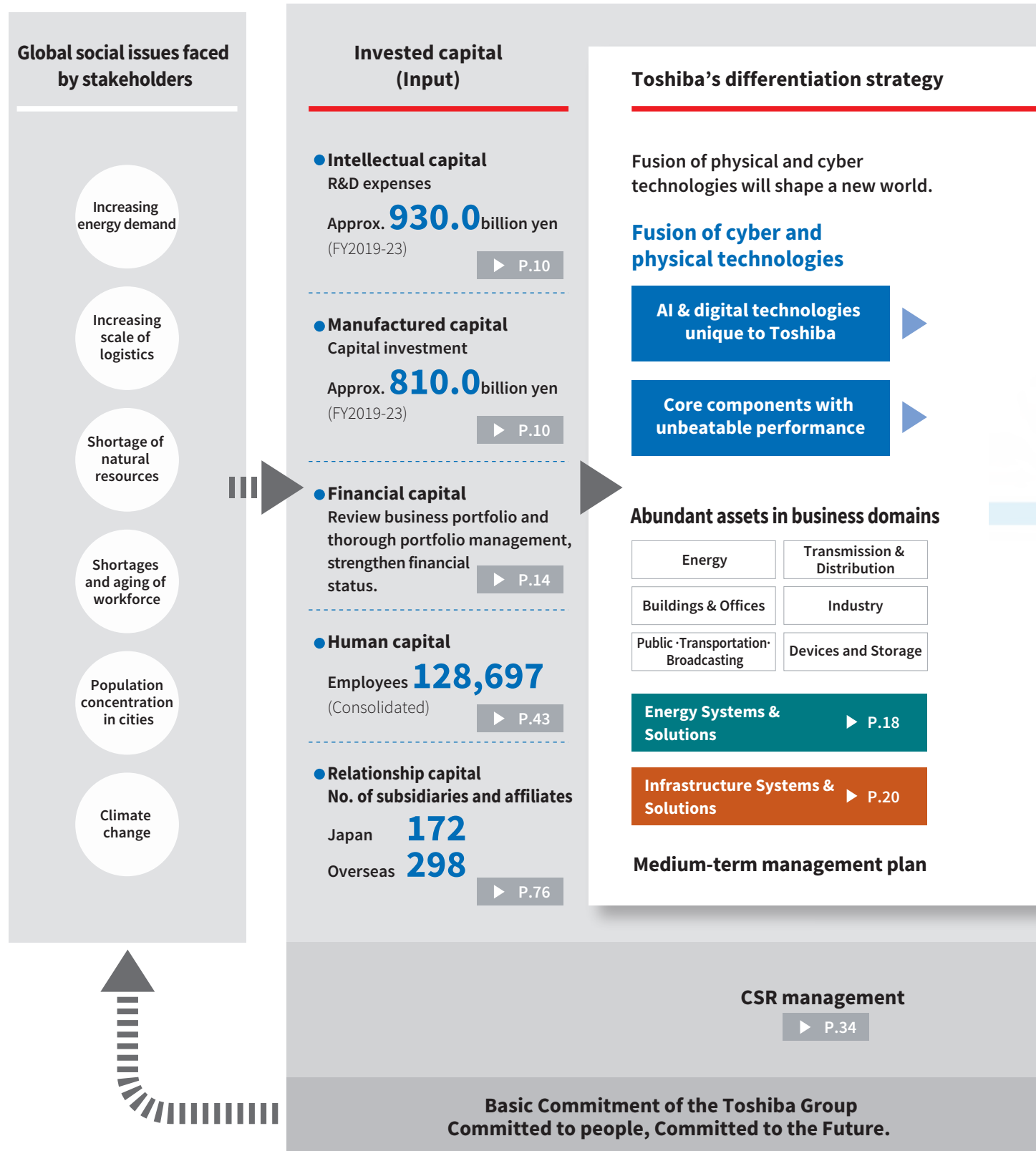
As a global excellent company, we would like to contribute to the achievement of the SDGs (Sustainable Development Goals) set by the United Nations General Assembly, and we ask again for your continued warm support and encouragement.

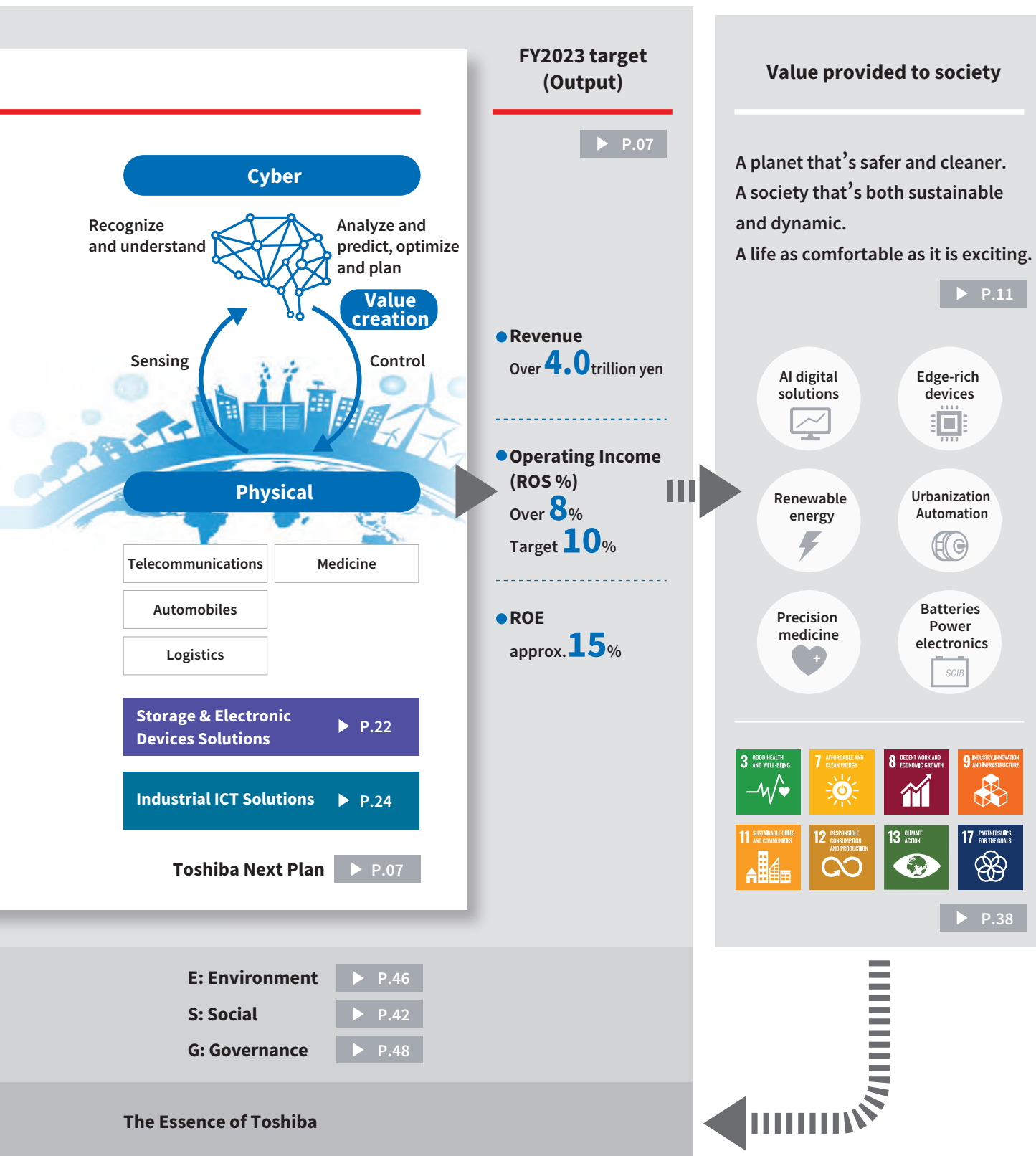
We will explain in detail on the following pages the various measures that are being taken in carrying out the Toshiba Next Plan.

September 2019

Business Model (Value Creation Cycle)

Toshiba Group Aims to Solve Social Challenges Through Its Business Activities.

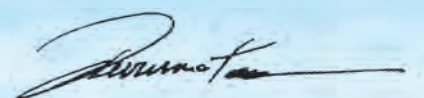




Message from the CEO

By assiduously implementing the Toshiba Next Plan, Toshiba Group is aiming to become one of the world's leading CPS technology companies, as we relentlessly work to strengthen our core earning power

Nobuaki Kurumatani
Representative Executive Officer
Chairman and Chief Executive Officer

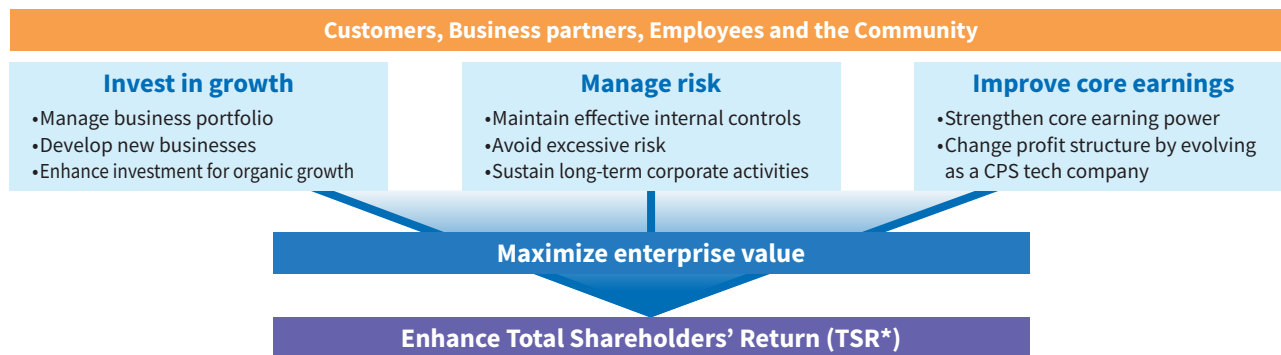


We announced the Toshiba Next Plan in November 2018, a systematic whole-company reform plan aimed at achieving the rejuvenation of Toshiba. The Plan shows in great detail the processes and timelines over the next five years for the attaining of Toshiba Group's business targets. So far, we have completed the sale of our memory business and recently we have completed the sale of our US LNG business. We have also withdrawn from such unprofitable businesses as home appliances, TVs and PCs. Furthermore, we were able to achieve firm business prospects by taking steps to avoid excessive risk by cutting off major business risks such as the overseas nuclear power construction business. In addition, we realized a stable shareholders' equity ratio of about 30%, achieved de facto debt-free management and resolved balance sheet issues. By carrying out such measures, we were able to create the conditions to be in a good position to carry out the rebuilding of the Company.

I would like to introduce an outline of the Toshiba Next Plan on the following pages.

1 Objectives of the Toshiba Next Plan

The basic objectives of our corporate activities as outlined in the Toshiba Next Plan are to enhance the potential of the Toshiba Group by maximizing enterprise value to generate value for our employees, customers, business partners and communities, as well as to enhance shareholder value. Based on our three major policies of “Intensively Investing for Growth,” “Strict Risk Management,” and “Strengthening Core Earning Power,” we will strive to maximize the value of Toshiba Group.



*TSR: Total Shareholders' Return. The overall yield and return on investment, including capital gain and dividends, received by shareholders.

2 Targets of the Toshiba Next Plan

By targeting an ROS of over 4% at the end of FY2019 and an ROS of over 6% at the end of FY2021, we plan to within three years recover our earning power to the top-class level of the industry. Within the five years envisioned by the Toshiba Next Plan, at the end of FY2023, the target is set at an ROS of 10%, which is the world's top-class level at present.

Aim to maximize enterprise value and TSR*1 through profitable growth				
	FY18 Forecast	FY19 Plan	FY21 Plan	FY23 Target
Revenue	3.7 T	3.4 T	3.7 T	Over 4.0 T
Operating Income (ROS%)	35.4 B (1.0%)	140 B (Over 4%)	240 B (Over 6%)	Over 8% Target 10%
EBITDA*2	113.9 B	220 B	340 B	—
ROE*3	—3% *Excluding discontinued business	—	—	approx. 15%

*1 The overall yield and return on an investment, including capital gain and dividends, received by a shareholder

*2 EBITDA = Operating income + Depreciation

*3 ROE excludes effects from non-continuing business and the sale of the Memory business in FY18, and as Toshiba is not provided with Toshiba Memory's performance forecasts and cannot calculate the impact from the Memory business, ROE forecasts of FY19 and after are not stated.

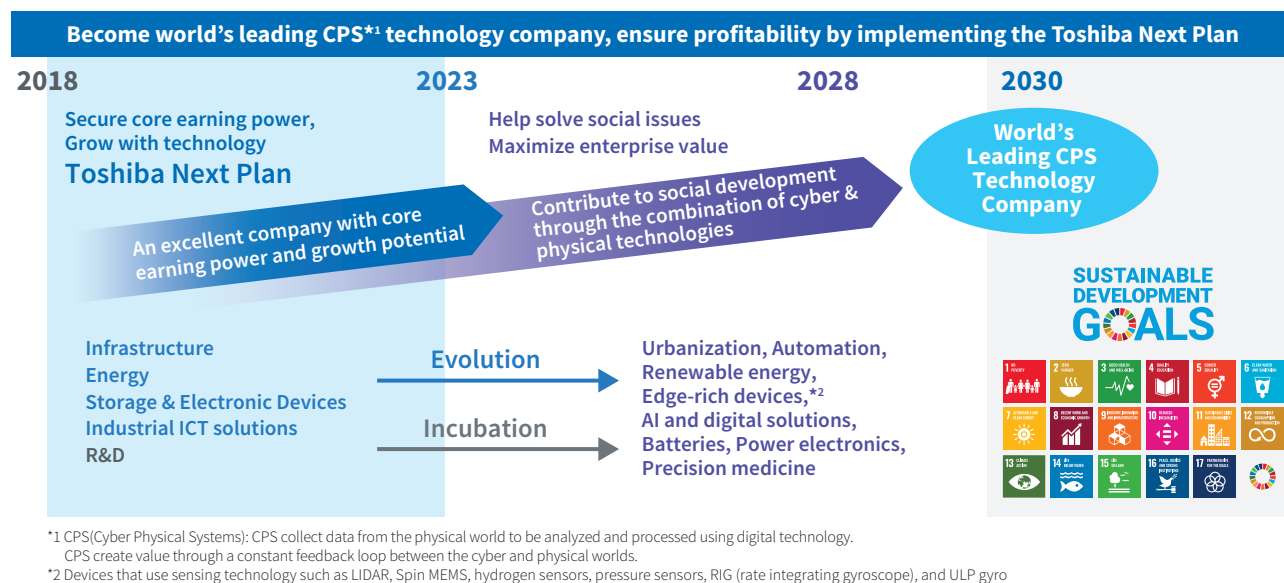
*All monetary figures are JPY

*Expected exchange rate : USD 1 = JPY 105, EUR 1 = JPY 125

3 Paradigm Shift to Become a World-Leader in CPS Technology

With regard to our business model, we will institute major innovative changes looking ahead to the future shape of the industry. When you look deeply at the prospective direction of change over the coming 20 years, it is clear that the structure of our business will experience an explosive advance brought about by the fusion of cyber technology and physical technology, and we believe that our principal business field of battle will become the business environment of cyber physical systems (CPS). CPS involves the collection of

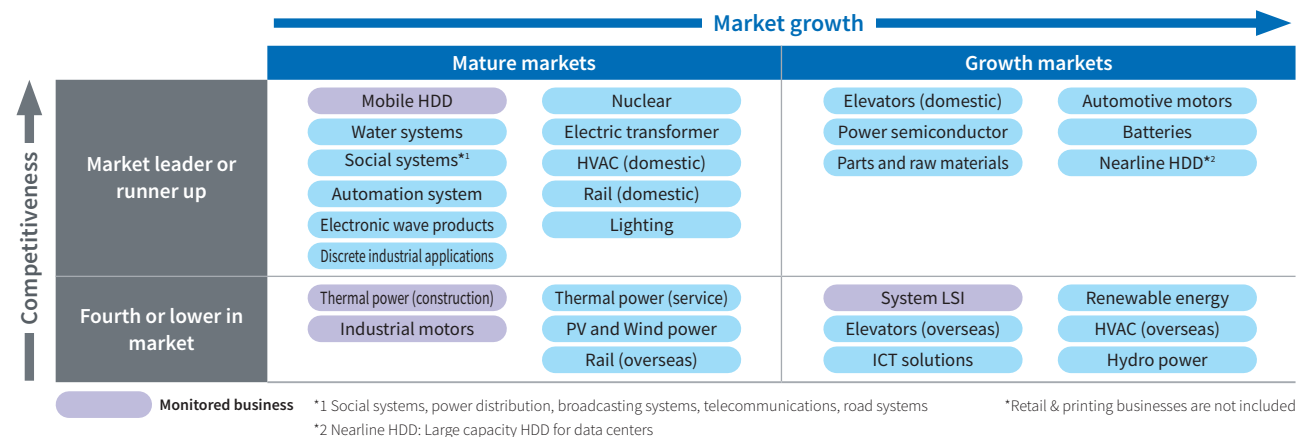
enormous amounts of data from the physical world to be analyzed and processed using digital technology, thereby creating value through a constant feedback loop between the cyber and physical worlds. In this environment, Toshiba Group will further strengthen our powerful technology development capabilities and capitalize on the expanding CPS business environment. We will strive to move ahead with our businesses with the target being to leap forward to become one of the world's leading cutting-edge technology CPS companies.



4 Executing the Toshiba Next Plan Through Selection and Concentration

As we implemented measures in order to exit from a severe business situation, we achieved the strengthening of our internal control management and corporate governance, and at the same time, since 2017 the obstacles posed by business risk factors have been removed by transferring Toshiba's memory business, taking a series of steps to strengthen the Company's financial base, bowing out of risks associated with our overseas nuclear power construction business, separating from the BtoC business, and withdrawing from the LNG business. With these measures, our financial structure has greatly improved and business volatility has been greatly reduced. As a result, Toshiba has significantly completed the processes of managing our business portfolio through the "selection" and "concentration" of our businesses, and we are decisively moving towards our planned stable business model.

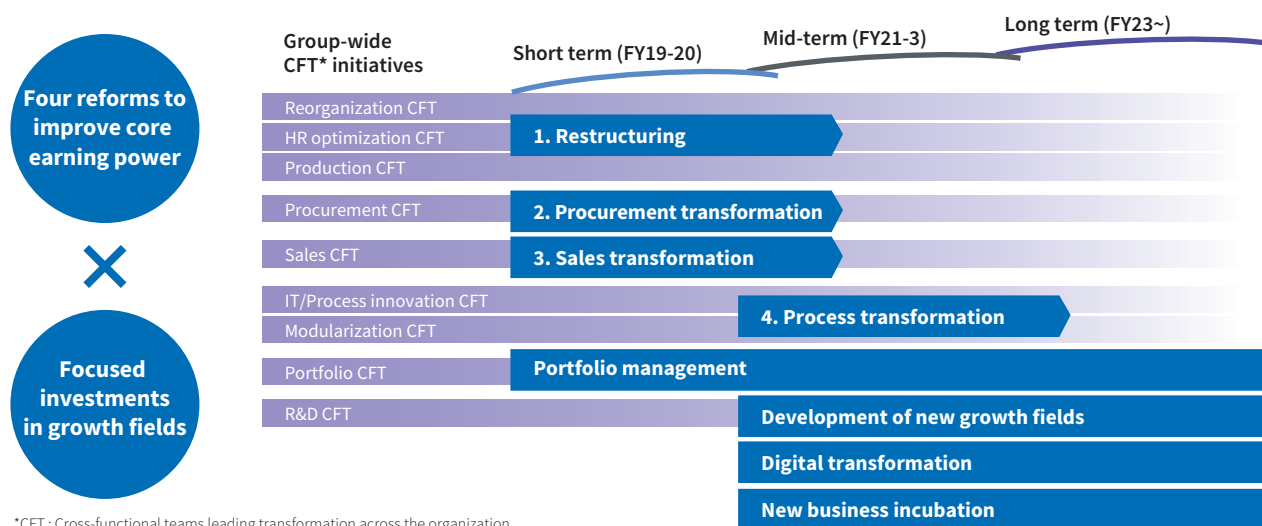
With regard to the businesses presently in our portfolio, we will strive to raise their earning power and aim to achieve more than a 5% operating income ratio in all of our businesses. In businesses where expansion is anticipated, we will focus on carrying out investments and fostering their growth. On the other hand, in those businesses in red figures or those businesses where market shrinkage is expected, we have put in place an action plan to improve margins through structural reforms, and we will strictly monitor the progress being made.



5 Summary of the Toshiba Next Plan Key Policies

In executing the Toshiba Next Plan, we are carrying out four comprehensive programs of reforms that are fundamentally designed to strengthen the core earning power of our businesses, and we will “concentrate investments on growth business fields” with the aim of fostering organic growth. As an important pillar of our business strategies we have set up 9 cross-functional teams (CFT) to back up our Group-wide reforms, and we are aggressively advancing the studies being carried out by these teams. The CFT’s mission is to support the transformation of our Business Units by transferring successful results and know-how within the Group and arranging collaborations among CFTs to create new value.

I would like to briefly explain the outline of these key reform policy measures.



Four reforms to improve core earning power

● Restructuring

First, I would like to emphasize that this reform is based on mitigating future risks by exiting non-focus businesses and optimizing production systems as well as workforce organization. Regarding optimizing our workforce, due to this business’ characteristics, we judged that it is not appropriate to adjust workforce levels all at once when striving to raise enterprise value by rationalizing fixed costs. By going forward with steps to improve our business efficiency and transform our IT system infrastructure, in five years we estimate that we will see a reduction in the workforce of about the 7,000 level, mainly through natural headcount reduction processes. We are implementing an early retirement incentive program in some sections of our departments. We are also carrying out a similar review with regard to our production bases, of which we plan to reorganize or close about 15%. In the case of our subsidiary companies, the number we are planning to reduce amounts to about a 25% reduction both in Japan and globally.

● Procurement Reform

It is known that in comparison with competitors our company’s cost rate is higher, and by reducing the cost rate, we believe there is surely much room for improvements in procurement. The Toshiba Next Plan allows for a cost reduction of about 65 billion yen (3%) in FY2021.

● Sales Reform

Although it is not included in the Toshiba Next Plan’s planned measures, under sales activities reform, in each business department careful investigations are being carried out in a like manner. We foresee about 30 billion yen in improvement opportunities by FY2021 in sales-related areas including sales costs and cost adjustments. In the case of large-scale projects, we are increasing corporate

audits of orders, and we will take measures to evaluate project order acceptance beforehand to prevent future risks at the stage of receiving orders.

● Process Reform

We will improve operations by reforming processes. Toshiba Group as a whole will carry out large-scale investments to standardize operations and advance digitization throughout the Group to develop the foundations to improve operational efficiency so as to increase sales per employee and the profit margin. In our plan for next-generation IT investment, we will phase out more than 80% of the current system, which consists mainly of silo-style working processes and systems, and our image of the future system features connected and unified working processes and systems encompassing the functions of sales, production, engineering, HR and accounting. In order to reduce operational costs, we will proactively utilize the cloud. In addition, through investment to reform engineering processes, we are studying deploying modular design in all of our business units. We plan to lower manufacturing costs by increasing the use of common parts to a ratio of 25%, reduce design man-hours and shorten lead-times. We are investing 110 billion yen to develop the IT infrastructure that will support Toshiba's transformation into a world-leading CPS technology company. We will visualize progress and goal realization by tracking all processes, from the input of ideas to securing results.

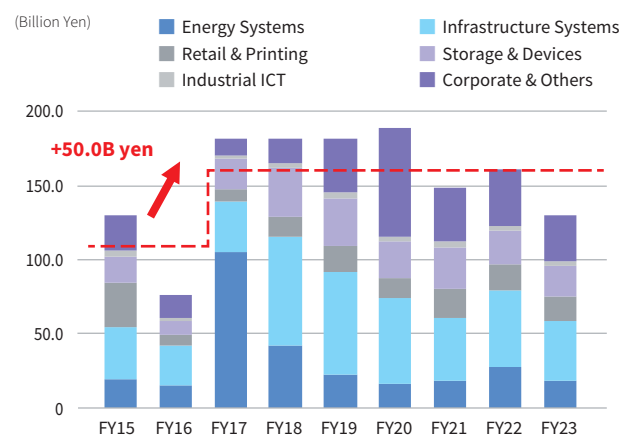
Concentrated Investments in New Growth Fields

Over the next five years we are planning capital expenditure of approximately 810 billion yen and R&D investments of approximately 930 billion yen in order to incubate and grow new businesses.

With regard to capital expenditure, in the past large investments were continually made in the memory business and sufficient growth funds were not distributed to other businesses. Based on the Toshiba Next Plan, we will increase capital expenditure by a total of about 50 billion yen annually, and at the same time, we will carry out concentrated investment in fields that are directly linked to profit growth such as renewable energy generation, HVAC/AC (heating ventilation and air-conditioning) systems, power semiconductors, large-capacity HDDs for data centers, lithium-ion rechargeable batteries (SCiB™), advanced regenerative and precision medicine and Toshiba SPINEX services with IT architecture that meets industry standards. In R&D investment, we will intensively input resources into the IoT (Internet of Things), a key area for our business model transformation, in addition to such growth business areas as renewable energy-related technologies, environmentally compatible products such as supercritical CO₂ turbines, rechargeable SCiB™, power electronics, power semiconductors, and large-scale HDDs, in order to carry out 10 to 20 years of future technology development. With these investments, we will generate future cash flows by expanding profit and at the same time nurturing new growth businesses.

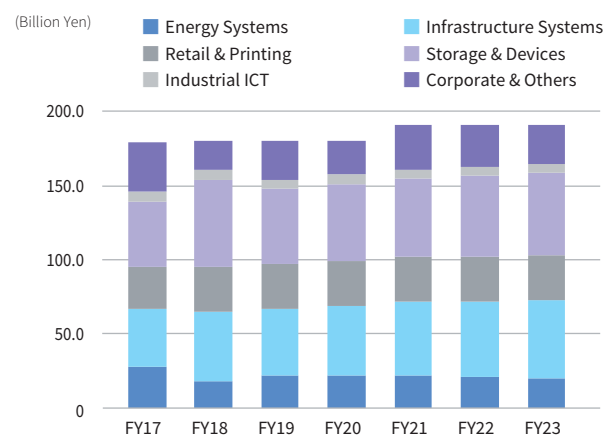
Capital expenditure and investments*

Total investment plan: JPY 810.0B (FY19-23) Order base



R&D investment*

Total investment plan: JPY 930.0B (FY19-23)



6 | Enhancing Total Shareholder Return

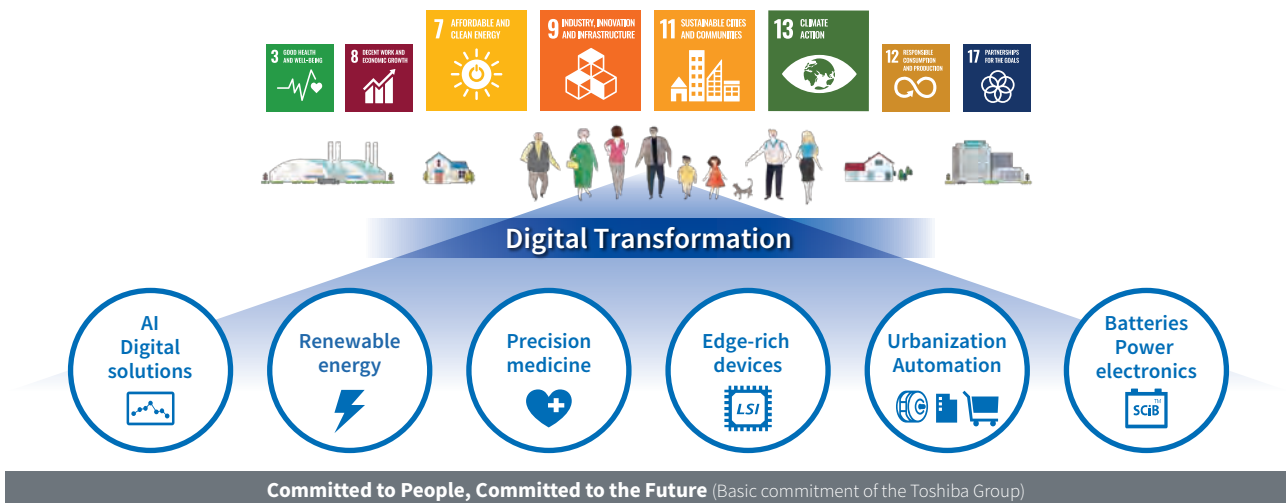
We announced in November 2018 our plan for the approximately 700 billion yen buyback of Toshiba shares. This is a very large sum; however, we are steadily progressing with the repurchasing of shares. Within five years from the start of the Toshiba Next Plan, Toshiba will aim to secure a planned average consolidated dividend payout ratio of 30% and carry out stable dividend payouts, and at the same time, Toshiba will enhance profit distribution to its shareholders, including through the buyback of its own shares, depending on the situation.

7 | Vision of Toshiba Group Going Forward

Toshiba Group's fundamental management philosophy is encapsulated in the main theme of the Basic Commitment of Toshiba Group: "Committed to People, Committed to the Future."

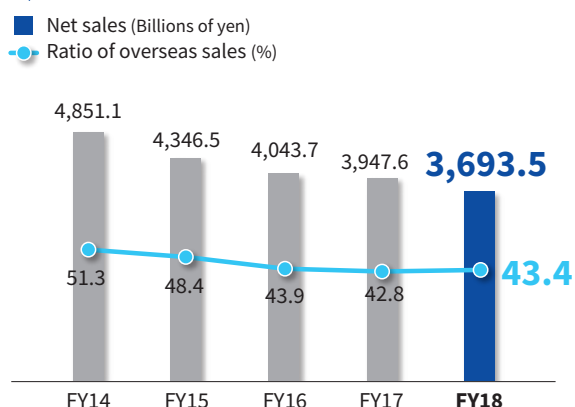
We have established a strong structure and system for realizing the Toshiba Next Plan. I am very impressed to see the determination and commitment throughout Toshiba Group to definitely achieve the goals of the Toshiba Next Plan, and our open-minded corporate culture strongly supports the healthy and sustainable growth model we have put in place.

Going forward, we will continue to aim to be a company that contributes much toward a sustainable society by intensely focusing on business areas that support people's lives and society.

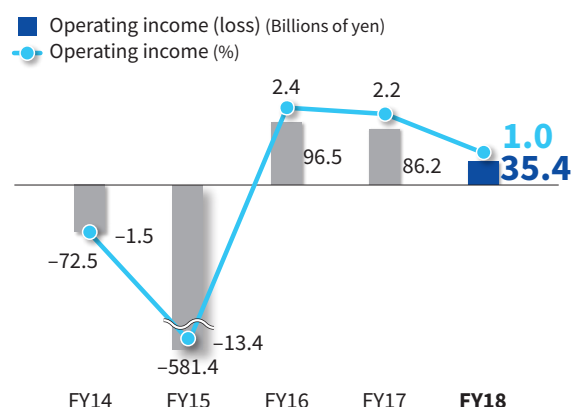


Financial Highlights (Consolidated)

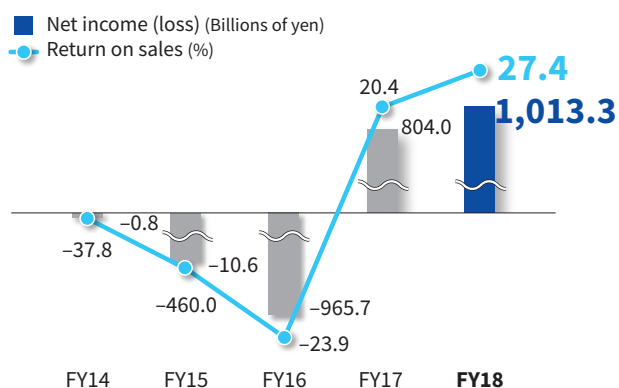
→ Please see the Data Section from P. 65 for Consolidated Financial Statements.



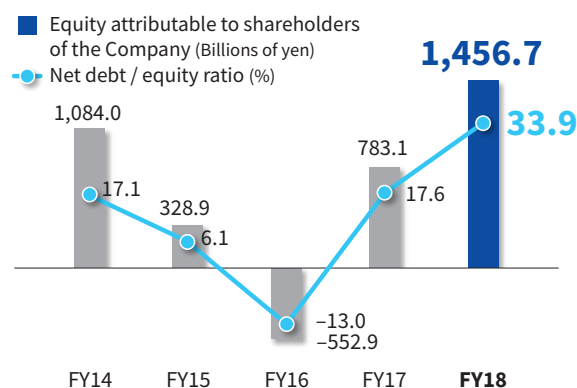
Overall sales decreased by 254.1 billion yen to 3,693.5 billion yen, due to the impact of the deconsolidation of Landis+Gyr and the PC business, and declines in sales in the Thermal Power Systems business and Transmission & Distribution Systems.



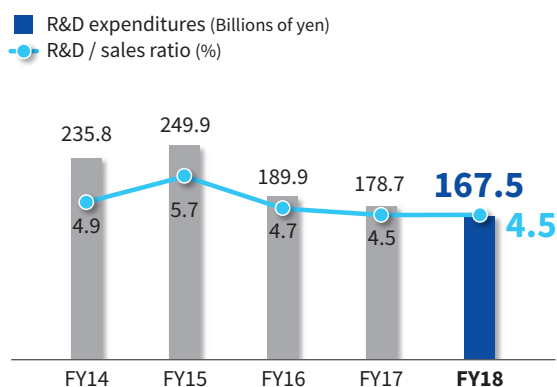
Despite higher operating income from Industrial ICT solutions and the deconsolidation of the PC business, operating income decreased by 50.8 billion yen to 35.4 billion yen due to deterioration in operating results in all business segments other than Industrial ICT solutions.



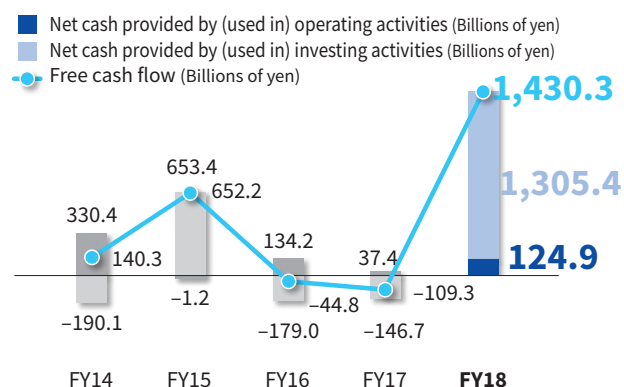
Net income increased by 209.3 billion yen to 1,013.3 billion yen mainly due to the sale of the Memory business.



The positive impact of the sale of the Memory business was balanced by the 399.8 billion yen used to repurchase Company shares for the purpose of shareholder return, resulting in an increase of 673.6 billion yen to 1,456.7 billion yen in equity attributable to shareholders of the Company. (Shareholder's equity ratio 33.9%)



R&D expenditures amounted to 167.5 billion yen, down 6% from the previous year. The R&D expenditure to sales ratio is 4.5%, the same as in the previous period.



Free cash flows improved by 1,539.6 billion yen to 1,430.3 billion yen positive, mainly due to improvement of investing cash flows from the sale of the Memory business (1,458.3 billion yen).

Non-Financial Highlights (Consolidated)

Total emissions of greenhouse gases (10kt-CO₂)

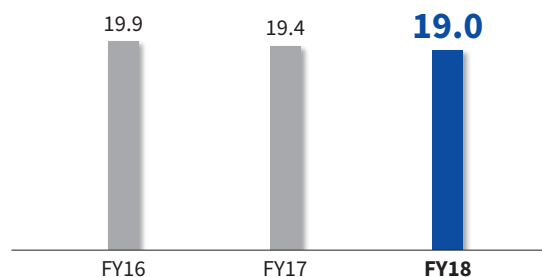


In FY2018, we reduced CO₂ emissions by 30,000 tons year on year through energy-saving measures that included the installation of PFC (perfluorocarbon) removal equipment and improvement of production efficiency.

Since the Great East Japan Earthquake, we have seen deterioration in the CO₂ emissions coefficient for electricity, a trend that is forecast to continue. However, we will go forward with our steady efforts to reduce emissions by investing proactively in high-efficiency equipment.

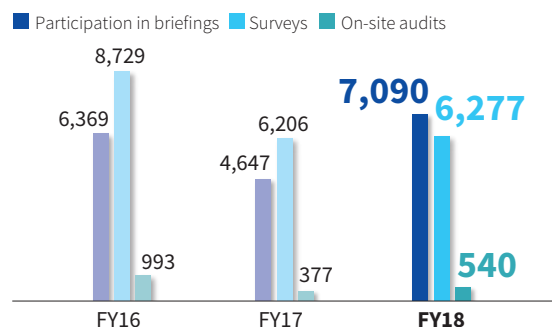
* The CO₂ emissions coefficient for electricity in Japan is based on 5.31 t-CO₂/10,000 kWh. Overseas electricity is based on the GHG Protocol data. GHG is an abbreviation of Greenhouse Gas.

Volume of water received (1,000 km³)



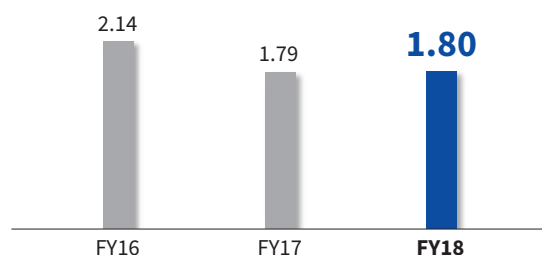
In FY2018, we cut the total amount of water received to 19,000,000 m³, a decrease of 400,000 m³ year on year, as a result of active measures, such as reuse of wastewater inside our production sites and the introduction of a system for rainwater use. We will continue to take such actions as reuse of wastewater and use of rainwater.

Number of suppliers covered by CSR survey
(Total number of companies)



Toshiba Group requests our suppliers to consider human rights, labor, occupational health and safety, as well as the environment, in their operations. We provide briefings on CSR management in the supply chain and monitor its implementation at business sites in Japan and overseas. In FY2018, we gave briefings on our policy to 7,090 companies, conducted CSR surveys in 6,277 companies and carried out on-site audits in 540 companies.

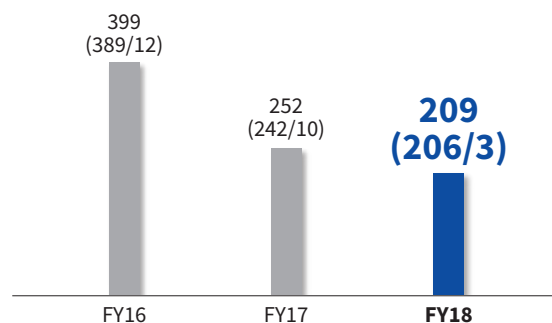
Expenditures on corporate citizenship activities (Billions of yen)



In FY2018, Toshiba Group conducted a wide range of social contribution activities around the world to support science and technology education, disaster recovery, sports and culture promotion, social welfare, healthcare, protection of the natural environment, and international exchanges programs and friendship. We will continue to conduct corporate citizenship activities by considering our contributions and effectiveness.

* Expenditures include cash contributions to support disaster recovery.

Number of reports received by whistle blower system
(Risk hotline)

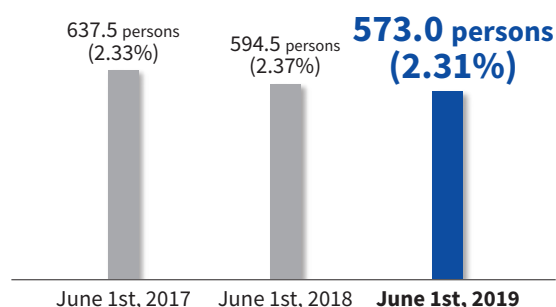


Toshiba Group notified employees about the existence of the system and its assurance of strict anonymity through e-learning, and also reported on whistleblower cases to the whole company on a number of occasions.

* (In-house contact / attorney's office)

* Including duplicate reports by the internal secretariat.

Percentage of employment of people with disabilities



As of June 1st, 2019, the percentage of employees with disabilities was 2.31% at Toshiba (including a special subsidiary company). Toshiba Group has also been making efforts to improve work environments for employees with disabilities.

Message from the CFO



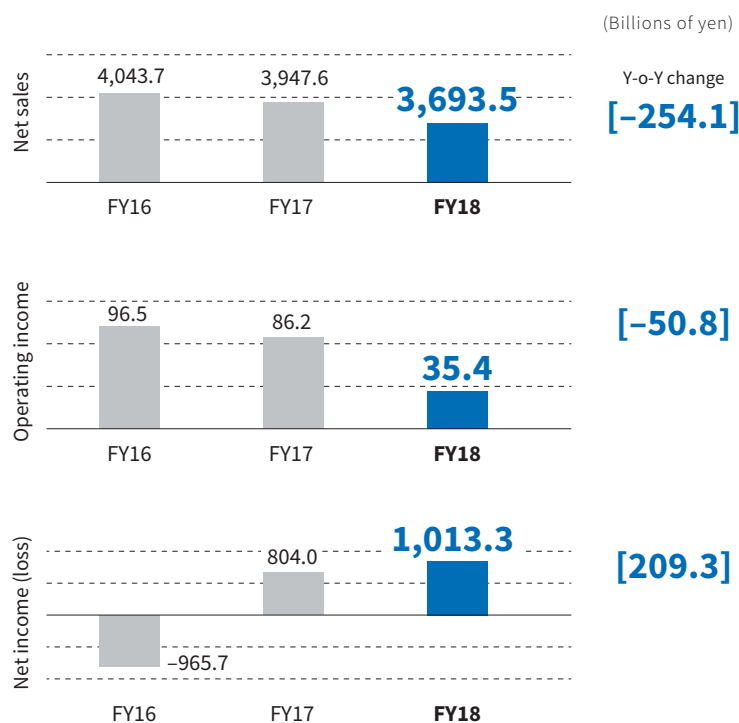
We will continue to do our utmost to maintain appropriate accounting practices and to maximize corporate value

Masayoshi Hirata
Representative Executive Officer
Corporate Executive Vice President

Performance and achievements in FY2018

In FY2018 Toshiba Group's net sales decreased by 254.1 billion yen from the previous year to 3,693.5 billion yen owing to the impact of the exclusion of Landis+Gyr from the scope of consolidation, lower sales in the Thermal Power Systems business, the Transmission & Distribution Systems business, and certain other businesses, and exclusion of the PC business from the scope of consolidation. Operating income was 35.4 billion yen, a decrease of 50.8 billion yen from the previous year. Although Industrial ICT Solutions reported higher operating income and exclusion of the PC business from the scope of consolidation had a positive impact, segments other than Industrial ICT Solutions reported lower operating income or an operating loss. Factors contributing to lower operating income included restructuring charges amounting to 16.6 billion yen and the scaling back of the emergency measures, including partial restoration of bonus payments, which had an impact amounting to 17.9 billion yen. Net income attributable to shareholders of the Company increased by 209.3 billion yen from the previous year to 1,013.3 billion yen. This increase was mainly owing to the recording of a gain from the sale of the Memory business.

Business Results



Initiatives to cut off the possibility of major future business risks and improve profitability

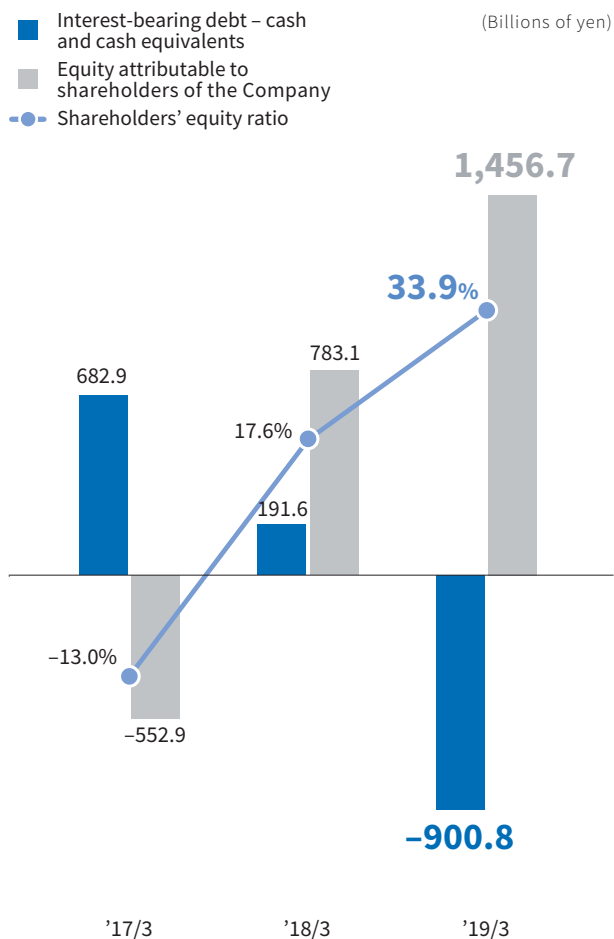
Equity attributable to shareholders of the Company as of March 31, 2019 was 1,456.7 billion yen (shareholders' equity ratio of 33.9%), having increased by 673.6 billion yen from the previous year, reflecting shareholder return due to share repurchases amounting to 399.8 billion yen while net income attributable to shareholders of the Company increased mainly owing to the recording of a gain from the sale of the Memory business.

As an initiative for the future, on June 1, 2019, Toshiba entered into a purchase and sales agreement / the Transfer of Toshiba America LNG Corporation, a consolidated subsidiary of Toshiba, to Total Gas & Power Asia Private Limited. The transfer was completed on August 30, 2019 and thereby we completed withdrawal from the LNG business, which we had categorized as a non-core business. At the same time, we have implemented measures in preparation for future risks, including stricter order-taking management emphasizing profitability.

In addition, in order to achieve the Toshiba Next Plan announced in November 2018, we are promoting further operational reform to secure the basis for reforms and are working to regain industry-leading earning power by inculcating the initiatives to strengthen core earning power, including procurement transformation, sales transformation, and restructuring, in the corporate culture.

Toshiba is promoting shareholder return, including payment of a special dividend of 20 yen per share in February 2019 and a year-end dividend of 10 yen per share in June 2019 and continuation of share repurchases up to 700 billion yen.

Financial Platform



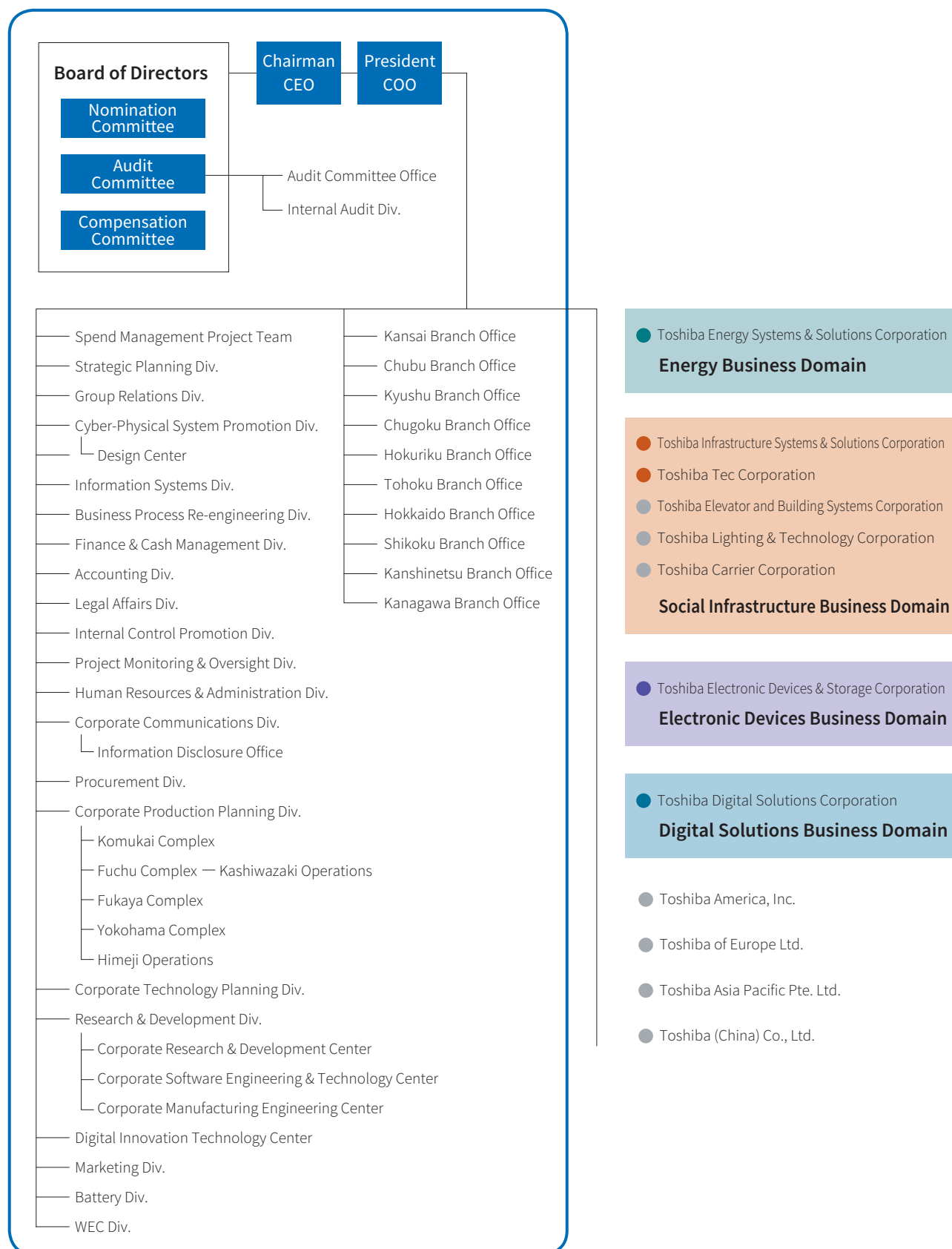
Maintaining appropriate accounting

Ever since the inappropriate accounting problem came to light in 2015, Toshiba has been improving its internal control management, including initiatives to ensure appropriate financial reporting. We continue to monitor these internal control management in an effort to maintain and strengthen them. In the accounting audit, Toshiba received an unqualified opinion concerning the result of its assessment that its internal control over financial reporting is appropriate. Moreover, the

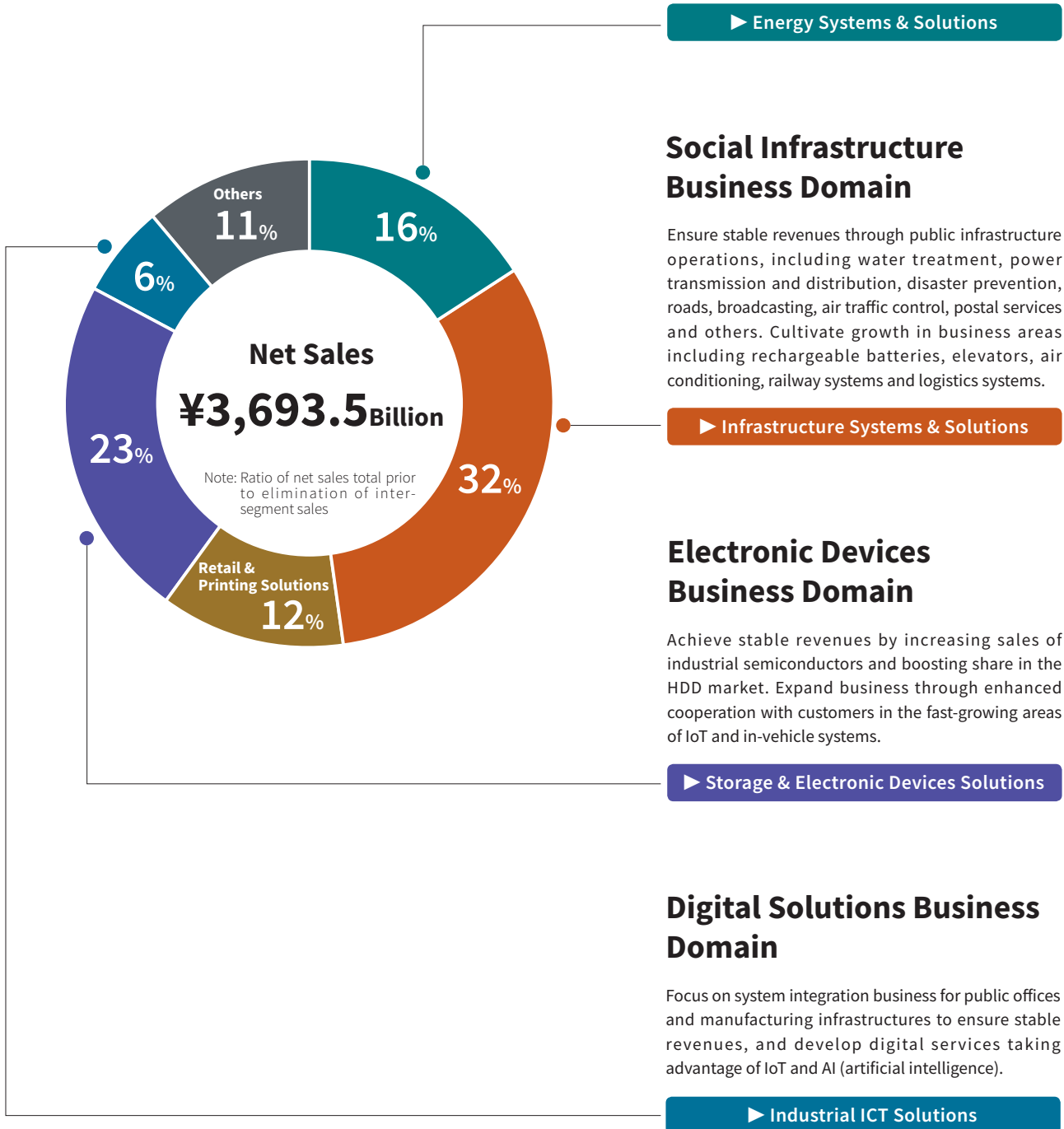
independent auditor expressed its opinion that the consolidated financial statements for FY2018 present fairly, in all material aspects, the financial position, financial performance, and cash flow status of the Company and its consolidated subsidiaries. We will continue to do our utmost to maintain appropriate accounting practices and to maximize corporate value.

Organization Structure (As of October 1, 2019)

TOSHIBA CORPORATION

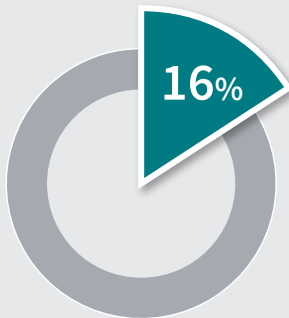


Business Review

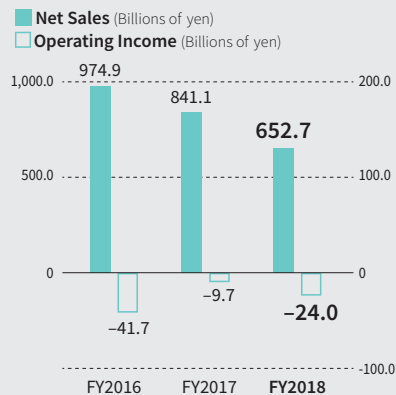


Energy Systems & Solutions

Net Sales by Segment



Net Sales / Operating Income



Main businesses (As of March 31, 2019)

- Thermal power generation systems
- Solar Photovoltaic systems
- Nuclear power systems
- Hydroelectric power generation systems
- Transmission & Distribution systems

Business Overview

The Energy Systems & Solutions segment saw lower sales of 652.7 billion yen, a 188.4 billion yen decrease from the previous year. Although Nuclear Power Systems recorded higher sales, Thermal & Hydro Power Systems and Transmission & Distribution Systems recorded lower sales, and Landis+Gyr was deconsolidated.

The segment as a whole recorded an operating loss of 24.0 billion yen, a deterioration from the previous year of 14.3 billion yen. Although Nuclear Power Systems achieved an increase in operating income and Thermal & Hydro Power Systems saw improvement, Landis+Gyr was deconsolidated and Transmission & Distribution Systems saw deterioration.

Building a new biomass power plant to strengthen the renewable energy generation business

Toshiba Energy Systems & Solutions Corporation made the decision, through subsidiary SIGMA POWER Ariake Corporation, to build two new 22,000 kW biomass power plants using imported palm husks as the primary fuel. SIGMA POWER Ariake Corporation, which operates power generation projects, already has the Mikawa Power Plant in Omuta City, Fukuoka Prefecture. The construction of the new plants adjacent to this plant will expand the existing business.

The Group aims to contribute to the spread of renewable energy, expand the Group's scope as a renewable energy generation business, and achieve a more stable power supply in future years, including optimally controlling virtual power plants that use multiple energy sources, such as renewable energy generation plants and storage batteries. Virtual power plants utilize IoT technology to link multiple power plants and storage battery facilities dispersed geographically. By connecting these entities through the Internet, this approach helps optimize supply/demand balance on the power grid, as if it were being done by a single plant.



Signing of a business location agreement with Omuta City for the construction of a new biomass power plant

Completion of additional construction on the Hokkaido-Honshu VSC HVDC connecting Hokkaido and the main island of Honshu

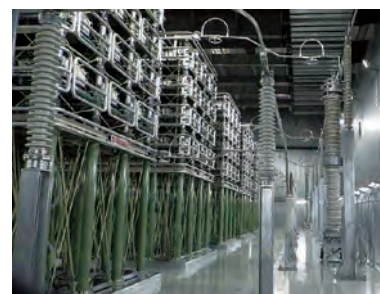
Hokkaido Electric Power Co., Inc. has started commercial operations of the New Hokkaido-Honshu high-voltage direct current (HVDC) link, for which the converter system for converting between AC and DC current was designed, manufactured, and installed by Toshiba Energy Systems & Solutions Corporation. This link uses an HVDC system that converts AC electricity to DC electricity, then transmits the DC electricity. It is Japan's first HVDC to use a

self-commutated converter, which can convert between AC and DC electricity without using power supplied from the grid receiving the power.

Hokkaido and Honshu had been connected with a 600 MW line-commutated HVDC system, but only 300 MW operation was available when the facilities were under maintenance activities. The new 300 MW HVDC interconnection link was installed to ensure 600 MW of interconnection capacity and stable power supply within Hokkaido at all times.

Using a self-commutated AC converter system provides features including being able to assist grid restoration and transmit power from Honshu to Hokkaido even during a blackout situation in Hokkaido (i.e., a “black start”), while the system also has fewer operating restrictions compared to a line-commutated system. Furthermore, this HVDC system contributes to lowering construction costs as it does not need reactive power equipment (which adjusts the power factor to maintain a nearly fixed voltage when loads fluctuate) or harmonic filters (which absorb harmonic current that occurs during AC/DC conversion and can negatively impact electronic devices).

The Group will continue using its accumulated track record to contribute to more robust power grid interconnections inside and outside Japan, as well as stable, wide-area power supply, through the Group’s high-quality products.



New Hokkaido-Honshu high-voltage direct current (HVDC) link started commercial operation.
(AC and DC current converter system)

Development of equipment to investigate deposits inside the nuclear reactor containers of Reactor 2 of the Fukushima Daiichi Nuclear Power Plant

Toshiba Energy Systems & Solutions Corporation developed a robot to reach and investigate deposits inside the nuclear reactor containers of Reactor 2 of the Fukushima Daiichi Nuclear Power Plant.

In February 2017, a robot developed by Toshiba Energy Systems & Solutions Corporation and the International Research Institute for Nuclear Decommissioning (IRID) was used to investigate and confirm the status of the interior of the nuclear reactor containers of Reactor 2 of the Fukushima Daiichi Nuclear Power Plant. Additionally, in January 2018, Toshiba Energy Systems & Solutions Corporation and IRID used a jointly developed device equipped with a highly radiation-resistant guide pipe and telescopic pipe to perform similar investigations of deposits inside the containers.

The tip of the robot used in the January 2018 inspection was modified with an exploratory finger in order to be able to touch the deposits. This development utilized the Company’s expertise fostered throughout previous inspections of nuclear reactor containers.

The February 2019 inspection using this device was successful in touching the deposits and, as a result, provided valuable information for the planned future removal of debris, such as melted reactor fuel, solidified on the bottom of the containers.

Going forward, the Group will continue to develop relevant technologies, thereby contributing to the initiative to decommission the Fukushima Daiichi Nuclear Power Plant.

Strengthening strategic collaborations for hydro, geothermal, and thermal power systems

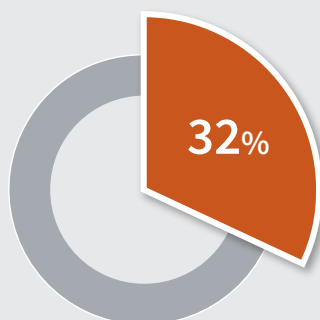
The Company signed a collaboration agreement with Power Construction Corporation of China, Ltd. (POWERCHINA), a major Chinese construction company engaged in energy, water, ecological, infrastructure, and real estate businesses. The agreement is to coordinate efforts in the areas of hydro, geothermal, and thermal power systems. To date, the two companies have been cooperating to exchange information and develop new projects in power generation businesses, especially in hydropower generation. The agreement will extend the scope of the cooperation to Toshiba Group’s other systems and equipment, and to cooperation in investments and arrangement of finances for projects to further expand businesses opportunities. The two companies will strengthen collaboration and combine POWERCHINA’s rich network, consulting capabilities, and construction track record with Toshiba Group’s highly efficient power generation systems, striving for further expansion in other countries outside China and Japan.



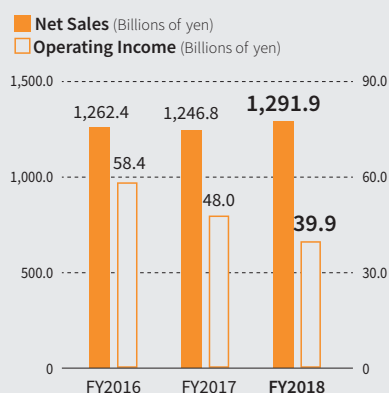
Exchange agreements at the Japan-China Third Country Market Forum

Infrastructure Systems & Solutions

Net Sales by Segment



Net Sales / Operating Income



Main businesses (As of March 31, 2019)

- Water supply and sewerage systems
- Environmental systems
- Broadcasting systems
- Road systems
- Electrical machineries
- Automatic railroad station equipment
- Elevators
- Light fixtures
- Industrial light parts
- Commercial air-conditioners
- Compressors
- Transportation equipment
- Industrial systems
- Battery systems

Business Overview

The Infrastructure Systems & Solutions segment saw higher sales of 1,291.9 billion yen, a 45.1 billion yen increase from the previous year, as Public Infrastructure, Buildings and Facilities and Railways and Industrial Systems saw increased sales.

The segment as a whole saw lower operating income of 39.9 billion yen, an 8.1 billion yen decrease from the previous year. Public Infrastructure saw an increase in operating income, but Buildings and Facilities and Railways and Industrial Systems saw lower operating income.

Demonstration experiment using a multi-parameter phased array weather radar (MP-PAWR)

As a measure for the Enhancement of Societal Resiliency against Natural Disasters promoted by the Cabinet Office of Japan as a Cross-ministerial Strategic Innovation Promotion Program, a research group including the National Institute of Information and Communications Technology and Toshiba Infrastructure Systems & Solutions Corporation developed the world's first multi-parameter phased array weather radar (MP-PAWR) and started using the system for experimental observations in July 2018.

The MP-PAWR uses a phased array weather radar that can capture 3D images of rain clouds in as little as 30 to 60 seconds, in addition to a weather radar that combines multi-parameter high-accuracy precipitation measurement functions. This allows for countermeasures against localized heavy rain from rapidly developing cumulonimbus clouds (so-called "guerrilla rainstorms"), while also being useful when hosting outdoor events, particularly in the summertime.

The research group has been able to use the MP-PAWR to predict guerrilla rainstorms as long as 30 minutes ahead of time and has commenced tests to send forecast information to citizens and municipal groups.



The world's first multi-parameter phased array weather radar (MP-PAWR)

Automatic parcel unloading robot

In order to help solve the logistics industry's urgent issue of labor shortages, Toshiba Infrastructure Systems & Solutions Corporation developed an automatic parcel unloading robot (de-palletizer) and deployed the robot, to popular appeal, at logistics sites starting in March 2018.

The robot uses proprietary image recognition technology to automatically sense how the loaded items are stacked, after which arms suction onto the tops and sides of parcels to move even heavy-weight items to a conveyor line.

Since the robot's productivity does not drop off due to fatigue, it can maintain efficiency during long-term operation. Furthermore, having the robot handle repetitive tasks and lifting of heavy items can lessen the burden on workers. It is designed in a compact form that can be installed on existing structures while taking up little space, and takes into account the need for safe operation in workspaces shared with humans.

High expectations for the robot have been indicated by logistics sites and further enhancements are targeted, including enabling it to handle parcel loading.



Automatic parcel unloading robot enable to cooperate with humans

Delivering railway devices (rail car inverters, etc.) using all-SiC components

Toshiba Infrastructure Systems & Solutions Corporation delivered to Tokyo Metro Co., Ltd. an electronic drive system, intended for new 2000-model trains on the Marunouchi line, that incorporates an inverter and a power source for emergency operation. The inverter uses all-SiC (silicon carbide) components made by Toshiba Storage & Electronic Devices Solutions Corporation and the power source uses SCiB™ rechargeable lithium-ion batteries.

Toshiba Infrastructure Systems & Solutions Corporation also delivered to West Japan Railway Company an all-SiC rolling stock control system for new 227-1000 model trains.

The Group has positioned power electronics, including all-SiC components, as a new growth business. All-SiC components have properties of high electrical conduction that allow them to conduct more current and enable operation at high temperatures, thus eliminating the need for a cooling mechanism. This lets them contribute to energy- and space-saving features that are expected to drive growth in their market going forward.



New 2000-model trains for the Marunouchi line of Tokyo Metro Co., Ltd. (left) and new 227-1000 model trains for West Japan Railway Company (right)

Growth in the SCiB™ rechargeable lithium-ion battery business

A storage battery system developed by Toshiba Infrastructure Systems & Solutions Corporation using SCiB™ rechargeable lithium-ion batteries received RAMS certification—European standard for rolling stock—while also achieving compliance with the highest safety integrity level of the RAMS standards. This is the first rechargeable lithium-ion storage battery system in the world to acquire RAMS certification.

Since future growth is forecast in this market, the Company will build a new SCiB™ production facility inside the Yokohama Complex to complement existing facilities at Kashiwazaki Operations. The new facility is slated to commence operations in October 2020 and is planned as a hub for product and manufacturing technology development, as SCiB™ is expected to see growth inside and outside Japan.

Additionally, Toshiba Infrastructure Systems & Solutions Corporation has agreed to collaborate with major US automotive battery manufacturer Johnson Controls Power Solutions in the area of lithium-ion rechargeable batteries for systems on board automobiles. In the US, these two companies will jointly engage in SCiB™ manufacturing and the development and manufacturing of on-board systems combining SCiB™ and lead-acid batteries.

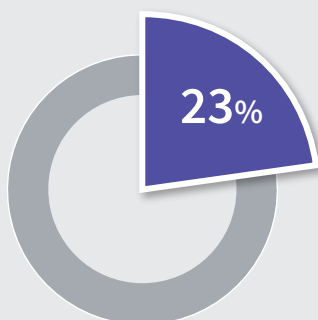
Through these measures, the Group will strive to further grow its rechargeable lithium-ion battery business, focusing on SCiB™ and the quick charging, long life, and robust safety advantages they offer.



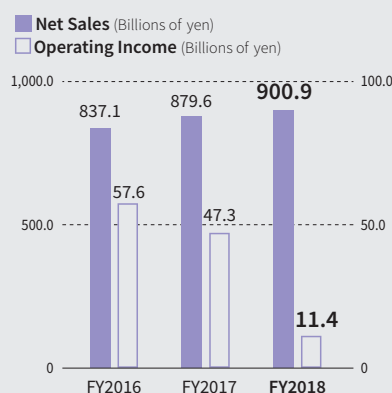
Advantages of SCiB™ rechargeable lithium-ion batteries

Storage & Electronic Devices Solutions

Net Sales by Segment



Net Sales / Operating Income



Main businesses (As of March 31, 2019)

- Power devices
- Image sensors
- Small-signal devices
- Logic LSIs
- Optoelectronic devices
- HDDs
- Mixed signal ICs
- Semiconductor manufacturing equipment

Business Overview

The Storage & Electronic Devices Solutions segment saw higher sales of 900.9 billion yen, a 21.3 billion yen increase from the previous year. Although Semiconductors saw decreased sales, HDDs & Others saw increased sales.

The segment as a whole saw lower operating income of 11.4 billion yen, a 35.9 billion yen decrease from the previous year, as each business saw lower operating income.

Launch of new series of power MOSFETs that contribute to achieving high efficiency with respect to power supply circuits

Toshiba Electronic Devices & Storage Corporation has developed commercial products with respect to its new series of power MOSFETs which are intended for data centers, and for industrial equipment power supplies such as power conditioners for solar power generators and uninterruptible power supplies.

The products in the new series feature heightened power supply efficiency in comparison with previous product lines in part by achieving less intra-product resistance, thereby facilitating high-efficiency switching power supplies that deliver stable feeds of direct current with minimal voltage fluctuation.

These products and other semiconductors that supply and control electric power are essential to enabling efficient use of power, and are consequently expected to encounter increasing demand going forward. Accordingly, Toshiba Group has positioned power electronics, including these products, as one of its new growth businesses. Meanwhile, this line of business has been experiencing consistently strong demand in recent years against a backdrop of developments such as increasing electrification of automobiles. To address such demand, we have been making investment to bolster production capacity centered on Kaga Toshiba Electronics Corporation, which acts as a major manufacturing base of Toshiba Electronic Devices & Storage Corporation's power device business.

The Group will help achieve progress in giving rise to a society oriented to energy conservation as it upgrades the product line in a manner tailored to market trends going forward.



New series of power MOSFETs "DTMOSVI" that contribute to achieving high-efficiency switching power



Kaga Toshiba Electronics Corporation as a major manufacturing base of the power device business

Shipment commences of samples of 16 terabyte (TB) Conventional Magnetic Recording (CMR) hard disk drive

Toshiba Electronic Devices & Storage Corporation has developed a helium-sealed Conventional Magnetic Recording (CMR) hard disk drive offering the industry's highest capacity 16 terabytes of storage, for use by data centers and other operations handling vast amounts of data, and has started shipping samples for functional evaluation.

The hard drive features nine disks in a 3.5-inch hard disk drive format, coupled with a helium-sealed design proprietary to Toshiba Electronic Devices & Storage Corporation, which is also a leading company in the 3.5-inch HDD field using the laser-welding technology of the Company's Corporate Manufacturing Engineering Center. In addition, the product offers improved functionality with respect to the magnetic recording layer of the disk and the data-recording head. As a result, it delivers a massive 16TB of storage, which is 14% more capacity than the Company's prior-generation 14TB models.

The Group will help to strengthen the foundations of the information-oriented society by actively developing products tailored to customer needs, including the high-capacity hard disk drives that data center operators will come to expect going forward.



Newly developed HDD "MG08" series
with 16TB storage capacity

Recipient of the 2018 Excellent Enterprise Award for Environmental Human Resource Development

Japan Semiconductor Corporation received the 2018 Excellent Enterprise Award for Environmental Human Resource Development (Environment Minister's Award).

Granted on the basis of Article 22-2 (2) of Japan's Act on the Promotion of Environmental Conservation Activities through Environmental Education, the Excellent Enterprise Award for Environmental Human Resource Development recognizes the need for corporate management to give consideration to the global environment and accordingly encourages companies to cultivate human resources (environmental professionals) who take action to such ends. The award was granted in recognition of Japan Semiconductor Corporation's initiatives taken with the aims of cultivating environmental awareness among its employees, connecting with society and making contributions in areas such as providing education on the Sustainable Development Goals (SDGs), having all employees engage in environmental conservation activities, and linking and coordinating with local companies, government administrations, universities and nearby residents.

Going forward, the Toshiba Group will accelerate its efforts to achieve the SDGs, while further striving to promote technological development and innovation in a manner that helps resolve social challenges.

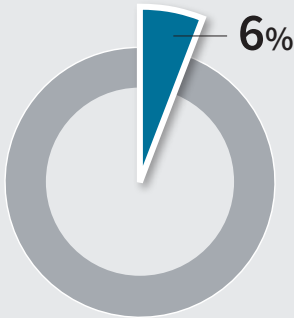
Development of measurement algorithms that improve resolution of range imaging in LiDAR for autonomous driving systems

Ensuring precise detection of vehicles, pedestrians, roadway lanes, signs and obstacles is an essential aspect of establishing practical technologies for autonomous driving. Toshiba Electronic Devices & Storage Corporation has for many years sold its Visconti™ processor that recognizes images using a camera, and is now encountering requests from companies seeking greater reliability in detecting obstacles and other objects. To accommodate such requests, the Company and Toshiba Electronic Devices & Storage Corporation have been developing semiconductor technologies related to LiDAR (Light Detection and Ranging) systems that capture three-dimensional images of an automobile's surroundings. LiDAR is a technology that measures the distance between an automobile and a target object by illuminating that target with laser light, and then sensing the reflected light. We simultaneously achieved long-distance measurement capabilities of up to 200 meters and high-resolution imaging in 2018. Meanwhile, Toshiba Electronic Devices & Storage Corporation has developed measurement algorithms that further improve on LiDAR resolution. In so doing, we have successfully attained no less than a twofold improvement in distance measurement resolution over long distances, in comparison with the Group's prior technology. In addition, we have been making progress in developing a highly sensitive, light-receptive silicon photomultiplier (SiPM). This makes it possible to more reliably detect obstacles and other objects by combining the outstanding object detection and recognition performance of Visconti™ with LiDAR-related technologies that excel in distance measurement and spatial resolution.

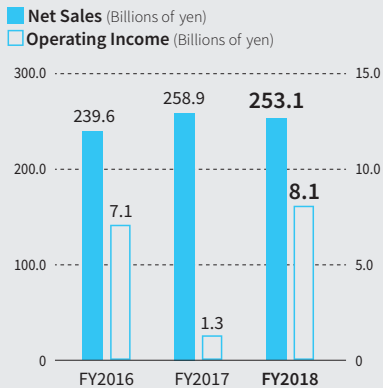
Having positioned automotive semiconductors as its core business, Toshiba Electronic Devices & Storage Corporation aims to release such offerings to the market early on, after developing applications of such technologies by 2020, with the aim of promoting the widespread adoption and commercial viability of autonomous driving.

Industrial ICT Solutions

Net Sales by Segment



Net Sales / Operating Income



Main businesses (As of March 31, 2019)

- IT solutions

Business Overview

The Industrial ICT Solutions segment saw decreased sales of 253.1 billion yen, a 5.8 billion yen decrease from the previous year, on the effects of selling affiliate companies engaged in sales of IT solutions and despite higher sales in system projects for the government and the manufacturing industry, and increased sales at affiliate companies.

The segment as a whole saw higher operating income of 8.1 billion yen, a 6.8 billion yen increase from the previous year, largely due to higher income from domestic system projects and the effects of reductions in fixed costs as a result of restructuring.

Partnership in the field of digital transformation

Agreement was reached for Mitsui & Co. Ltd. to invest in Toshiba Digital & Consulting Corporation with the objective of accelerating a digital transformation that will generate new value by promoting digitization, leveraging information communications technologies. In January 2019, Mitsui & Co. Ltd. accordingly acquired a 20% stake in Toshiba Digital & Consulting Corporation through a third party allotment of newly issued shares.

Toshiba Group and Mitsui & Co. Ltd. will, through Toshiba Digital & Consulting, accelerate digital transformation in the global market by co-creation, and will develop digital business to generate new economic value.

Launch of the SATLYSKATA™ service which makes it possible to readily initiate sophisticated AI analytics

Toshiba Digital Solutions Corporation will standardize its insights and commercially release SATLYSKATA™, an AI analytics service that is customized for specific purposes, thereby making it possible to readily initiate the SATLYSKATA™ sophisticated analytics service drawing on artificial intelligence (AI) and using insights gained from achievements in manufacturing attained thus far. As the first release, Toshiba Digital Solutions Corporation has started to offer two services, “SATLYSKATA™ Inventory Optimization of Maintenance Parts” and “SATLYSKATA™ Work Activity Estimation.”

SATLYSKATA™ Inventory Optimization of Maintenance Parts enables optimal inventory management by forecasting when and to what extent failures may occur using data on the failure histories for each maintenance component. SATLYSKATA™ Work Activity Estimation helps improve work efficiency by providing a visual portrayal of issues through estimation of worker activity at given points in time, based on acceleration data on worker arm movements captured using wristbands and other wearable devices.

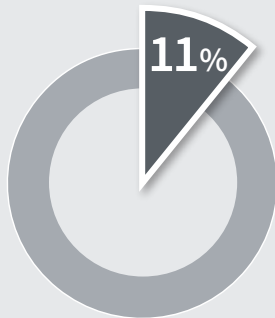
Going forward, Toshiba Digital Solutions Corporation will continue to improve its SATLYSKATA™ technology and expand application areas. Toshiba Digital Solutions Corporation will also improve the SATLYSKATA™ service line-up to ensure that it contributes to solving the various issues facing those in the industry realm, while also helping to accelerate their digital transformation.



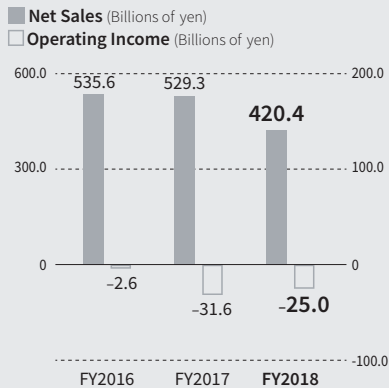
SATLYSKATA™ Inventory Optimization of Maintenance Parts and SATLYSKATA™ Work Activity Estimation

Others

Net Sales by Segment



Net Sales / Operating Income



Main businesses (As of March 31, 2019)

- Logistics service

Business Overview

The Others segment saw lower sales of 420.4 billion yen, a 108.8 billion yen decrease from the previous year, and an operating loss of 25.0 billion yen, an improvement of 6.6 billion yen from the previous year, as the transfer of the PC business was completed on October 1, 2018, resulting in the deconsolidation of the business in the third quarter of FY2018.

Business reorganization

As part of business selection and concentration aimed at building a small yet resilient head office structure, in April 2018, the Company transferred the business of Toshiba General Hospital to Midorino-kai, and in August 2018, it also concluded an agreement with SECOM CO., LTD., a major security company, to transfer 80.1% of the shares of TOSHIBA SECURITY GUARD CORPORATION, which operates security and related services. Toshiba General Hospital and TOSHIBA SECURITY GUARD CORPORATION have changed their names respectively to Tokyo Shinagawa Hospital and SECOM TOSEC Co., Ltd.

In October 2018, the Company transferred 80.1% of the shares of PC business operator Toshiba Client Solutions Co., Ltd. to Sharp Corporation in order to achieve continued development of the business by securing competitiveness in global markets and increasing its corporate value. The name of Toshiba Client Solutions Co., Ltd. has been changed to Dynabook Inc.

In addition, in March 2019 Toshiba Group transferred 95% of the shares of PT. Toshiba Visual Media Network Indonesia to Indonesian corporation PT Berca Indonesia after acquiring a stake in the entity from a joint venture partner.

Development of technology for visualizing gene activity of breast cancer cells

Breast cancers, the largest single cause of death of Japanese women in their 30s to 50s, have various pathological types and genomic subtypes, and determining appropriate treatment relies on accurate diagnosis. In diagnosis, the cells of breast cancer tissue collected from patients are usually used in a dead state because they are fixed with alcohol etc. However, this classification cannot recognize cell activity or changes over time.

Then, Toshiba develops technology for visualizing gene activity in live cells. After introducing encapsulated diagnostic DNA into a patient's living cells by using nano-sized liposome (a biodegradable liposome), applied our own molecular design technology, the diagnostic DNA converts the cell's gene activity into luminescence, and the produced light signal is monitored by the CMOS image sensor. This method enables observations on a single-cell basis over time and highly accurate diagnosis, and also developed using imposes much less stress on the patient, because it requires only a small amount of tissue.

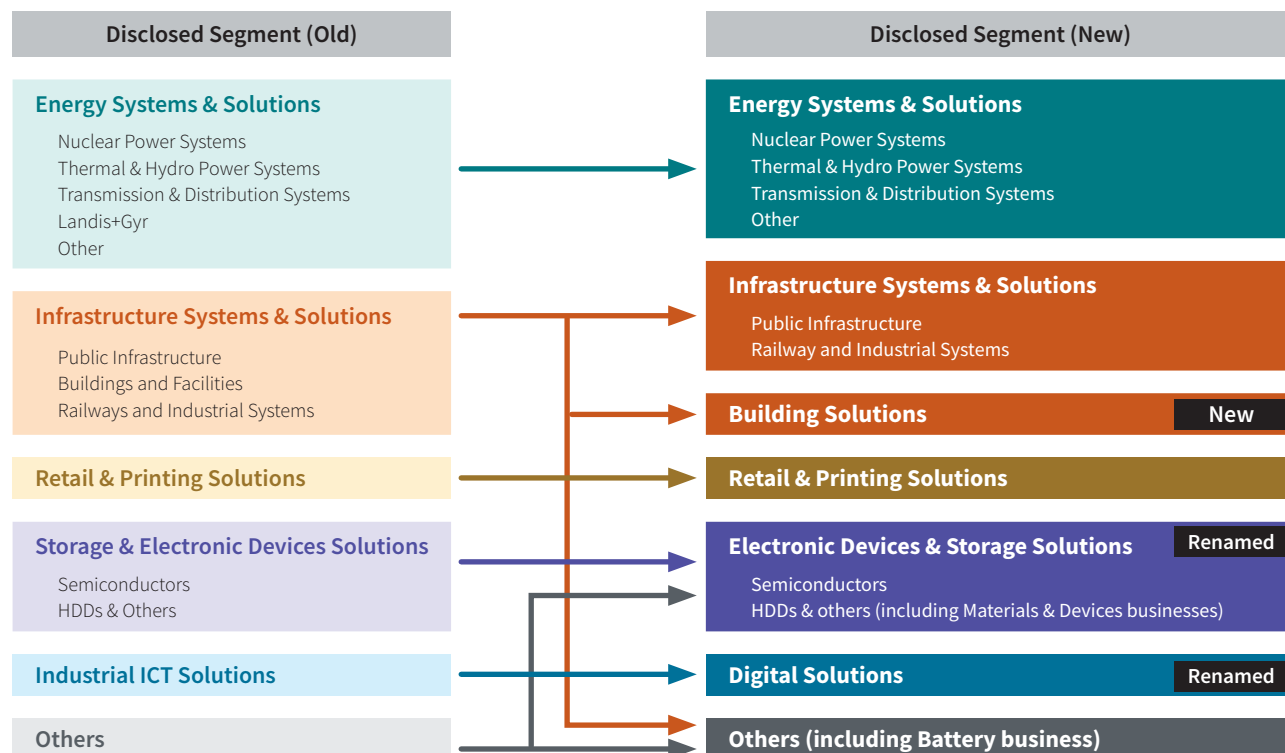
The Company regards precision medical treatment with ultra-early detection and personalized treatment as one of the new growth businesses in the future, and will contribute to the improvement of cancer treatment rate with this technology.



CMOS image sensor developed using our own molecular design technology (left) and Imaged breast cancer cells (right)

Segment Reclassification (effective as of April 1, 2019)

Implemented reclassifications in Building Solutions, Battery and Materials & Devices businesses



Introduction of new segment officers



Energy Systems & Solutions
Mamoru Hatazawa
 Toshiba Energy Systems & Solutions Corporation
 President and CEO



Building Solutions
Shinichiro Akiba
 Toshiba Corporation
 Representative Executive Officer
 Corporate Senior Executive Vice President
 (General Executive, Group Relations Div.,
 Procurement Div., Marketing Div., Branch Offices,
 Responsible for Building Solutions business)



Infrastructure Systems & Solutions
Takayuki Konno
 Toshiba Infrastructure Systems & Solutions Corporation
 President and CEO

Makoto Nakagawa
 Toshiba Elevator and Building Systems Corporation
 President and CEO

Toshiyuki Hiraoka
 Toshiba Lighting & Technology Corporation
 President and CEO

Toru Kubo
 Toshiba Carrier Corporation
 President and CEO



Electronic Devices & Storage Solutions
Hiroshi Fukuchi
 Toshiba Electronic Devices & Storage Corporation
 President and CEO



Digital Solutions
Hironobu Nishikori
 Toshiba Digital Solutions Corporation
 President and CEO

Research & Development and Intellectual Property

Research & Development

R&D Strategy

Toshiba Group contributes to a sustainable society by focusing on business domains that sustain modern life and society and create new value with reliable technologies.

In Energy Systems & Solutions, we promote stable supply and efficient use of conventional energy sources. We also contribute to the realization of a low-carbon society by providing technologies and services that generate, transmit and store clean energy, including hydrogen.

In Infrastructure Systems & Solutions, we provide highly reliable technologies and services to customers in a wide range of industries, including public infrastructure, buildings and facilities, Railroad and Industrial Systems, and battery business, in order to realize a safe and secure society.

In Storage & Electronic Devices Solutions, with a focus on building infrastructure for Big Data, we develop cutting-edge technologies for new semiconductor products and HDDs such

as storage, industrial and automotive applications, and IoT (Internet of Things).

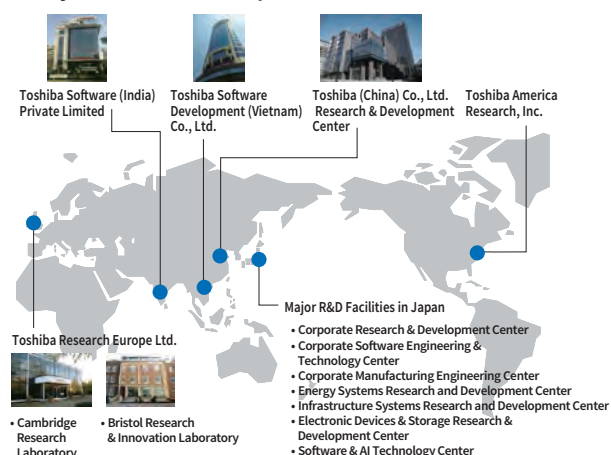
In Industrial ICT Solutions, we work with customers to create digital services that make the most of our industrial know-how and IoT and AI technologies.

At Toshiba, we are merging our experience and achievements in the physical fields of key devices and core components, cultivated over long years in the manufacturing sector, with cyber technologies centered on operations and services that utilize vast amounts of data, in order to promote the optimization of various products and systems. At the same time, we are also engineering our own “digital transformation” by utilizing IT systems to transform business processes inside Toshiba Group, and thereby build a firm position as a CPS technology company.

Global Research & Development

Corporate research centers – the Corporate Research & Development Center, the Corporate Software Engineering & Technology Center, and the Corporate Manufacturing Engineering Center—bring together Group-wide capabilities to pursue R&D in basic technologies. Outside Japan, we have R&D facilities in the United States, Europe and China, and software development centers in India, China and Vietnam. These organizations are accelerating cutting-edge R&D, working with the technology development divisions in our worldwide business units.

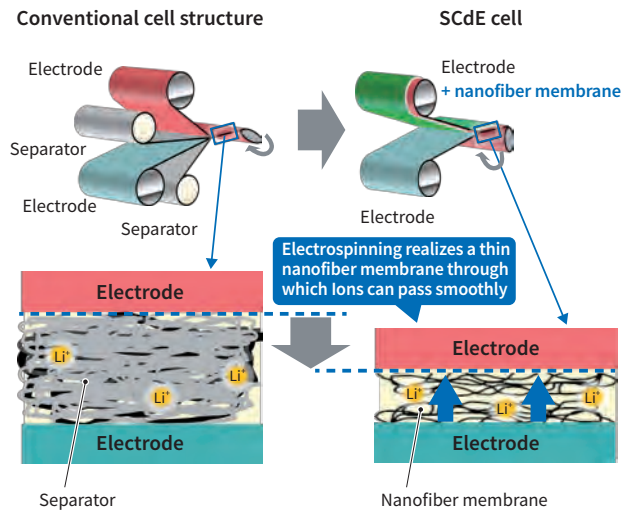
Major R&D bases in Japan and overseas



■ SCiB™ Battery with New Structure Applying Nanofiber Membranes Produced by Electrospinning

Toshiba has now established a high-speed nanofiber membrane production technology using an electrospinning method and applied the fabricated nanofiber membranes to the development of an SCiB™ rechargeable battery with a new electrode structure*¹. The skin-coated electrode (SCdE) is a novel electrode covered with an extremely thin resin nanofiber membrane. Using the SCdE, we have realized a separator-free battery design with a minimal distance between the anode and cathode. The use of the SCdE not only improves the input/output power of the SCiB™ battery but also increases its capacity per volume. In the case of the high-output-power 10 Ah SCiB™ battery, the SCdE helps to boost the output power from 1800 W to 2200 W. Furthermore, the application of our electrode coating technique to the SCdE makes it possible to reduce the internal resistance of the battery by approximately 40% compared with the conventional SCiB™. Our tests also showed that the SCiB™ battery with the new structure maintains more than 95% of its capacity after 8000 charge-discharge cycles. The new SCiB™ battery thus provides an advantage in terms of long life in addition to high-input/output power and high energy density. Our next step is to achieve practical application of the new SCiB™ battery and expand its application to vehicles, railway systems, and stationary devices.

Comparison of conventional and SCdE cell structures

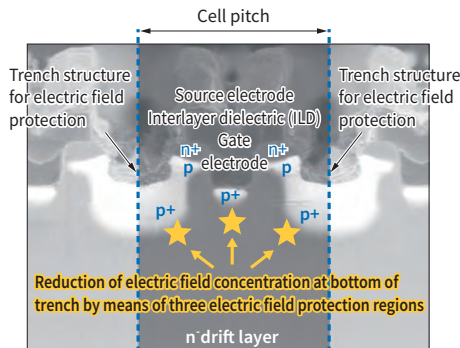


*1: This work was partly supported by a New Energy and Industrial Technology Development Organization (NEDO) program.

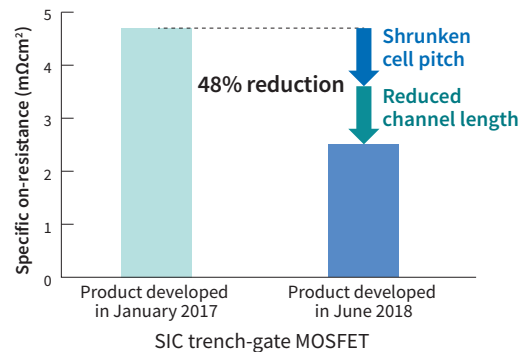
■ SiC Trench-Gate MOSFET Realizing Reduction in Electric Power Loss

Silicon carbide (SiC) power devices help to increase the efficiency and reduce the size of power converter systems for railway vehicles, EVs, and other applications. To address these needs, Toshiba has developed an SiC trench-gate metal-oxide-semiconductor field-effect transistor (MOSFET) switching device with the industry's lowest-class on-resistance*². The forming of a trench gate on the wafer surface of an SiC MOSFET can be expected to reduce its on-resistance compared with a conventional planar-gate MOSFET. However, there is concern that the large electric field concentration produced at the bottom of the trench might reduce device reliability. To solve this problem, we have developed a unique device structure with three self-aligned electric field protection regions per unit cell around the trench. The newly developed SiC trench-gate MOSFET has achieved a specific on-resistance of 2.5 mΩcm², 48% lower than that of a conventional MOSFET, and consequently a reduction in electric power loss, owing to the shrinkage of the cell pitch and reduction of the channel length (i.e., the electron path acting as a switch). This work was partly implemented under a joint research project of Tsukuba Power Electronics Constellations (TPEC).

Cross-sectional structure and reduction in specific on-resistance of newly developed SiC trench-gate MOSFET



n+: heavily doped n-type semiconductor
n-: n-type low-impurity-concentration semiconductor
p: p-type semiconductor
p+: heavily doped p-type semiconductor

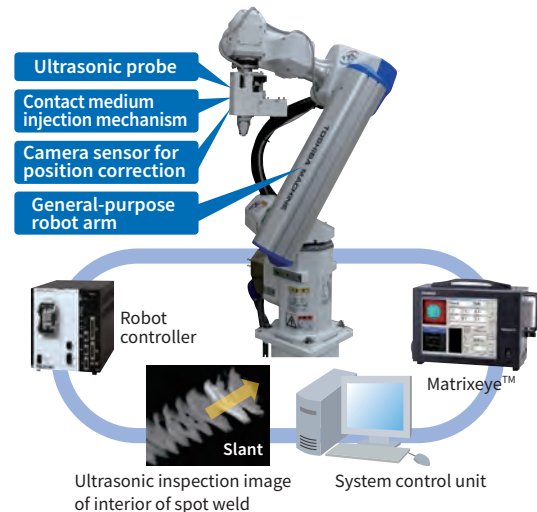


*2: As of December 2018 for 1.2 kV-class MOSFETs (as researched by Toshiba Corporation)

■ Ultrasonic Spot Weld Inspection Robot System

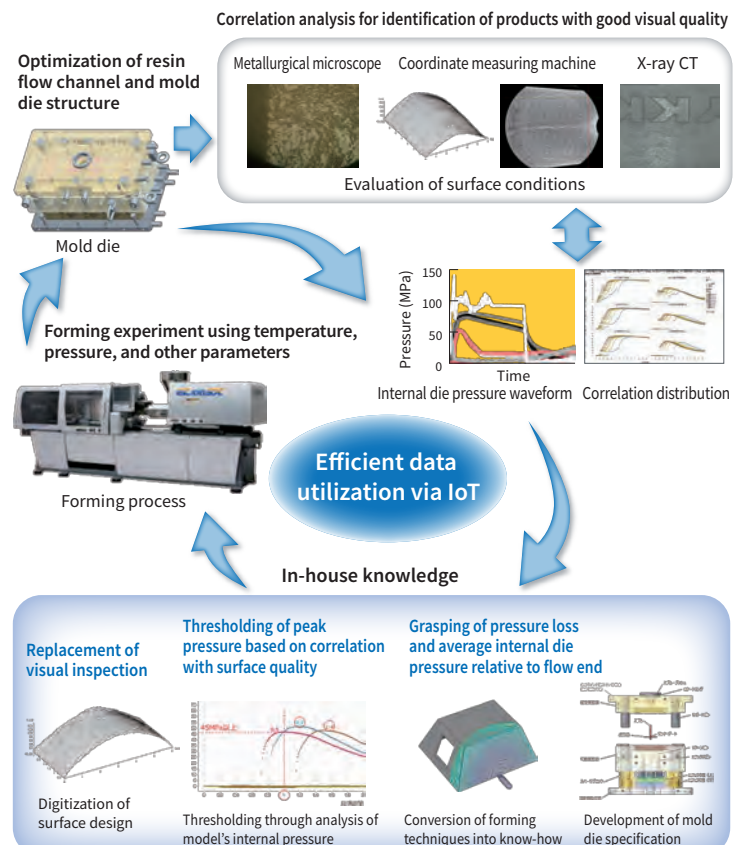
Toshiba has developed an automatic spot weld inspection robot system using the Matrixeye three-dimensional (3D) ultrasonic inspection system. Previously, the time required for ultrasonic inspection varied according to the proficiency of the operator, because the angular alignment of the inspection probe relied on the operator's experience. To address this situation, we have developed an algorithm to estimate the slant of the front and back surfaces of a weld and determine the appropriate posture of the inspection probe based on the distribution of ultrasonic reflection intensity in inspection images from Matrixeye. We have applied this algorithm to a robot arm incorporating an inspection probe and a contact medium injection mechanism that facilitates the passage of ultrasound, thereby realizing an automatic spot weld inspection robot system. As the next step, we will conduct field tests to achieve practical application in fields where spot welding is widely used, including the automobile industry.

Ultrasonic spot weld inspection robot system



■ Manufacturing IoT Solutions to Realize Smart Factories

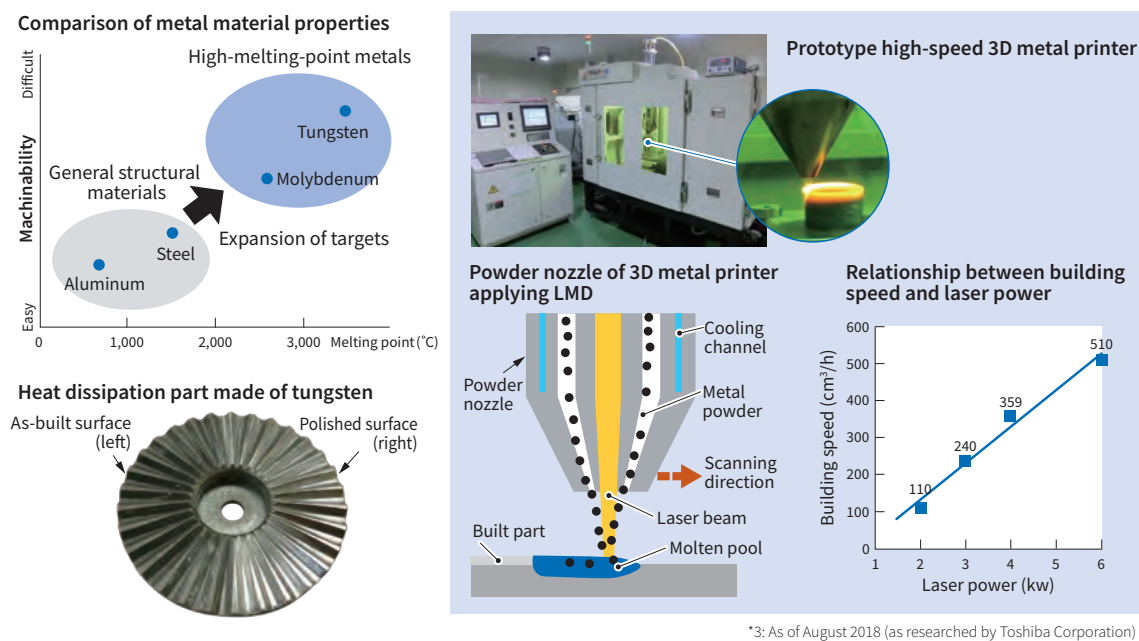
The use of IoT solutions can be considered in order to resolve four issues inherent in manufacturing: quality improvement, productivity enhancement, cost reduction, and the passing on of skills. To assist in reaping the benefits of IoT at an early stage, Toshiba has systematized manufacturing IoT solutions drawing on its expertise acquired through improvement activities for various products. Our manufacturing IoT solutions make it possible to identify fundamental issues from an apparent problem that is encountered at a factory and to extract production and quality data necessary to solve the problem efficiently. First, we have systematized the injection molding, die casting, press working, and other parts machining processes. In the case of injection molding, the data to be managed such as temperature, pressure, and speed are selected according to the causes of failure phenomena including sink marks and flash as well as countermeasures against them. Next, data are collected from injection molding machines, mold dies, and measuring instruments and utilized to optimize their settings to prevent failures. We have been facilitating the introduction of IoT solutions by systematizing the data utilization process, encompassing data collection, data analysis methods and results, improvement actions, and expected effects. Such systematization is expected to be helpful in conducting early failure analysis and stabilizing manufacturing yields. Furthermore, the use of the Meister series of manufacturing IoT solutions from Toshiba Digital Solutions Corporation makes it possible to create digital twins of manufacturing phenomena, supporting advanced utilization of data. Our newly developed manufacturing IoT solutions have begun to be utilized in the manufacturing field both within and outside the Company.



CT: computed tomography

■ Development of Technique for 3D Metal Printing of High-Melting-Point Metals and 3D Metal Printer Offering World's Highest-Class Building Speed of 510 cm³/h

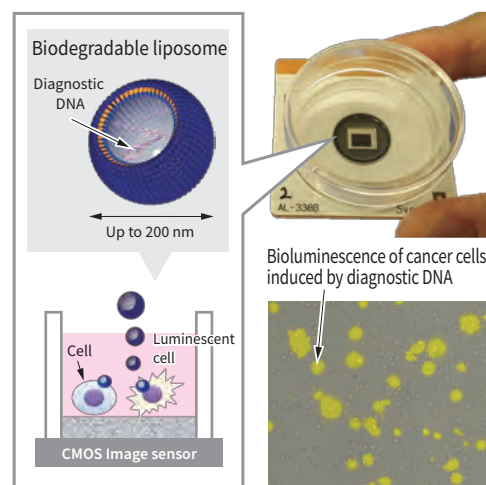
3D metal printers are capable of building metal parts directly from 3D computer-aided design (CAD) models. 3D metal printing technology is expected to be used to build high-mix low-volume parts such as metal molds and functional components. However, its industrial application has been limited because of constraints on the usable materials and slow building speed. Toshiba has been developing 3D metal printing technologies to realize the use of various types of metals such as tungsten with high melting point. For example, powder bed fusion is a 3D printing process whereby thinly spread metal powder is selectively melted and solidified with a laser beam, layer by layer. In this process, the properties of the metal powder are an important factor in improving the quality of the built parts. We have optimized the shape and size of the tungsten powder, as well as the printing conditions, to enable the 3D printing of tungsten parts. We have also developed a high-speed laser metal deposition (LMD) 3D metal printer and its powder nozzle under a project of the Technology Research Association for Future Additive Manufacturing (TRAFAM). With the optimized LMD process conditions such as the nozzle scanning speed and laser beam width, we have achieved the world's highest-class building speed*³ of 510 cm³/h with a 6 kW LMD printing system.



■ Live Cell Analysis Technology Using Biodegradable Liposomes

Toshiba has developed a live cell analysis technology to visualize gene activity in live cells without the need for a microscope. This technology provides time-lapse imaging of gene activity in a single cell in addition to the conventional detection of genomic sequence mutation. It is expected to improve the accuracy of breast and other cancer diagnoses as it is capable of detecting gene activity related to the growth of cancer cells as well as abnormalities in genome structures. This technology consists of our proprietary biodegradable liposomes and a complementary metal-oxide semiconductor (CMOS) image sensor. The biodegradable liposomes serve as a nano-tool to deliver encapsulated diagnostic DNA to live cells with little damage. The cells transfected with the diagnostic DNA produce bioluminescence, depending on the activity of the targeted gene, which is imaged in real time by the CMOS image sensor. Toward the clinical application of this technology, we have demonstrated that it allows time-lapse observation of gene activity using cells collected from breast cancer patients.

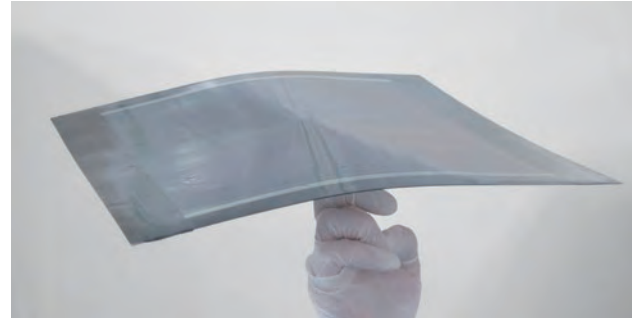
Breast cancer cells live cell analysis system using biodegradable liposomes



■ World's Largest Film-Based Perovskite Photovoltaic Module with World's Highest Recognized Power Conversion Efficiency

The perovskite photovoltaic cell is a type of solar cell that utilizes a crystal-structured compound called perovskite. This type of photovoltaic cell is economical because it can be created using a printing process. The perovskite photovoltaic cell is also expected to deliver high power conversion efficiency*⁴. It is difficult, however, to increase the cell size and efficiency at the same time. Toshiba has overcome this issue by using a unique printing technology together with a newly developed process. As a result, we have developed the world's largest film-based perovskite photovoltaic module*⁵, with an area of 703 cm² (24.15 × 29.10 cm), which exhibits a power conversion efficiency of 11.7%*⁶. The newly developed module has been recognized as the perovskite submodule with the world's highest power conversion efficiency in version 52 of the "Solar cell efficiency tables," which are world-renowned tables of data measured by an independent organization and published twice a year in *Progress in Photovoltaics*, a monthly academic journal. This work has been conducted as part of the "Development of High-Performance and Reliable PV Modules to Reduce Levelized Cost of Energy" project sponsored by the New Energy and Industrial Technology Development Organization (NEDO) of Japan.

Film-based perovskite photovoltaic module



*4: The ratio of output electric power to the radiant power incident to a solar module

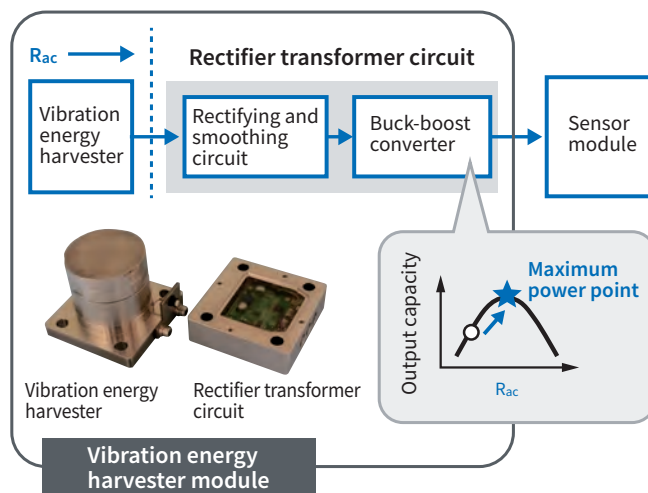
*5: As of November 2018 (as researched by Toshiba Corporation)

*6: Measured by the National Institute of Advanced Industrial Science and Technology (AIST) of Japan, an internationally recognized testing organization

■ Electromagnetic Vibration Energy Harvester Module for Railway Vehicle Monitoring

Safety is the top priority for railways. Recent advances in technology are spurring the development of bogie monitoring systems for rolling stock that can monitor wheels for excessive vibration to prevent derailment. However, the connection of power supply cables from rail cars to sensors on existing bogies is considered impractical. As a solution, Toshiba has developed an electromagnetic vibration energy harvester module to monitor the condition of rolling stock. The energy harvester incorporates an electromagnetic induction generator with low flux leakage and high flux concentration so that sufficient electric power can be generated even in a narrow space above the wheels. Field tests on test rail lines confirmed that the harvester works effectively under practical conditions. Furthermore, in order to efficiently convert AC power into DC, we have developed a module that outputs power at the maximum power point. This is achieved by changing the resistance to the vibration energy harvester. Simulations using data from real locomotive vibration have verified that the newly developed module delivers double the output capacity of the conventional module. The new energy harvester module is expected to provide a significant increase in output capacity in a practical system for commercial railways. Part of the testing of this module was performed jointly with the Railway Technical Research Institute.

Prototype vibration energy harvester module to monitor rolling stock condition

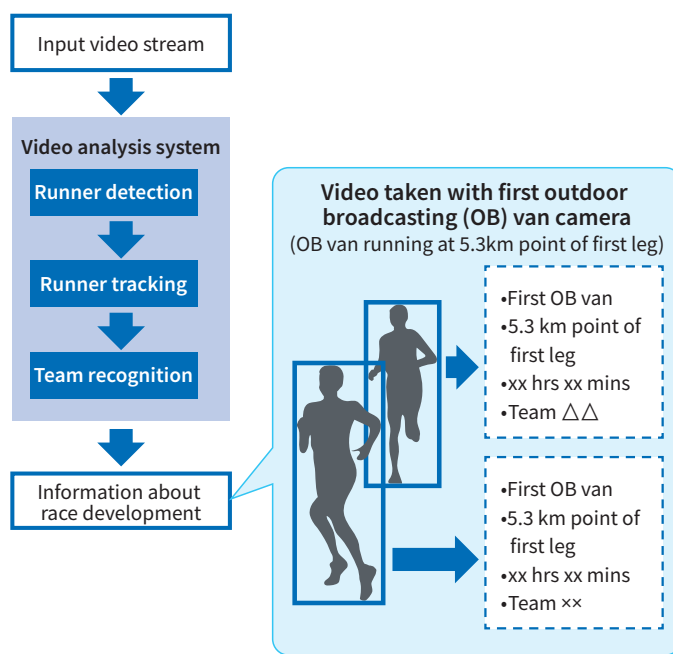


Rac: equivalent resistance to vibration energy harvester

■ Accurate Real-Time Recognition of Road Relay Race Teams in Video Images Using Deep Learning

Toshiba has developed a real-time video analysis system for road relay races that automates the recognition of images of runners' teams, improving the efficiency of live TV production. It is difficult to recognize runners' teams in a road relay race because of frequent blocking of their view and constantly changing outdoor lighting conditions. The newly developed real-time video analysis system uses a deep-learning model to recognize runners' teams based on their uniforms, which are easy to track even when runners overlap. This deep-learning model provides robust team identification by learning uniform logos and colors under various outdoor lighting conditions. In addition, this system excludes roadside spectators from recognition based on differences in movement between runners and spectators, reducing false detection and processing cost. We have conducted a demonstration experiment with the aim of reducing the effort required to manually check runners' teams when displaying information about runners and lap times in a broadcast video. The new video analysis system achieved a practical team recognition accuracy of 98.1% at live broadcasting in 2018 and 99.3% in January 2019. This technology can also be used for video analysis in other sports, as well as for factory work analysis to improve production efficiency using existing surveillance cameras.

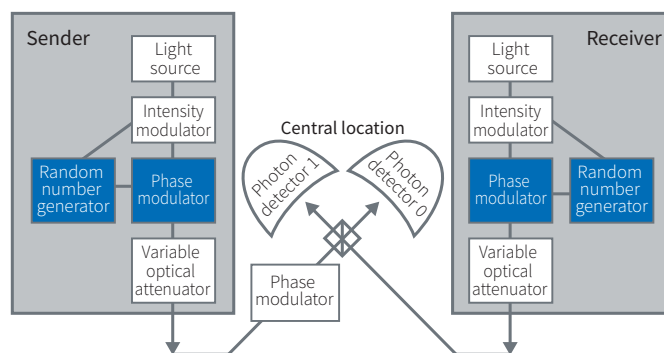
Outline of video analysis system for live broadcasts of road relay races



■ Twin-Field QKD Allowing Secure Quantum Key Distribution over More than 500 km of Optical Fiber

Toshiba has developed a new protocol for quantum key distribution (QKD) that will extend its range to more than 500 km of standard telecom fiber^{*7}. This advance, called twin-field QKD, enables the protection of sensitive data transmitted in optical networks between cities such as London, Paris, Brussels, Amsterdam, and Dublin. Up until now, the typical range of QKD has been limited to a few hundred kilometers of optical fiber. This is because the photons carrying the information can be scattered and thereby lost from the fiber, reducing the rate at which secret keys can be formed. We have now discovered a way to enhance the key rate and transmission distance of QKD, potentially allowing fiber links beyond 500 km for the first time. The final secure key rate can be orders of magnitude greater than that obtainable with existing protocols. In conventional QKD, single photons are sent from one end of the fiber to the other end. In the case of twin-field QKD, on the other hand, light pulses are sent from both ends of the fiber to a central location, where a photon is detected. A simulation has shown that the light pulse emitter and the single photon detector work in the same way as conventional QKD and that the transmission distance is increased to up to double without compromising security or the key rate.

Setups for implementation of two-field quantum key distribution (TF-QKD)



^{*7}: The details of this breakthrough were published in the May 2, 2018, issue of the scientific journal Nature

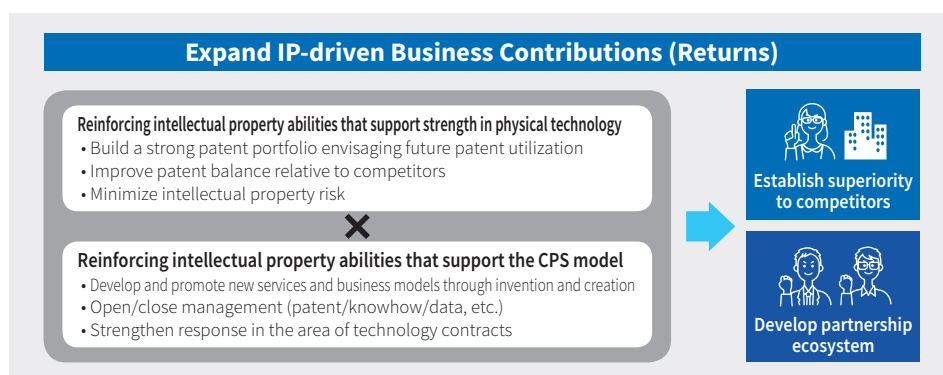
Intellectual Property

Intellectual Property Strategy

With a basic policy of expanding intellectual property-driven business contributions (returns), Toshiba Group is working to reinforce and make proactive use of the kind of intellectual property that contributes to business growth. In accordance with the Toshiba Next Plan, we will continue reinforcing

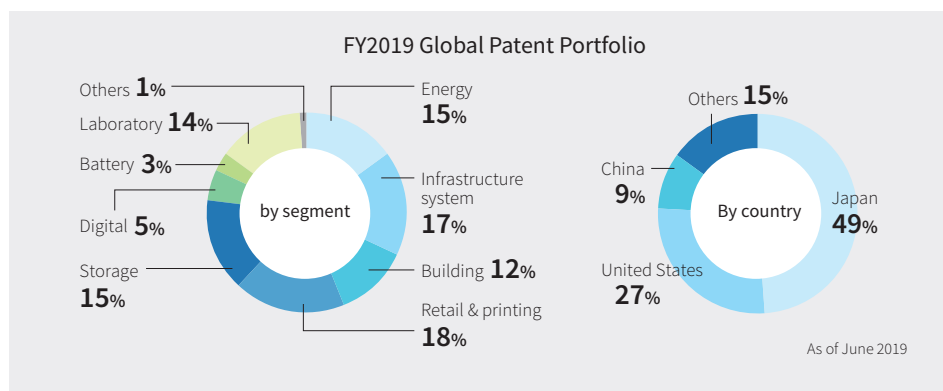
intellectual property abilities that support the strength we have accumulated in physical technology and will also work to reinforce intellectual property abilities that support cyber-physical systems (CPS), in such a way that intellectual property underpins both competitiveness and co-creativity.

Toshiba's Intellectual Property Strategy



Global Patent Portfolio

Toshiba Group is building optimal portfolios in its business domains.



Evaluations from outside the Company relating to intellectual property

Toshiba Group's diverse state-of-the-art technologies win high evaluations from society. We have received the following major awards:

• FY 2018 National Invention Awards, 21st Century Invention Award

Invention of radioactive waste disposal method

Note: Patent held jointly with three national research and development agencies: Riken, Japan Atomic Energy Agency, and Japan Science and Technology Agency

• FY 2018 National Invention Awards, Invention Award

Invention of data compression technology using regional integrated processing of the movement of video images

• Derwent Top 100 Global Innovators 2018-19

Recognized as one of the World's 100 Most Innovative Companies and Organizations for eight consecutive years



CSR Management of Toshiba Group

CSR Management

Toshiba Group established “Committed to People, Committed to the Future” as the Basic Commitment of Toshiba Group. We believe in contributing to sustainable social development by supporting the resolution of global social issues through business and by setting human life, safety and compliance as our top priorities.

Toshiba Group conducts CSR management as core to all corporate activities. While holding dialogue with customers, shareholders, investors, suppliers, employees, local communities and other stakeholders based on this concept, we implement fair and sincere corporate activities based on the Standards of Conduct for Toshiba Group.

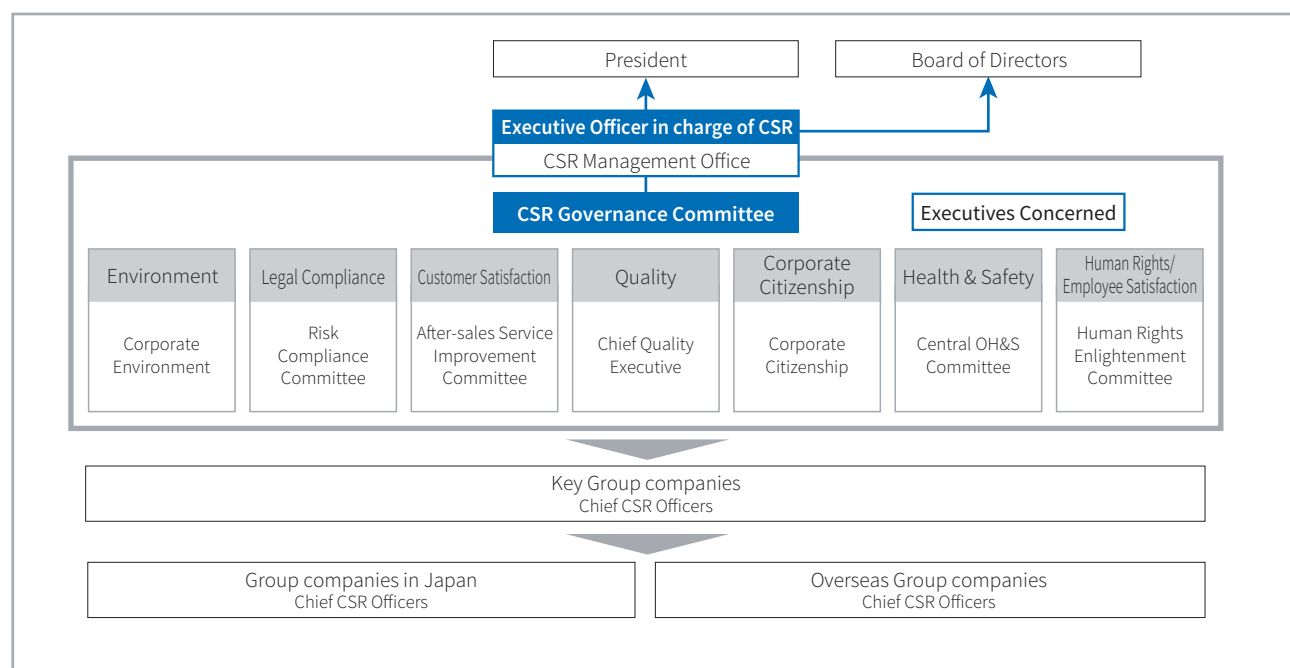


Organization of CSR Management

Toshiba established an internal organization to promote CSR in 2003 and has put in place a Group-wide CSR management system. The CSR Governance Committee, consisting of the Executive Officer in charge of CSR and the executives concerned, holds meetings as appropriate in order to discuss and determine Toshiba Group CSR Action Policy. Based on the policies determined, the Corporate Environment Management Committee, Risk Compliance Committee and other relevant committees (see the chart below) establish key performance indicators (KPIs) and implement action plans for each of the topics for which they are responsible.

Group companies in Japan and overseas appoint their own Chief CSR Officers. They ensure the implementation of Toshiba Group's CSR Action Policy and check the progress regarding key issues for the companies.

CSR Management Structure



Message from the Executive in Charge of CSR

In July 2018, Toshiba Group adopted The Essence of Toshiba, a restatement of our unwavering credo and direction, and the basis for all of our corporate activities. An integral part of the Essence of Toshiba is the Basic Commitment of Toshiba Group, and its main message is a statement of our unchanging conviction: “Committed to People, Committed to the Future.” Guided by our Commitment to People, we aim to be a corporate group that raises quality of life and ensures progress that is in harmony with the planet. Grounded in this Basic Commitment of Toshiba Group and the Standards of Conduct for Toshiba Group, we believe that the steady practice of CSR is the way to build a sustainable society, and the core of CSR management.

In recent years, we have seen climate change and other environmental problems becoming ever more serious, as have energy shortages, resource depletion, declining birthrates, aging populations and labor shortages—to the point where many people believe that continuing with the same economic activities we have promoted until now will impact on the safe and secure lives of future generations, and even put the survival of humankind in jeopardy. With increasing momentum around the world for realizing a sustainable future, the United Nations adopted the SDGs in 2015. Since its founding, Toshiba Group has cultivated strengths in technical development and provided many technologies and services that meet the needs of society, and we are strongly aware that activities to realize the SDGs are consistent with the Essence of Toshiba.

The Toshiba Next Plan, the Group-wide transformation plan announced in November 2018, also stated our intent to use technologies that only Toshiba Group can deliver to contribute to solutions to diversifying social issues. The venture spirit that we have honed in the course of our 143-year history ensures that we continue to create rich value and contribute to the creation of the bright future aimed for by the SDGs, whilst also responding to the demands of society.

Toshiba Group recognizes strengthening its corporate structure as an important step in developing business activities that take us toward this ideal of a future society, and we continually work to advance respect for human rights, promotion of supply chain CSR, and environmental management as CSR’s material issues. Further to this, in respect of environmental initiatives, in May 2019 we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we strive to analyze and disclose information on the risks and opportunities that climate change brings to our business. We will also respond proactively to issues related to ESG in such areas as thoroughgoing corporate governance and compliance, work-style reform, and promotion of health and safety management. As a signatory to the United Nations Global Compact, Toshiba Group supports its ten principles on Human Rights, Labor, Environment and Anti-corruption; we will realize sustainable growth as a global company by continuing to practice Group-wide CSR management and by earning the trust of all stakeholders.



Masayasu Toyohara

Executive Officer

Corporate Executive Vice President

Active Participation in and Cooperation with External CSR Organizations

Toshiba Group promotes participation and collaboration with external CSR organizations, industry associations, government, international organizations and NGOs.

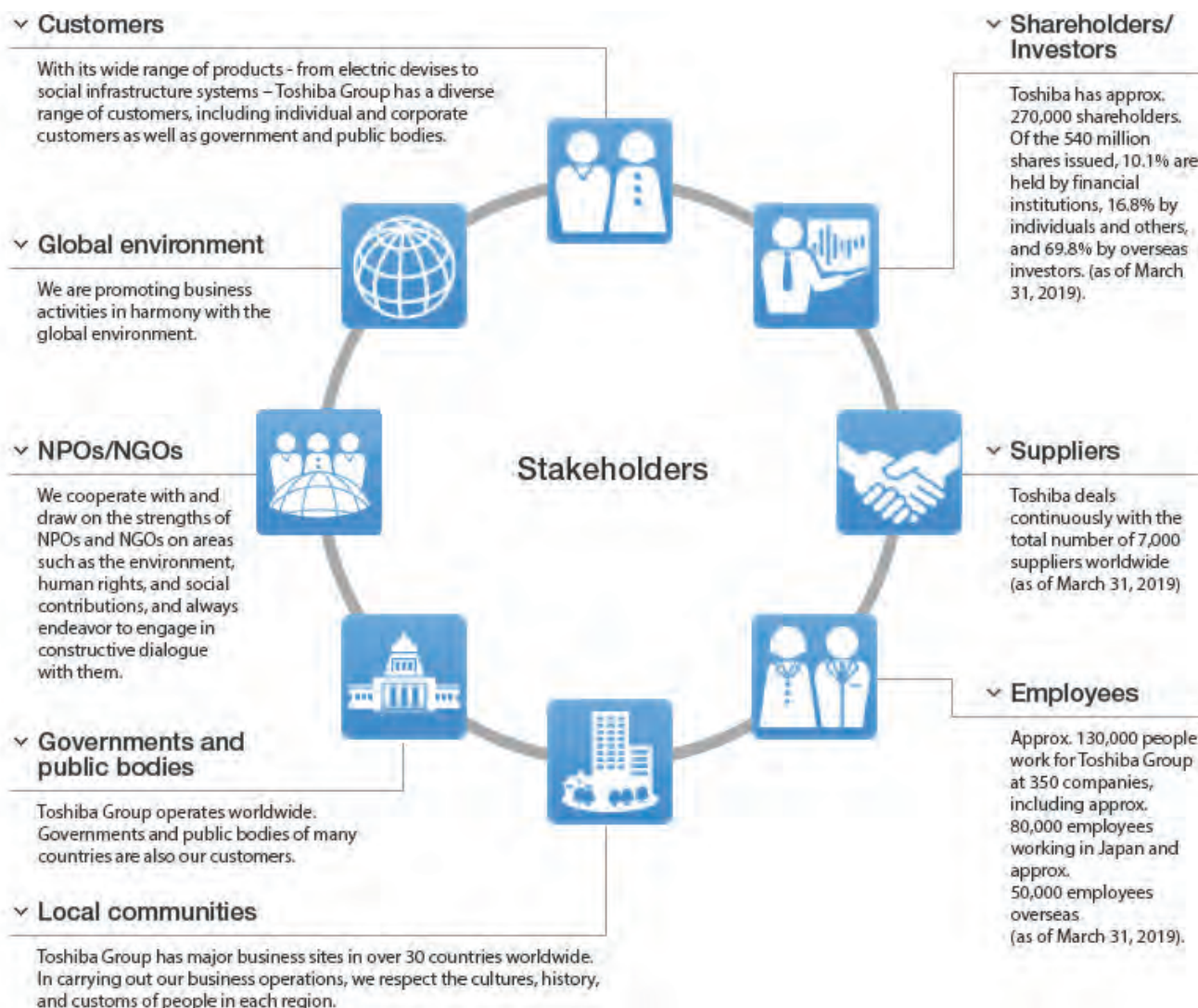
Membership in CSR-related organization

- UN Global Compact
- Responsible Business Alliance (RBA)
- World Business Council for Sustainable Development (WBCSD)
- World Economic Forum (WEF)
- Science and Technology in Society Forum (STS Forum)
- Business for Social Responsibility (BSR)
- Council for Better Corporate Citizenship (CBCC)
- Task Force on Climate-related Financial Disclosures (TCFD)

Stakeholders








Toshiba Group's business activities involve relationships with diverse stakeholders. Here we outline each stakeholder group indicate channels of communication and set out the responsibilities of Toshiba Group.

Major Stakeholders



Regular Dialogues with Stakeholders

We maintain dialogues with our stakeholders at all times when identifying material issues. Toshiba Group values regular dialogues with stakeholders, and assesses its own efforts based on the results of such dialogues, leveraging them when developing and executing measures.

Stakeholders	Major channels and opportunities for dialogue
Customers 	Routine sales activities, Call center (via phone, email, etc.), Exhibitions
Shareholders/ Investors 	General Meeting of Shareholders, Shareholder newsletters, Communication with institutional investors and Securities analysts, IR website
Suppliers 	Routine procurement activities, CSR survey, Supplier whistleblower system "Clean Partner Line"
Employees 	Employee morale survey (TEAM Survey), Dialogues, Information exchange meetings, 360-degree survey, In-house website, Whistleblower system "Toshiba Hotline," "Audit Committee Hotline," In-house communication magazine, Labor-management negotiation
Local communities 	Dialogues, Information exchange meetings, Factory visits, Employees' participation in community activities and local volunteer activities
Governments and public bodies 	Dialogues with economic and/or industry associations
NPOs/NGOs 	Dialogue through collaboration, Exchange of views at stakeholder dialogues

Material Issues

Toshiba Group identified "Respect for Human Rights," "CSR Management in the Supply Chain," and "Environmental Management" as material issues (key themes) in 2013 following consideration of self-evaluations based on ISO 26000, opinions received via dialogue with stakeholders and evaluative reviews from third-party organizations, and respecified the issues in March 2015. Since then, we have continued our efforts to tackle these issues.

Toshiba Group's Material Issues

Respect for Human Rights

We comply with universal principles regarding human rights and labor practices, and respect human rights through sound business activities.

CSR Management in the Supply Chain

We work to ensure that our suppliers are also committed to improving working conditions and reducing environmental impact throughout the supply chain.

Environment Management

We promote environmental activities aimed at achieving a de-carbonized, recycling-oriented society in harmony with nature.

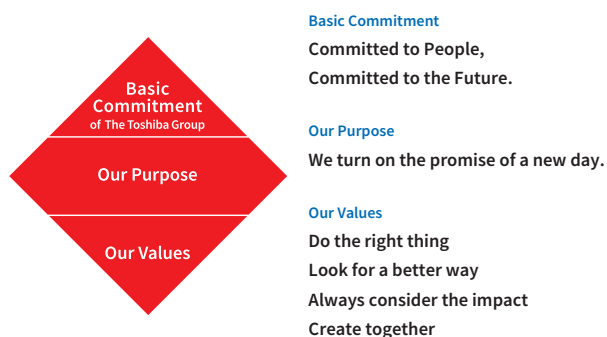
SDGs Initiatives

Toshiba Group and the SDGs

The cornerstone text of the Basic Commitment of Toshiba Group is “Committed to People, Committed to the Future.” This underlines Toshiba Group’s timeless commitment to contributing to the development of society through our business activities and is consistent with the United Nations Sustainable Development Goals (SDGs) that aim to realize a sustainable society.

Toshiba Group always acts with integrity and has a passion for changing the world for the better, envisioning a future for generations to come and joining with stakeholders to build a new tomorrow. Based on this ideal, we will continue as before to combine the creative power and technological expertise we have built up over the years to tackle social issues that are becoming increasingly complex and serious with the aim of launching a new future.

The Essence of Toshiba

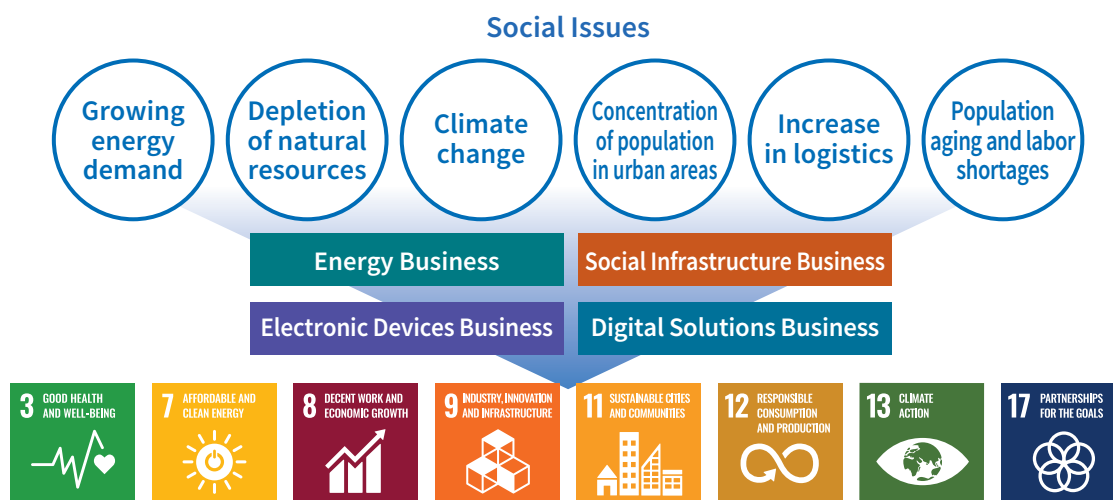


Sustainable Development Goals



Contributing to the SDGs through Our Corporate Activities

In 2018, an SDGs Promotion Team drawn from Toshiba’s corporate divisions led efforts to clarify the relationship between our business and the SDGs in conjunction with Key Group companies. Opinions were exchanged on the impact across the value chain on society in order to promote understanding of the SDGs and advance initiatives throughout Toshiba Group. As a result, eight goals were identified as providing the platform to contribute to the achievement of the SDGs through Toshiba Group’s business, with plans to accelerate these initiatives announced in The Toshiba Next Plan (FY2019-23 Business Plan).



Energy Business Domain



Electricity is indispensable for contemporary lifestyles. Toshiba Group provides various power generation systems that include thermal, nuclear and renewable energy systems as well as power transmission and distribution systems that deliver generated electricity. This ensures the stable supply of electricity and contributes to the creation of foundations that lead to a better life. Moreover, we offer solutions using hydrogen and are tackling the issue of using renewable energy as main power source. At the same time, we have developed heavy ion therapy equipment that leverage technology accumulated in nuclear power business and are currently working to reduce the size of the equipment in order to disseminate their use and application. Although it's difficult to avoid CO₂ emissions from the systems being used in production and manufacturing sites, advancing technologies in the Internet of Things (IoT) and Artificial Intelligence (AI) has helped reduce emissions as part of efforts to combat global warming.

Toshiba Group's Energy Business aims to continue fashioning a society built on sustainable energy by realizing both the stable supply of power and harmony with the environment as well as creating next-generation energy-related services and new value that the world needs.

Toshiba Energy Systems & Solutions Corporation

Hydrogen Energy ► <https://www.toshiba-energy.com/en/hydrogen/index.htm>

Heavy ion therapy ► <https://www.toshiba-energy.com/en/heavy-ion/index.htm>

Social Infrastructure Business Domain



Toshiba Group aims to realize a sustainable society that is safe, secure and reliable in an era characterized by the issue of increasing population concentration in urban centers worldwide. We provide products and systems that help develop cities, revitalize communities and enable more comfortable living. These include systems and solutions supporting society such as water supply and sewerage, highways, disaster prevention, broadcasting, telecommunications, security and automation, railways, motors and inverters, and industrial equipment; building solutions in such areas as elevators and escalators, air-conditioners and lighting; retail and printing solutions for offices and stores; and power storage batteries for hybrid cars and railways. Toshiba Group is also striving to resolve issues such as increasing consumption of energy generated in the pursuit of more convenient and enriched lifestyles for people as well as growing waste. Efforts include reducing the environmental burden of products and systems delivered to customers, promoting the efficient use and reuse of resources such as water, electricity and raw materials in production processes for products and systems, and minimizing the total volume of waste generated. Going forward, we aim to contribute to the realization of a more resilient and sustainable society by taking advantage of our extensive track record and knowledge, and further embracing the IoT and AI.

Toshiba Infrastructure Systems & Solutions Corporation

Zero Liquid Discharge (ZLD) System ►

<https://www.toshiba.co.jp/sis/en/environment/solution/s2/zld.htm>

Energy-Saving Railway Systems ►

<https://www.toshiba.co.jp/sis/railwaysystem/en/solution/eco/index.htm>

Core technologies that support Logistics ► <https://www.toshiba.co.jp/sis/en/scd/logistics/index.htm>

Toshiba Tec Corporation

Smart Receipt, Electronic receipt service

Toshiba Elevator and Building Systems Corporation

Machine-Room-Less Elevator (SPACEL-III) ►

<https://www.toshiba-elevator.co.jp/elv/infoeng/products/spacel-3/index.html>

Toshiba Lighting & Technology Corporation

LED high-bay lighting fixture (Japanese) ►

http://www.tlt.co.jp/tlt/products/facility/facility_led_indoor/led_ceiling_lightweight/led_ceiling_lightweight.htm

Toshiba Carrier Corporation

Spot and Zone Air-Conditioning Systems

Electronic Devices Business Domain



As the volume of information grows in business and in life, there is an increasing shift toward more energy-efficient electronic equipment, automation in industrial machinery, and automotive electrification and computerization. Toshiba Group is aiming to create a new society in which anyone can live comfortably and safely by responding to these changes.

As an example, an image recognition processor being introduced into advanced driver-assistance systems (ADAS) for automobiles supports people in a wide range of fields such as automatic control of lighting and air-conditioning, evacuation guidance in a disaster and nursing and child care through use in smart communities. The product therefore helps in the realization of a sustainable society.

In the Electronic Devices Business, we run our operations with the core aim of conducting steady manufacturing. We remain keenly aware of global standards when it comes to the issue of conflict minerals in our procurement of raw materials and to such challenges as waste from packaging due to increasing demand, and take proactive steps to prevent potential problems and make appropriate response as required.

Going forward, we will continue to deliver products to the world that contribute to people's lives and the advancement of industry by promoting innovation with value placed on collaboration with customers.

Toshiba Electronic Devices & Storage Corporation

Image Recognition Processors Visconti™ Family ▶

<http://toshiba.semicon-storage.com/ap-en/product/automotive/image-recognition.html>

Power device MOSFETs ▶

<https://toshiba.semicon-storage.com/ap-en/product/mosfet.html>

Digital Solutions Business Domain



Advancements in digitization have helped connect people with all kinds of things, prompting significant change in the structure of the global industrial structure. Toshiba Group takes full advantage of our experience in IoT and AI and the knowhow cultivated over many years to help resolve increasingly complex social issues through digital transformation and the co-creation of new value together with customers. In addition to the energy and social infrastructure domains, we also provide manufacturing IoT solutions that drive total production optimization, which includes rendering data more visible throughout the product lifecycle, enhancing productivity and quality, and maintaining operations. The continued use of the IoT in the industrial domain has led to the need for new risk countermeasures in terms of cyber security due to internet connectivity. This demands the establishment of industrial IoT security since traditional information security measures are inadequate in this regard.

Toshiba Group aims to realize a digital society that is kind to people and enables more comfortable living. We can achieve this by providing peace of mind and safety through the integration of knowledge and technology in diverse security measures based on a deep understanding of the frontline built up in the creation of social infrastructure.

Toshiba Digital Solutions Corporation

Manufacturing IoT solutions ▶

http://www.toshiba-sol.co.jp/en/industry/meister_next/

Toshiba Group is taking steps in its corporate activities to support business aimed at achieving the SDGs.



	GOOD HEALTH AND WELL-BEING	▶ https://www.toshiba/ww/en/csr/performance/social/safety.html
	DECENT WORK AND ECONOMIC GROWTH	▶ https://www.toshiba/ww/en/csr/performance/social/diversity.html#div_08
	QUALITY EDUCATION	▶ https://www.toshiba/ww/en/csr/performance/social/hrd.html
	RESPONSIBLE CONSUMPTION AND PRODUCTION	▶ http://www.toshiba.co.jp/about/ir/en/finance/index.htm
	PARTNERSHIPS FOR THE GOALS	▶ https://www.toshiba/ww/en/csr/csr_management/organization.html
	GENDER EQUALITY	▶ https://www.toshiba/ww/en/csr/performance/social/diversity.html

With the SDGs, working toward one goal has the ripple effect of contributing to another goal, and as such, Toshiba Group is determined to undertake initiatives that extend beyond the aforementioned 10 goals to cover all 17 of the goals.

Relationship between Toshiba's Business and Society

Respect for Human Rights

Toshiba Group's Corporate Philosophy outlines a basic policy of "Respect for People". We have declared that we will respect the rights of all people associated with our company, such as our employees, customers, and stakeholders. We comply with universal principles regarding human rights and labor practices worldwide, including the Universal Declaration of Human Rights, and respect human rights through sound business activities.

Policy on Respect for Human Rights

For our policy on respect for human rights, we designated "Respect for Human Rights" as Article 1 of the Standards of Conduct for Toshiba Group to which Toshiba Group's executives and employees must adhere. As part of this policy, we state that we will promote dialogues with relevant stakeholders and demand that Toshiba Group management and employees as well as our suppliers take action against basic human rights violations.

■ Policy on respect for human rights

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

- (1) comply with all applicable laws and regulations concerning human rights in each country and region, understand international standards, and respect human rights, and shall not condone use of either child labor or forced labor;
- (2) take appropriate measures in the event that Toshiba Group becomes aware of violation of human rights and demand that suppliers redress any violations of human rights; and
- (3) seek to raise awareness among related stakeholders regarding respect for human rights.

2. Standards of Conduct for Toshiba Group for Toshiba Group Directors and Employees

Directors and Employees shall:

- (1) accept and accommodate different values, and respect the character and personality of each individual, observe the right to privacy and human rights of each individual; and
- (2) avoid any violation of human rights based on race, religion, sex, national origin, physical disability, age or sexual orientation, and avoid physical abuse, sexual harassment, power harassment (i.e. bullying or harassment by superiors in the office) or violation of the human rights of others.

Framework for Respecting Human Rights

Led by the Human Rights Enlightenment Committee, which is chaired by the executive officer in charge of human resources, training courses covering key topics on human rights are planned and executed to educate and enlighten employees under the basic principle of Respect for Human Rights. The Business and Human Rights Center serves as the office for the Human Rights Enlightenment Committee, formulating basic principles on human rights awareness and enforcing them company-wide, establishing an internal promotion system, drafting and promoting company-wide policy on education and training, preparing training materials, developing instructors, following up on the progress of training, consulting and coordinating with outside organizations, and providing instructions and support to promote the concept of Respect for Human Rights throughout Toshiba Group.

Employment and Labor Relations

Sound and stable labor relations are an essential foundation for achieving continuous corporate growth.

Toshiba holds labor talks with Toshiba Union, which employees may join, for practical and amicable solutions under three fundamental principles: Labor-management Equality, Mutual Trust and Understanding, and Prior Consultation.

Policy on Labor-management Relations

Toshiba supports the principles of the Universal Declaration of Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises, and ensures that its employees have fundamental labor rights, which includes respecting freedom of association as a company and the right to collective bargaining.

Cognizant of the fact that formation of a labor union is permitted in Japan, the Toshiba Union was established, consisting of employees belonging to the Company. In the Labor Agreement concluded with the Toshiba Union, it stipulates that the Labor Union has the three rights of labor (the right to association, the right to collective bargaining, and the right to act collectively). Toshiba Union comprised 12,894 members as of March 31, 2019.

We pay salaries in compliance with the laws and regulations setting the minimum wage in each country.

Fair Evaluation and Talent Development

Toshiba Group states “We turn on the promise of a new day” in “The Essence of Toshiba.” To achieve this, our richly diverse human resources with a passion for change work together with sincerity to generate new value based on a vision of the future of the Company. Furthermore, we have created an open corporate culture and established fair evaluation systems while seeking to develop and deploy talents to the greatest extent.

Training Programs

Toshiba Group has various training systems to help form a common ground of understanding among employees and programs based on requirements at each career level.

■ Main Training Programs (For Toshiba Group’s regular employees)

Training Category	Outline
Basic Training and Development	A program that is designed to teach employees about the actions and values that form the shared basis for all members of Toshiba Group, such as compliance* education, Toshiba Value Education and Liberal Arts Training. *For non-regular employees as well
Global Training and Development	A program that seeks to develop global-minded people who can not only perform the jobs within the scope of their countries or regions, but at a global level, by accepting cross-cultural differences and communicating with a wide range of stakeholders. The program also aims to teach the skills that allow people to succeed globally.
Training and Development based on Levels of Responsibility	A program that seeks to improve the basic knowledge, skills, and management capabilities required by employees assigned to a new position (leader, manager, etc.). This program also includes training to continuously improve the management capabilities required of managers, as well as education aimed at acquiring at an early stage the knowledge and skills required for global business.
Job-type based Training and Development	Aims to equip employees, based on their career stage, with the knowledge and skills required for different job functions.
Training and Development for Management Talents	Training program for the select group of individuals who are candidates to take up managerial/leadership positions in Toshiba Group. The training is held for senior management as well.

Diversity Promotion

The maximization of the capabilities and strengths of diverse employees is critical for active innovation and corporate growth. Based on the spirit of doing things “for the team,” Toshiba Group promotes diversity by fostering a culture in which employees from diverse backgrounds can display their individual strengths to their full extent.

Diversity Management Structure

In 2004, we at Toshiba established our Kirameki Life & Career Promotion Office, an organization under the CEO’s direct control, to promote gender equality. After that, we expanded the scope of our activities to include foreign nationals and people with disabilities. As diversity became the very core of our human resources work, the office was reorganized as a structure under the umbrella of the Human Resources & Administration Division in FY2013, which has been advancing diversity measures as a general human resources matter. The office was once again reorganized into the Human Resources & Administration Division Organization & Talent Development and Diversity Group in April 2018. The new office promotes measures to expand the role of women in Japan, policy and measures to proactively appoint women to managerial positions, support of the active role of persons with disabilities and the fostering of global human resources and establishment of an environment conducive to this in conjunction with Toshiba Group’s key companies.

Disseminating Information about Diversity Management

Toshiba Group has set up an intranet web page about diversity management for employees in Japan. On it, we provide information about topics such as supporting employees in balancing their child-raising and nursing care duties with their work, a portal site to support personnel who work with non-Japanese employees, and support for employees with disabilities.

Initiatives for LGBT Employees

In the Standards of Conduct for Toshiba Group, the code of conduct for executive officers and employees of Toshiba Group, it clearly states that human rights shall not be violated, prohibiting such behavior as discriminatory speech and conduct related to sexual orientation.

Based on this philosophy, Toshiba’s policy is to treat a same-sex partner identically to a heterosexual partner (spouse) in the handling of such matters as leave, travel expenses and housing based on internal regulations, except in the case where there are legal restrictions concerning the handling of same-sex partners. In addition, we aim to create a workplace in which employees with diverse values can work comfortably by taking care with the handling of names used in the Company and the gender noted on the insurance card.

Further, regular training is held to improve the skills of employees in charge of harassment consultation. In FY2018, along with deepening the understanding of LGBT, we aimed to create a system enabling employees at each site to easily consult with the personnel manager or other similar figure close to them.

Work-Style Reform and Work-Life Balance

Toshiba has been promoting Group-wide work-style reform since April 2019. By creating an environment in which employees with diverse backgrounds can play an active role and changing the attitude of each employee and the way they work, we add value to all businesses and contribute to the further development of society through enhanced work satisfaction and productivity.

CSR Management in the Supply Chain

In order to fulfill CSR in regards to human rights, labor, and the environment in cooperation with suppliers, Toshiba Group continues to promote CSR activities throughout the supply chain.

Toshiba Group Procurement Policy

Toshiba Group strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations.

We request all our suppliers, who play an important role in Toshiba Group companies' production and services, to consent to and put into practice the Toshiba Group Procurement Policy. The policy is translated into English, Chinese and Thai to complement the Japanese, and whenever the contents of the said policy are revised in keeping with social conditions, we inform all our suppliers both inside and outside Japan.

In addition to this Procurement Policy, we have set the Toshiba Group Green Procurement Guidelines in order to address environmental issues and the Toshiba Group Conflict Mineral Policy in order to address conflict minerals. We also have the Standards of Conduct for Toshiba Group for our Group officers and employees. Our corporate policy is to fulfill our CSR through fair trade and compliance with laws, regulations and social norms, as well as to build relationships of mutual understanding and trust together with our suppliers.

Promotion of the Supply Chain Management

In April 2007, Toshiba Group set up an organization dedicated to promoting CSR procurement within the procurement department at Toshiba's Head Office, which works to promote fair dealings with all our suppliers as well as CSR management in the supply chain.

The organization coordinates with various business divisions and related divisions such as the CSR office and the Environment office.

Addressing the Conflict Minerals Issues

Since Section 1502 on conflict minerals of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) enacted in January 2013, companies listed on US stock exchanges are required to report on the use of conflict minerals mined in the Democratic Republic of the Congo and its adjoining countries. Toshiba Group is not a listed company, however, as part of the supply chain of listed companies, it investigates and reports to customers.

Prior to the enactment of the Act, Toshiba Group organized an internal system to address conflict minerals issues, and established the Toshiba Group Conflict Mineral Policy and publicized it on its website in October 2011. For humanitarian reasons, Toshiba Group's policy prohibits the use of raw materials such as tin, tantalum, tungsten, and gold mined in the Democratic Republic of the Congo and its neighboring countries under conditions which violate human rights.

Environmental Management

Environmental Policy

Toshiba Group promotes environmental management, focusing on environmental issues as one of its top management priorities. It has also formulated the Basic Policy for the Environment that lays out specific environmental strategies to be shared by all members of the Group.

▶ <https://www.toshiba.co.jp/env/en/vision/policy.htm>

Environmental Management Structure

Under the environmental management structure that covers the entire Toshiba Group, Toshiba periodically convenes a meeting of the Corporate Environmental Management Committee, a decision-making organization for environmental management, to discuss measures and policies.

▶ <http://www.toshiba.co.jp/env/en/management/organization.htm>

Environmental Vision 2050

Toshiba Group has developed “Environmental Vision 2050”, a long-term vision under which we aim to realize a world in which people can enjoy affluent lifestyles in harmony with the Earth by the year 2050. Toshiba Group strives to provide more comfortable and safer lifestyles and create enriched value for society, and also strives for harmony with the Earth by working to mitigate climate change, use resources efficiently, and manage chemicals properly throughout the life cycle of products.

Environmental Vision 2050



Support of TCFD's Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) released its final recommendations report in 2017. Toshiba Group supports TCFD's recommendations and also has become a member of the TCFD Consortium, an initiative to pursue effective information disclosure by entities in Japan that support TCFD's recommendations.

By applying the TCFD recommendations to the analysis of the risks and opportunities that climate change will bring to businesses and appropriately disclosing information, we will seek to cultivate deeper bonds of trust with stakeholders with a view to enhancing corporate value from a long-term perspective.

Reduction of GHG* Emissions in the Supply Chain

Toshiba Group is working to grasp and calculate greenhouse gas (GHG) emissions throughout its supply chain. Based on the GHG Protocol, which provides international standards for calculating GHG emissions, and the Ministry of the Environment's Basic Guidelines for Calculating GHG Emissions throughout the Supply Chain, Toshiba Group calculates GHG emissions generated in all categories and makes year-on-year comparisons. We think it is vital to implement effective initiatives throughout life cycle of products based on quantitative analysis of GHG emissions in each category.

* CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃

Making Supply Chain GHG Emissions Visible for All Categories

▶ https://www.toshiba.co.jp/env/en/vision/carbon_risk.htm

The Sixth Environmental Action Plan

In order to realize the ideal state of the Earth in 2050 envisaged by Environmental Vision 2050, Toshiba Group formulates an Environmental Action Plan for medium-term goals and manages specific environmental activities and their targets. Under the current Sixth Environmental Action Plan for the period from FY2017 to FY2020, we set goals for 15 items in manufacturing, products and services, and basic activities.

Reducing environmental impacts in manufacturing

■ Reduction of GHG emissions*¹

We are actively promoting energy-saving measures and improvement of production efficiency at each of our sites. Total GHG emissions in FY2018 were **1.24 million t-CO₂**, a reduction of 30,000 t-CO₂ from the previous year.

*1 The power receiving end coefficient (in Japan: 5.31t-CO₂/10,000kWh) is used as the CO₂ emission coefficient for electricity in the calculation of CO₂ emissions. Overseas electricity is based on the GHG Protocol data.

■ Reduction of waste volumes*²

We are working to turn more waste into valuables through efforts to improve production processes and sort waste more carefully. Waste volume in FY2018 was **40,000 tons** and the target was achieved.

*2 Obtained by excluding the volume of objects with value from the total volume of waste generated.

■ Improvement of the amount of water received per unit of production*³

We are promoting use of recycled wastewater discharged at production sites and improvement of facilities by the introduction of systems for use of rainwater. The amount of water received per unit of production in FY2018 was **92 %** compared with FY2013 and the target was achieved.

*3 Volume-based nominal outputs are used as an indicator.



Fuchu Complex is promoting introduction of photovoltaic power generation and high-efficiency production facilities

Improving environmental performance of products and services

■ Increasing reduction of CO₂ emissions through energy technologies

We are developing and promoting a wide range of low-carbon energy technologies, including hydroelectric, geothermal, photovoltaic, and high-efficiency thermal power. In FY2018, the cumulative total of reduction of CO₂ emissions since FY2017 amounted to **8.38 million t-CO₂**.



Sarulla Geothermal Power Plant in Indonesia
Courtesy of Ormat

■ Increasing reduction of CO₂ emissions through products and services

We are developing and offering products and services with high energy-saving performance, including social infrastructure products and industrial equipment. In FY2018, the cumulative total of reduction of CO₂ emissions since FY2017 amounted to **3.78 million t-CO₂**.



Rechargeable battery SCiB™

Toshiba Group's Sixth Environmental Action Plan (List of items)

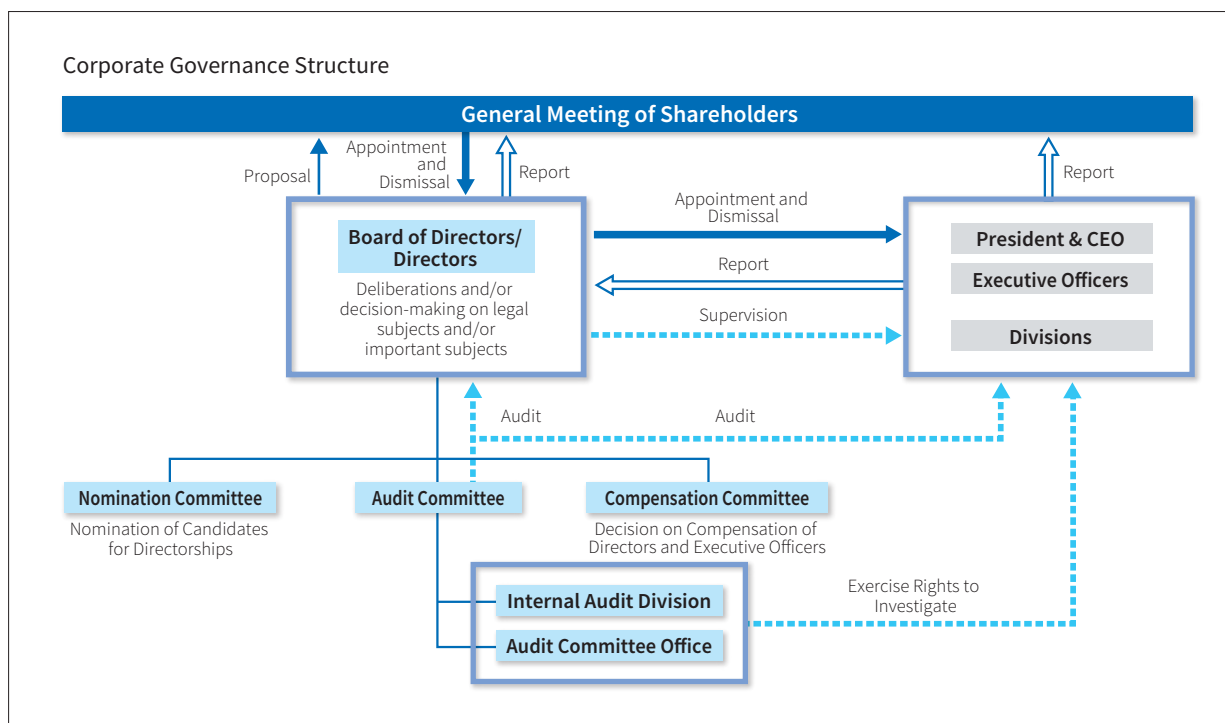
▶ <https://www.toshiba.co.jp/env/en/vision/plan.htm#plan6>

Corporate Governance

Toshiba Corporate Governance Policy

The basic policy and objectives of Toshiba's corporate governance are to realize sustainable growth and raise the enterprise value of the Group over the medium to long term, and to contribute to the interests of all stakeholders, including shareholders, investors, employees, customers, business partners, creditors, and local communities. Under this policy, as we put importance on the Board's function to oversee business execution by the executives, we adopt a company with three committees, etc., system that delegates business execution decisions to executives, allowing the Board to concentrate on monitoring and supervising execution and determining basic strategy.

Toshiba has also established Corporate Governance Guidelines that form the framework of governance of the Company.



State of activities of the Board of Directors and committees

During FY2018, the Board of Directors met 21 times, the Nomination Committee 11 times, the Audit Committee 15 times and the Compensation Committee 6 times. The following outlines the Board of Directors' and committees' principal activities in FY2018.

State of activities of the Board of Directors

- Toshiba held the Directors Council (so-called Executive session of the Board) composed solely of independent outside directors in order for them to share information and problem awareness among themselves, better understand the Company's operations for outside directors and deliberate on the Toshiba Group's key business challenges. At each Directors Council meeting, held prior to a Board of Directors meeting, an advance briefing on proposals to the Board of Directors was provided and opinions were exchanged. Moreover, the Directors Council was operated to ensure that independent outside directors' opinions expressed through

its meetings were reflected in the Company's management.

- The Board of Directors formulated the Toshiba Next Plan as the overall business plan for the next five years for the Toshiba Group with the aim of becoming one of the world's leading cyber-physical systems (CPS) technology companies.
- With regard to the transfer of shares of Toshiba Client Solutions Co., Ltd., the Board of Directors deliberated on the restructuring of Toshiba Group and decided to conclude a share transfer agreement with Sharp Corporation.
- The Board of Directors deliberated on the business related to LNG in the US (the "LNG business") from the perspective of eliminating risk, and decided to the purchase and sales

agreement / the Transfer of Toshiba America LNG Corporation, which operates the LNG business, to ENN Ecological Holdings Co., Ltd. or its designated affiliates and to complete the share transfer while transferring or cancelling all agreements relating to the LNG business by Toshiba Group to withdraw from the LNG business^{Note}.

Note: With regards to the withdrawal from the LNG business, the Board of Directors decided to cancel the agreement with ENN Ecological Holdings Co., Ltd. early in April 2019 due to confirmation of uncertainty in the aim of completing the transfer to ENN Ecological Holdings Co., Ltd., and decided to restart the third-party bidding process for the LNG business promptly with the aim of withdrawing from the business at an early stage.

- The Board of Directors deliberated on a new nuclear power plant construction project in the U.K. from the perspective of eliminating risk and, taking into consideration of the lack of prospects for selling the shares of NuGeneration Limited, which is engaged in the project, and the ongoing burden of maintenance costs at the company, decided to liquidate NuGeneration and withdraw from the project.
- Toshiba, while giving full consideration to such factors as the strategic investments necessary to secure medium- to long-term growth, seeks to achieve continuous increases in its actual dividend payments, in line with a payout ratio in the region of 30%, on a consolidated basis and to strengthen returns to shareholders by including the acquisition of treasury stock in accordance with circumstances. In addition to this, the Board of Directors decided to acquire treasury stock up to 700.0 billion yen in the period from November 9, 2018 to November 8, 2019.
- The Board of Directors was provided with reports on business plans, budget, monthly operating results, risk control information and the state of duty execution by directors and executive officers pursuant to applicable laws and regulations, the Articles of Incorporation, the Board of Directors Regulations, etc.

■ State of activities by committees

a. Nomination Committee

- The Nomination Committee deliberated on a proposal for the election of directors to be submitted to the Ordinary General Meeting of Shareholders for the 179th fiscal year.
- The Nomination Committee deliberated on a proposal for the election of the members and chairmen of each committee.
- The Nomination Committee deliberated on the standards for electing executive officers.
- The Nomination Committee deliberated on a succession plan.
- The Nomination Committee deliberated on the form of the Board of Directors from the 180th Ordinary General Meeting of Shareholders and proposals for candidates for outside director.

b. Audit Committee

- The Audit Committee audited the state of execution of duties by executives by attending the Board of Directors and other key meetings and by making inquiries to executive officers and other personnel, with a focus on the state of observance of laws and regulations and preventing the recurrence of

inappropriate accounting conduct. In addition, the Audit Committee received reports regularly from the Internal Audit Division on their audit results, and from the Internal Control Promotion Division and the Project Audit Division on their state of activities. The Audit Committee also made inquiries to other internal control management departments, thereby verifying the state of implementation of the improved internal control system and the status of progress of corporate culture reform programs. All of the full-time and part-time Audit Committee members attended nearly all hearings and reporting sessions and participated actively in audit activities.

- Outside Director Ryoji Sato, Chairman of the Audit Committee, collected information actively, which involves attending important meetings (such as corporate management meetings, Accounting Compliance Committee meetings, and Annual Securities Report Disclosure Committee meetings). In addition, Junji Ota replaced Ryoji Sato as Member of Audit Committee (full-time) on June 27, 2018. Mr. Ota worked in the same way as Mr. Sato to enhance communication with each department through meetings with executives in each department and inspections of manufacturing facilities and subsidiaries. The information collected by both Mr. Ota and Mr. Sato was shared with the Audit Committee members in a timely manner.
- With regard to the inappropriate accounting conduct, the Company continued the claim for damages filed in the Tokyo District Court in November 2015 against five former executives, including those with experience as President.
- In connection with the whistleblowing system operated by the Audit Committee, the committee received 29 whistleblowing reports and responded. The Audit Committee was briefed on details and status of response to all 216 reports to the whistleblowing contact point on the Company's executive side. The committee has prioritized the verification of the investigation results and improvement status of important reports related to accounting and compliance.

- The Audit Committee worked to strengthen the governance and improve the quality of Toshiba Group's audits by holding information exchange meetings and dialogues between Toshiba Group Company Auditors and Audit Committee members and by providing training to auditors of Group companies.

c. Compensation Committee

- The Compensation Committee deliberated on the introduction of stock-based compensation using restricted stock to provide an incentive for improving business results over the medium to long term.
- The Compensation Committee deliberated on the payment to executive officers of professional compensation (performance-linked portion) according to their performance evaluation for FY2017.

- The Compensation Committee deliberated on the details of the individual compensation to be paid to directors and executive officers from July 2018.
- The Compensation Committee deliberated on revising the Regulation of Compensation for Officers and the Compensation Policy.

- The Compensation Committee deliberated on the details of individual compensation to be paid to executive officers from April 2019.
- The Compensation Committee deliberated on lifting of the transfer restrictions on stock-based compensation for retired executive officers and others.

Evaluation of the effectiveness of the Board of Directors

The Company undertakes annual evaluations of the effectiveness of the Board of Directors for the purposes of recognizing the current status, identifying any issues, and further improving the Board's functioning.

The 2018 evaluation covers the period from June 27, 2018 to March 31, 2019. Advice was received from outside experts, and all directors completed questionnaires and were interviewed. Following this, the Board conducted self-evaluation, and the following matters were confirmed:

■ Items evaluated as appropriate

1. Management of the Executive session of the Board

Meetings of the Executive session of the Board were held 17 times between June 27, 2018 and the March 31, 2019. In addition to providing a forum for free discussion on major themes, such as company-wide issues, the Company's medium- to long-term plan, and risk items, they also allowed for provision of prior explanations of items on the agendas of meetings of the Board of Directors, Q&A sessions, and allowed sufficient time for free and open-minded debate.

2. Management of the Board of Directors

Meetings of the Board of Directors were held 15 times between June 27, 2018 and the March 31, 2019. Based on the content of items fully discussed at the Executive session of the Board, the meetings saw free, open-minded and constructive discussions and exchanges of opinion.

3. Operation of the three committees (Nomination Committee, Audit Committee, and Compensation Committee)

The conduct of the three committees, on the whole, has been evaluated as being appropriate, in terms of the number of members and composition, frequency of meetings, and practice of free and open discussion.

■ Future issues

1. Management of the Board of Directors and the Executive session of the Board

The Board was of the opinion that the timing of the provision of materials, an issue last year, had improved, but there were also opinions that there were too many Reports at the Board of Directors. Going forward, considering the management of the Board of Directors under the new members, it was confirmed that the way of reporting should be reviewed.

2. Discussions at the Board of Directors meetings and the Executive session of the Board, and support system for directors

We received the opinion that there were insufficient discussions on subjects such as the medium- to long-term strategies and the composition of the business portfolio. Going forward, in order to facilitate discussion from a medium- to long-term perspective, we have decided to organize the subjects for discussion at the Executive session of the Board and the timing of agenda submission to the Board of Directors so as to allow subjects such as business strategy to be fully discussed.

3. Dialogue with shareholders (investors)

In January 2019, we held a group meeting between an outside director and institutional investors, which was an issue last fiscal year. We will continue to consider ways to strengthen dialogues with shareholders.

■ Other individual opinions

- As the new Board of Directors includes directors who are resident overseas, the Board of Directors should reduce the number of meetings, but ensure ample time for discussion of medium- to long-term strategies, etc.
- The provision of prior explanation and information to the new outside directors appointed in June 2019 is very important, and an area where good use should be made of the Executive session of the Board.

The Board of Directors also discussed its future management.

- By focusing mainly on the issues shared in this analysis and evaluation, the Company will make further improvements and promote efforts to further enhance the effectiveness of the Board of Directors and committees, and strive to regain shareholder trust.

Compensation Policy and Amount of Compensation

■ Compensation policy

The Compensation Committee establishes compensation policy for the compensation of each director and/or executive officer as follows:

Since the main responsibility of directors is to supervise the execution of the overall Group's business, "Compensation for Directors" is determined at an adequate level to secure highly competent personnel and ensure effective work of the supervisory function.

Since the responsibility of executive officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, "Compensation for Executive Officers" is divided into the fixed compensation and the performance-linked compensation, and determined at an adequate level to secure highly competent personnel and ensure the effectiveness of their compensation package as an incentive to improve business performance.

i. Compensation for Directors

Directors who do not serve concurrently as executive officers are paid the Base salary (fixed amount) in accordance with the scope of their responsibilities. An allowance is provided for non-residents of Japan (the country where the HQ is located).

Directors who concurrently hold office as an executive officer are paid the director compensation (fixed amount) in

addition to compensation for executive officers specified in (ii).

ii. Compensation for Executive Officers

Compensation for executive officers consists of Base salary (fixed amount), and stock compensation (fixed amount), determined according to rank, and performance-linked compensation.

Performance-linked compensation is determined in accordance with the performance of the Company overall and the divisions under the charge of the executive officer during the fiscal year, with cash and stock of the Company paid at a rate set according to rank.

With regard to the stock compensation and performance-linked compensation (Shares) that is paid in the form of the Company's stock, mechanisms such as restricted stocks with transfer restrictions until retirement are used to secure effectiveness as an incentive for medium- to long-term improvement of business performance.

iii. Compensation standards

Compensation standards are determined at suitable levels as a global company, with the aim of securing highly competent management personnel. The compensation standards of other listed companies and their employee payroll and benefits are considered when determining the Company's compensation standards.

Compensation pertaining to the above is set as follows:

Director (non-executive officer)	Base salary + Allowance for non-residents of Japan			
Executive officer (concurrently a director)	Base salary + Stock compensation + Performance-linked compensation (shares and cash) + Directors' remuneration			
Executive officer (not concurrently a director)	Base salary + Stock compensation + Performance-linked compensation (shares and cash)			

Please refer to https://www.toshiba.co.jp/about/ir/en/governance/gov_03.htm for details on performance-linked compensation.

■ Amount of Compensation

Item	Amount of total compensation (millions of yen)	Fixed compensation (millions of yen)	Performance-linked compensation (millions of yen)	Number of directors/ executive officer
Directors excluding outside directors	29	29	—	5
Outside directors	116	116	—	8
Executive officers	571	490	81	14

Note: Amounts of total compensation, fixed compensation and performance-linked compensation include payments in stock.

It should be noted that in the consolidated amount of compensation, etc., no individual officer received ¥100 million or more.

Directors and Executive Officers



Directors

(From left of rear line)

Outside Director

**George Raymond
Zage III**

Outside Director
Member of Nomination
Committee
Member of Audit Committee

Takashi Yamauchi

Outside Director
Member of Compensation
Committee

Jerry Black

Outside Director
Member of Audit Committee

**Nobuyuki
Kobayashi**

(From left of front line)

Outside Director
Chairman of Compensation
Committee
Member of Audit Committee

Yuki Furuta

Director
Representative Executive
Officer
President and Chief
Operating Officer

**Satoshi
Tsunakawa**

Outside Director
Chairman of Board of
Directors
Chairman of Nomination
Committee
Member of Compensation
Committee

**Yoshimitsu
Kobayashi**



Outside Director

**Ayako Hirota
Weissman**

Outside Director
Member of Nomination
Committee
Member of Compensation
Committee

Yoshiaki Fujimori

Outside Director

Paul J. Brough

Director
Representative Executive
Officer
Chairman and Chief
Executive Officer

**Nobuaki
Kurumatani**

Outside Director
Chairman of Audit Committee
Member of Nomination
Committee

Junji Ota

Executive Officers

Representative Executive Officer
Chairman and Chief Executive Officer

Nobuaki Kurumatani

Representative Executive Officer
President and Chief Operating Officer

Satoshi Tsunakawa

Representative Executive Officer
Corporate Senior Executive Vice President

Shinichiro Akiba

General Executive, Group Relations Div.,
Procurement Div., Marketing Div., Branch Offices,
Responsible for Building Solutions business

Representative Executive Officer
Corporate Executive Vice President and Chief
Financial Officer

Masayoshi Hirata

General Executive, Spend Management Project
Team, Finance & Cash Management Div.,
Accounting Div., Project Monitoring & Oversight Div.

Executive Officers

Corporate Executive Vice Presidents —————

Hironobu Nishikori

Responsible for Digital Solutions business, President
and CEO, Toshiba Digital Solutions Corporation

Masayasu Toyohara

General Executive, Strategic Planning Div., Human
Resources & Administration Div., Corporate
Communication Div., Battery Div.

Shiro Saito

General Executive, Corporate Technology Planning
Div., Research & Development Div., Digital
Innovation Technology Center

Naoya Sakurai

General Executive, Internal Audit Div., General
Manager, Audit Committee Office

Executive Officers

Corporate Senior Vice Presidents —————

Hiroshi Fukuchi

Responsible for Electronic Devices & Storage
business, President and CEO, Toshiba Electronic
Devices & Storage Corporation

Mamoru Hatazawa

Responsible for Energy Systems business, General
Executive, WEC Div., President and CEO, Toshiba
Energy Systems & Solutions Corporation

Takayuki Konno

Responsible for Infrastructure Systems business,
President and CEO, Toshiba Infrastructure
Systems & Solutions Corporation

Executive Officers

Corporate Vice Presidents —————

Keiichi Yumita

General Executive, Information Systems Div.,
Business Process Re-engineering Div.

Tsutomu Kamijo

General Executive, Corporate Production Planning Div.,
General Manager, Corporate Production Planning Div.

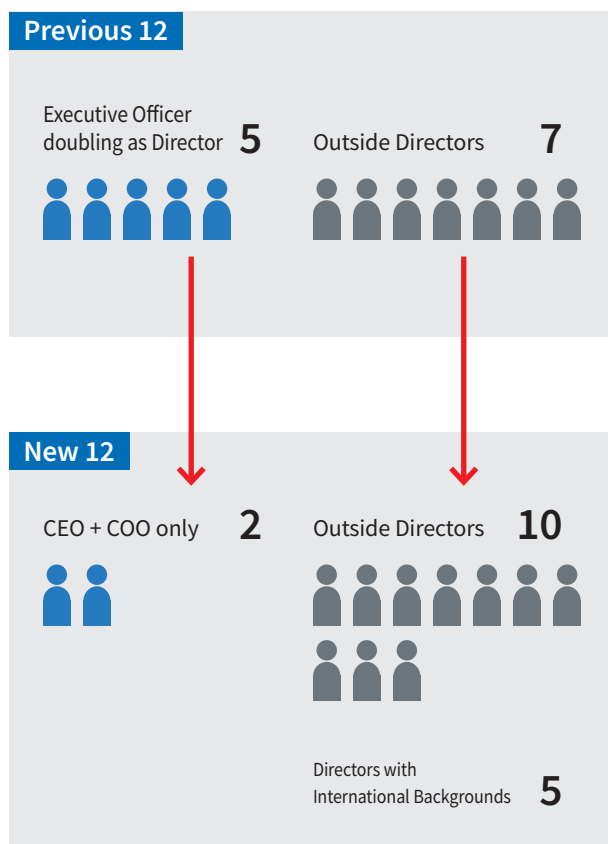
Ayumi Wada

General Executive, Internal Control Promotion
Div., General Manager, Legal Affairs Div.

Taro Shimada

General Executive, Cyber-Physical System Promotion Div.,
General Manager, Cyber-Physical System Promotion Div.

(As of June 26, 2019)



	Name	Current position(s) in the Company
1	Nobuaki Kurumatani	Representative Executive Officer Chairman and CEO
2	Satoshi Tsunakawa	Representative Executive Officer President and COO
3	Yuki Furuta	Chairman of Compensation Committee Member of Audit Committee
4	Yoshimitsu Kobayashi	Chairman of the board of Directors Member of Nomination Committee Member of Compensation Committee
5	Junji Ota	Member of Audit Committee (full-time) Member of Nomination Committee
6	Nobuyuki Kobayashi	Member of Audit Committee
7	Takashi Yamauchi	Member of Nomination Committee Member of Audit Committee
8	Yoshiaki Fujimori	Member of Nomination Committee Member of Compensation Committee
9	Paul J. Brough	
10	Ayako Hirota Weissman	
11	Jerry Black	Member of Compensation Committee
12	George Raymond Zage III	

Reasons for appointment as outside director

The Company is in the process of executing the Toshiba Next Plan, a company-wide five-year road map for corporate transformation announced on November 8, 2018, in order to increase shareholder value by maximizing the Company's corporate value. As the Company enters a new growth phase to execute the Toshiba Next Plan, the Nomination Committee believes that it is essential for the Company's directors to have various skill sets to address this new growth phase. Therefore, in connection with the determination of the candidates, the Nomination Committee has proactively considered the composition of the Board of Directors and the new candidates in order to bring the Board of Directors further diversity in terms of deep knowledge and experience in international business, business portfolio management, business transformation and M&A, and expertise in capital markets and

capital allocation, as well as gender and international experience as required in the Corporate Governance Code. The Company has also continuously engaged in separate constructive dialogue with its shareholders, carefully considering the wide-ranging feedback from them. As a result, the Nomination Committee proposes that the Board of Directors be structured as follows, and is confident that the 12 candidates in this proposal are the best suited for achieving sustainable growth and increased shareholder value over the medium to long term.

- (1) The number of directors will be 12, with only the Representative Executive Officer, Chairman and CEO and the Representative Executive Officer, President and COO being directors concurrently serving as executive officers. The Company previously set the number of directors at

	Corporate management	Law	Accounting and auditing	Diversity*	M&A	Corporate restructuring	Capital markets	International business experience
	○				○	○	○	○
	○				○	○	○	○
		○	○					
	○				○	○	○	○
	○		○					○
			○					
	○		○					○
	○				○	○	○	○
	○		○	○		○		○
	○			○			○	
	○		○	○				○
	○			○	○		○	○

* Diversity indicates diversity of gender, ethnicity, nationality, and other identities.

around 11 in order to enable substantive and thorough discussion and maintained the number of outside directors at more than half of the Board members in order to ensure the effectiveness of oversight and supervision of business execution. The Company's new Board composition further advances this idea by minimizing the number of directors concurrently serving as executive officers, while maintaining the current number of directors.

- (2) The proposed Board of Directors is innovative in its composition – appointment five international candidates, including non-Japanese candidates, in order to bring further diversity to the Board of Directors and to reflect the composition of the Company's shareholders, and ensuring that candidates have experience in international business, expertise in business portfolio management, business

transformation, M&A, capital markets and capital allocation, which are the skill sets essential to promoting the execution of the Toshiba Next Plan. In addition, of the 12 candidates, seven are newly nominated candidates.

For more information about Directors nomination criteria and Independence criteria for outside directors, Please visit our website at the following URL:

http://www.toshiba.co.jp/about/ir/en/governance/gov_01.htm

Directors

Nobuaki Kurumatani Representative Executive Officer

Date of Birth: December 23, 1957		
April	1980	Joined Mitsui Bank (now Sumitomo Mitsui Banking Corporation)
April	2007	Executive Officer, Sumitomo Mitsui Banking Corporation
January	2010	Managing Executive Officer, Sumitomo Mitsui Banking Corporation
April	2012	Managing Executive Officer, Sumitomo Mitsui Financial Group, Inc.
June	2012	Director, Sumitomo Mitsui Financial Group, Inc.
April	2013	Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation
April	2015	Director and Deputy President Executive Officer, Sumitomo Mitsui Banking Corporation Deputy President Executive Officer, Sumitomo Mitsui Financial Group, Inc.
May 2017 – March 2018		Chairman & Co-Representative, CVC Asia Pacific (Japan) Kabushiki Kaisha
April	2018	Representative Executive Officer, Chairman and CEO
June 2018 – present		Director, Representative Executive Officer, Chairman and CEO

Satoshi Tsunakawa Representative Executive Officer

Date of Birth: September 21, 1955		
April	1979	Joined the Company
June 2010 – June 2014		President & Representative Director, Toshiba Medical Systems Corporation (now Canon Medical Systems Corporation)
October	2013	General Manager, Healthcare Business Development Division
June	2014	Executive Officer, Corporate Senior Vice President
September	2015	Director, Representative Executive Officer, Vice President
June	2016	Director, Representative Executive Officer, President
April 2018 – present		Director, Representative Executive Officer, President and COO

Outside Directors

Yuki Furuta Outside Director

Date of Birth: April 8, 1942		
April	1969	Public Prosecutor
April	1993	Assistant Vice-Minister of Justice
July	1998	Chief Prosecutor, Utsunomiya District Public Prosecutors Office
September	1999	Prosecutor, Supreme Public Prosecutors Office
December	1999	Director-General of the Criminal Affairs Bureau, Ministry of Justice
August	2002	Director of Criminal Division, Supreme Public Prosecutors Office
September 2003 – December 2004		Deputy Prosecutor-General, Supreme Public Prosecutors Office
August 2005 – April 2012		Justice of supreme court
August 2012 – present		Registered as attorney at law
September 2015 – present		Outside Director

Yoshimitsu Kobayashi Outside Director

Date of Birth: November 18, 1946		
December	1974	Joined Mitsubishi Chemical Industries Limited
June	2003	Executive Officer, Mitsubishi Chemical Corporation
April	2005	Managing Executive Officer, Mitsubishi Chemical Corporation
June	2006	Director, Mitsubishi Chemical Holdings Corporation
February	2007	Director, Mitsubishi Chemical Corporation
April	2007	Director, President, Mitsubishi Chemical Holdings Corporation Director, President, Mitsubishi Chemical Corporation
April 2012 – March 2017		Director, Chairman, Mitsubishi Chemical Corporation
April 2015 – present		Director, Chairman, Mitsubishi Chemical Holdings Corporation
September 2015 – present		Outside Director

Junji Ota Outside Director

Date of Birth: February 21, 1948		
April	1971	Joined Nippon Steel Corporation
June	2001	Director, Nippon Steel Corporation
April	2005	Managing Director, Nippon Steel Corporation
June	2008	Audit & Supervisory Board Member (full-time), Nippon Steel Corporation
June 2012 – June 2016		Advisor (full-time), Nippon Steel Corporation Audit & Supervisory Board Member, Nippon Steel Engineering Co., Ltd.
June 2014 – June 2015		Advisor, Nippon Steel & Sumitomo Metal Corporation (now Nippon Steel Corporation)
July	2014	Vice Chair (Public Member), Self-regulation Board, Japan Securities Dealers Association
July 2016 – present		Vice Chairman, Japan Securities Dealers Association Chair (Public Governor), Self-regulation Board
June 2018 – present		Outside Director Outside Director, Heiwa Real Estate Co., Ltd.

Nobuyuki Kobayashi Outside Director

Date of Birth: March 22, 1950		
May	1977	Registered as certified public accountant
January	1983	Joined Chuo Audit Corporation
June	1988	Representative Member, Chuo Audit Corporation
October 2000 – June 2006		Manager, Investigation Department, Business Management Division, Chuo Audit Corporation
September	2006	Joined Crowe Toyo & Co.
June 2007 – present		Outside Audit and Supervisory Board Member, Striders Corporation
January	2008	Representative Member, Crowe Toyo & Co.
August	2014	President, Crowe Toyo & Co.
October 2017 – August 2018		Advisor, Crowe Toyo & Co.
March 2018 – present		Representative Director & President, Eishin Partners Co., Ltd.
June 2019 – present		Outside Director

Takashi Yamauchi Outside Director

Date of Birth: May 3, 1951		
April	1976	Joined Mitsui & Co., Ltd.
April	2008	Managing Officer and Chief Operating Officer of Iron & Steel Products Business Unit, Mitsui & Co. Ltd.
April	2010	Executive Managing Officer and Chief Operating Officer of Transportation Logistics Business Unit, Mitsui & Co., Ltd.
April	2011	Executive Managing Officer, Mitsui & Co., Ltd. Chief Executive Officer, Mitsui & Co. (Asia Pacific) Pte. Ltd.
April	2013	Senior Executive Managing Officer, Mitsui & Co., Ltd. Chief Executive Officer, Mitsui & Co. (Asia Pacific) Pte. Ltd.
April	2014	Executive Vice President and Managing Officer, Mitsui & Co., Ltd. Chief Executive Officer, Mitsui & Co. (Asia Pacific) Pte. Ltd.
April	2015	Executive Vice President and Managing Officer, Mitsui & Co., Ltd.
June 2015 – present		Full-Time Audit and Supervisory Board Member, Mitsui & Co., Ltd.
June 2019 – present		Outside Director

Yoshiaki Fujimori Outside Director

Date of Birth: July 3, 1951		
April	1975	Joined Nissho Iwai Corporation (now Sojitz Corporation)
October	1986	Joined General Electric Japan Ltd.
September	1997	Vice President, General Electric Company
May 2001 – August 2011		Senior Vice President, General Electric Company
October	2008	CEO, Representative Director, Chairman and President, GE Japan Ltd.
March 2011 – June 2011		Representative Director and Chairman, GE Japan Ltd.
June	2011	Director, LIXIL Corporation Director, JS Group Corp (now LIXIL Group Corporation)
August	2011	Director, Representative Executive Officer, President and CEO, JS Group Corp (now LIXIL Group Corporation) Representative Director, President and CEO, LIXIL Corporation
June 2012 – June 2017		Outside Director, Tokyo Electric Power Company, Incorporated (now Tokyo Electric Power Company Holdings, Incorporated)
January	2016	Representative Director, Chairman and CEO, LIXIL Corporation
June 2016 – present		Senior Advisor, LIXIL Group Corporation Outside Director, Takeda Pharmaceutical Company Limited
July 2016 – present		Outside Director, Boston Scientific Corporation
February 2017 – present		Senior Executive Advisor, CVC Asia Pacific (Japan) Kabushiki Kaisha
August 2018 – present		Outside Director and Chairman, Oracle Corporation Japan
June 2019 – present		Outside Director

As of June 2019

Outside Directors

Paul J. Brough Outside Director

Date of Birth:	November 13, 1956
September 1983	Joined KPMG Hong Kong
October 1991	Partner, KPMG Hong Kong
July 1995	Head of Consulting, KPMG Hong Kong
October 1997	Head of Financial Advisory Services, KPMG Hong Kong
October 1999	Asia-Pacific head of Financial Advisory Services, KPMG Hong Kong and member of KPMG's global advisory steering group
September 2008	Joint-Liquidator of various Lehman Brothers entities located in Asia.
April 2009 – March 2012	Regional Senior Partner, KPMG Hong Kong
September 2012 – January 2013	Chief Restructuring Officer, Sino-Forest International Corporation
September 2012 – present	Independent Non-Executive Director, GL Limited
February 2013 – April 2015	Chairman and CEO, Emerald Plantation Holdings Ltd.
October 2013 – May 2015	Director (until May 2015) and Interim CEO (until April 2015), Greenheart Group Limited
October 2013 – present	Independent Non-Executive Director, Habib Bank Zurich (Hong Kong) Limited
May 2015 – May 2017	Independent Non-Executive Director, Noble Group Limited
January 2016 – June 2016	Executive Director and Chief Restructuring Officer, China Fishery Group Limited
September 2016 – present	Independent Non-Executive Director, Vitasoy International Holdings Limited
May 2017 – December 2018	Executive Chairman, Noble Group Limited
May 2017 – present	Independent Non-Executive Director, The Executive Center Limited
December 2018 – present	Executive Chairman, Noble Group Holdings Limited
June 2019 - present	Outside Director

Ayako Hirota Weissman Outside Director

Date of Birth:	May 9, 1957
January 1984	Vice President, Equitable Capital Management
January 1987	Managing Director, Smith Barney, Harris Upham & Co. Inc. (now Citigroup)
October 1999	Partner, Feirstein Capital Management LLC
January 2002	Portfolio Manager, Kingdon Capital Management LLC
June 2006	Founder and Chief Executive Officer, AS Hirota Capital Management LLC
November 2010 – present	Senior Vice President, Senior Portfolio Manager and Director in charge of Asia Strategy, Horizon Asset Management, Inc. (now Horizon Kinetics LLC)
June 2015 – June 2019	Outside Director, SBI Holdings, Inc.
June 2019 - present	Outside Director

Jerry Black Outside Director

Date of Birth:	May 29, 1959
July 1982	Joined Arthur Andersen & Co.
October 1986	Joined Ernst & Young LLP
January 1995	Joined Kurt Salmon Associates, Inc.
March 2002	Managing Director, Global Practice Director, Kurt Salmon Associates, Inc.
January 2005	Managing Director, North America, Kurt Salmon Associates, Inc.
January 2006	President, Consumer Products Division, Kurt Salmon Associates, Inc.
January 2008	President, Chief Executive Officer, Kurt Salmon Associates, Inc.
March 2009	Joined Aeon Co., Ltd., Advisor
May 2009	Executive Officer, Chief Executive of Group Strategy & IT and Chief Executive Officer of Asian Operation, Aeon Co., Ltd.
March 2010	Executive Officer, Chief Executive Officer of ASEAN Business and Chief Executive Officer of Group IT and Digital Business, Chief Group Strategy Officer, Aeon Co., Ltd.
March 2011	Senior Managing Executive Officer, Chief Group Strategy Officer; Chief Executive Officer of Group IT and Digital Business, Aeon Co., Ltd.
March 2012	Senior Managing Executive Officer, Advisor to Group CEO; Chief Group Strategy Digital and IT Officer, Aeon Co., Ltd.
March 2013	Senior Managing Executive Officer, Advisor to Group CEO; Chief Strategy, Digital, IT and Marketing Officer, Aeon Co., Ltd.
March 2014	Senior Managing Executive Officer, Merchandising Strategy and Digital Shift Promotion Officer, Aeon Co., Ltd.
February 2015 – May 2016	Executive Officer, Digital Business, Aeon Co., Ltd.
March 2016 – February 2017	Director, Executive Officer and Vice President of AEON RETAIL Co., Ltd.
April 2017 – present	Advisor, Aeon Co., Ltd.
June 2019 – present	Outside Director

George Raymond Zage III Outside Director

Date of Birth:	January 20, 1970
June 1991	Joined PriceWaterhouse
August 1992 – February 2000	Vice President of Investment Banking Division, Goldman Sachs & Co
March 2000	Joined Farallon Capital Management L.L.C
September 2002	Managing Director, Farallon Capital Asia Pte. Ltd
January 2008 – August 2018	Managing Director and CEO, Farallon Capital Asia Pte. Ltd
August 2013 – present	Independent Non-Executive Director, Whitehaven Coal Limited
August 2016 – present	Commissioner (Non-Executive), PT Aplikasi Karya Anak Bangsa (Go-Jek)
August 2018 – present	Founder and CEO, Tiga Investments Pte. Ltd. Senior Advisor (Part time), Farallon Capital Management, L.L.C
April 2019 – present	Commissioner (Non-Executive), PT Lippo Karawaci Tbk
June 2019 - present	Outside Director

As of June 2019

Message from Chairman of the board of Directors

Under the determined leadership of Chairman Kurumatani and President Tsunakawa, Toshiba is striving to realize the Toshiba Next Plan. The excellent people who work for the Company are refining its technologies toward providing effective solutions to social and environmental issues. By optimizing selling prices and reducing costs, the fundamentals of business operations, and by making higher profit, Toshiba will achieve its greatest mission—to maximize corporate value and achieve continuous growth.

To achieve that, while correctly recognizing that this is a new era, it is essential that we thoroughly hone advantages that are unique to Toshiba, that other companies cannot imitate, and that we clearly demonstrate Toshiba's reason for being—in other words raise the banner of the Reborn Toshiba—to our customers and markets, to society and our employees, and ultimately to all stakeholders, including the next generation and the global environment. The Board of Directors has also seen changes in its membership, to increase its diversity, and is becoming increasingly active. As Chairman of the board of Directors, I will lead effective debate and deep discussions among top management, and make a solid contribution to the creation of the banner that Toshiba should raise.

Toshiba's course is clear from the outset—we must achieve the transformation to a business structure that can compete globally. Are the plans being developed logically and strategically compatible with the banner we are lifting? Is the timeframe defined in the plan appropriate? Above all else, are the allocation of management resources and execution of the plan compliant with the banner and timeframe—part of the mission of the Board is to examine these issues in a timely manner. From this perspective, we will focus on improving the effectiveness of the Board of Directors.

Toshiba is on course for recovery and regaining trust. It hardly needs to be said, but one of the most important responsibilities assigned to the Board is the demonstration of an adequate management oversight function, a “defensive” corporate governance that ensures compliance and safety throughout the Company. While pondering the importance of my responsibilities as Chairman of the Board of Directors, I came to the realization that I will contribute to improving Toshiba's true corporate value by achieving the optimal combination of steady “defense” linked with internal control functions, and bold “offense” triggered by the Toshiba Next Plan.



Yoshimitsu Kobayashi

Chairman of the Board of Directors

Meeting between an outside director and a group of shareholders



To promote constructive dialogue with shareholders and investors, we held the first meeting between an outside director, Mr. Yoshimitsu Kobayashi, and a group of shareholders on January 9, 2019. The total number of institutional investors participating was 47 persons from 30 companies (Domestic: 31 persons from 22 companies, Overseas: 16 persons from 8 companies).

We received various questions and opinions from attendees on subjects such as corporate governance, election methods and skill sets for director candidates and the medium-term management plan Toshiba Next Plan. We will continue to consider ways to further strengthen dialogue with shareholders.

The meeting minutes are posted on our website.

<https://www.toshiba.co.jp/about/ir/en/pr/pr20190109.htm>

Messages from Outside Directors



Yuki Furuta
Outside Director

As you know, we spent about 10 months of last year formulating the Toshiba Next Plan for shaping the future of Toshiba. The plan is based on the reason for Toshiba's existence, the spirit and function of making things that contribute to society, and it makes use of the vast volumes of information generated by manufacturing to prepare for the further expansion of the information society. My understanding is that we are pursuing a business model that fits the information age and that will allow us to make further contributions to society.

This year we take the first step in the plan's implementation, and this is clearly an important time when we must strengthen current foundations and build foundations for new development. However, when we look at the surrounding circumstances, we see friction between the United States and China, and how that will play out cannot be predicted; the outcome of the UK's withdrawal from the EU is still unclear; and there are other factors that do not allow for optimism.

The composition of the Board of Directors has changed significantly. I want to see the new Board taking full account of this environment, and working to function effectively and appropriately for the precise realization of the Toshiba Next Plan. In our corporate governance, we will, of course, continue to ensure thorough compliance in accounting, but I would also like to see an understanding that issues such as handling large amounts of accumulated information and ensuring security are major concerns of governance that greatly impact on corporate management. I will carry out my duties paying close attention to these issues.



Junji Ota
Outside Director

In the year since June 2018, when I was appointed an outside director, I have worked as a full-time member of the Audit Committee to prevent any recurrence of scandal at Toshiba and, with the objective of returning to the first section of the stock markets, made continual efforts to enhance and strengthen internal controls.

Toshiba announced the Toshiba Next Plan in November 2018, which has as its foundation strengthening core earning power and initiatives for our next growth strategy. We have now made a new start to ensure these targets. The plan includes a number of difficult challenges that Toshiba must meet and overcome in order to put the management crisis behind it and steer the way to growth. I think that the important thing in carrying out these activities is for each of us to demonstrate our capabilities according to our position, and to ensure the correct way of thinking. Internal controls are the underlying mechanism for that, but they should not be regarded as guarantees of fraud prevention or legal compliance. Internal controls are mechanisms that ensure the execution and efficiency of business strategy, and this is why good discipline is said to be good business.

The role of the outside directors is to monitor how executives, through the execution of each business, are trying to achieve sustainable improvement in enterprise value and secure a better balance among our various stakeholders. Now that I am in my second year, I am ready to work with the new members of the Board and watch over the determined steps of the Reborn Toshiba.



Nobuyuki Kobayashi
Outside Director

I became an outside director in June this year. For over 40 years before that, I was engaged in auditing as a certified public accountant. In order to ensure appropriate financial information, it is important that audited companies carry out thorough compliance, and I think it is necessary to share the social mission of the stakeholders.

Until now I have only seen Toshiba from the outside, but I feel that a substantial compliance function is essential. In future, mainly on the Audit Committee, I would like to draw on my experience to strengthen compliance and to help with Toshiba's regeneration.

We are witnessing dramatic changes in the corporate environment, and if we are to secure sustainable growth it is important to set goals that can be shared by various stakeholders, including our shareholders, employees and management. I think it is particularly necessary for all members of Toshiba Group to have a sense of ownership, and to work with management to strengthen profitability and develop growth strategies. As an outside director, I would like to contribute to the realization of a Toshiba where organizational diversity works effectively by taking advantage of 360-degree thinking.



Takashi Yamauchi
Outside Director

Since the inappropriate accounting issue that came to light in 2015, Toshiba has had to tackle various crises and reform its corporate structure. In doing so, the management team and employees have worked together to overcome difficult problems, one by one, and I am sure we are now on the path to becoming a global, excellent company representative of Japan. Even so, thoroughgoing awareness of compliance and the effective functioning of a sound, transparent corporate governance system remain endless challenges. I believe that our role as outside directors is to constantly ascertain whether internal controls are broken or becoming slack, so that the executive team can fully commit themselves to aggressive management.

The Toshiba Next Plan announced in November 2018 is a signpost for the revival of Toshiba, and achieving it will be a testament to Toshiba's ability to generate sustainable growth and to increase corporate and shareholder value for all stakeholders. Changes in the external environment and competition in the industry might require some reworking of the initial plan, and I am keen to work with the management team to achieve this, while verifying the validity and reasonableness of the executive team's management decisions at every step.

Companies are required to pursue sustainable growth and increase corporate value, while at the same time promoting CSR management that contributes to the realization of a prosperous society and people-friendly environment. Toshiba's capabilities in developing advanced technologies have the power to contribute to solving complex social problems on the global scale. I want to support a management position that aims to achieve a prosperous and people-friendly society and that will increase corporate value from the medium- to long-term perspective.



Yoshiaki Fujimori
Outside Director

My ideas on management and leadership are the fruits of 25 years of experience at GE and five years as the president of the LIXIL Group. After working for nine years as global head of GE's nuclear medicine, CT and MR medical diagnostic equipment business at its Wisconsin HQ, I spent three years as CEO of GE Healthcare Asia, then three years as Global CEO of GE Plastics, at its HQ in Massachusetts. I also gained experience as General Manager for Asia and CEO of GE Capital Asia.

For the five years from 2011, I served as president of LIXIL Group. After securing integration in the domestic market, we promoted globalization with large-scale acquisitions in the building materials business in the US, Europe and Asia. This transformed the company into a global corporation, and increased the contribution from overseas sales from almost zero to over 35%. The leadership theory I have established as a result of these experiences is a belief that leaders are people who can innovate change and develop strong human resources.

Toshiba has great technology and brands, and outstanding employees, full of energy. It also has excellent management that can make effective use of these resources. We outside directors want to work together with Toshiba employees to help realize major reforms, and to contribute not only to the achievement of the Toshiba Next Plan, but also to Toshiba becoming a world-class company in terms of growth potential, profitability, cash flow, and TSR.

Toshiba's culture will also change in major ways. The five outside directors from overseas are invited, and the new board fosters a culture that will be seen in terms of global standards, and while further strengthening governance, we will build a Toshiba with a strong, world-class culture we can be proud of.



Paul J. Brough
Outside Director

As an independent non-executive director of Toshiba, my responsibilities are first and foremost to the Company. Through a strong governance structure, and a well-developed strategy, it is my belief that the Board should strive to complete the rebuilding of Toshiba's reputation, profitability and growth. Toshiba has many different stakeholders, including shareholders, employees, customers and partners, and it is important that we work together to fulfil their aspirations for Toshiba.

While a start has been made, there is still work to do in respect of improving core earnings and streamlining Toshiba Group's diverse businesses. This will entail the Board, management and employees working together and undertaking some difficult tasks before we can say we have done our best for our stakeholders.

Toshiba has emerged from a difficult period in its long and illustrious history and has introduced its Toshiba Next Plan to transform Toshiba's business. I believe it is critical that the Plan is implemented successfully. Responsibility for doing so falls on the shoulders of the Toshiba Board and management. The introduction of internationally-experienced independent directors will bring new skills, perspectives and experiences to the Board which should help drive the comprehensive implementation of the Plan.

With my experience of managing companies in Asia and their businesses, I hope I can add my skills to those of the Toshiba Board to continue the restoration of Toshiba's fortunes.



Ayako Hirota Weissman
Outside Director

Toshiba has overcome crises triggered by inappropriate accounting and huge losses in overseas business and is now transitioning to a stage where it is aiming for stable, long term growth and improved corporate value. The new management team launched the Toshiba Next Plan last year, which is the core of our group management strategy. In addition, Toshiba went to the stock market in 2017 to raise capital to stabilize its financial base, and as a result of that move shareholder composition has been globalized. As of spring 2019, approximately 70% of shareholders were overseas institutional investors. Naturally, further evaluations of management and corporate governance are expected to be against more stringent global standards.

As the global economic cycle matures, Toshiba's external environment is becoming increasingly uncertain, due to factors such as worsening trade friction between the United States and China as well as intensifying competition driven by technological advances. The Toshiba Next Plan is our commitment to our shareholders. Regardless of whether external conditions are good or bad, in order to restore the confidence of the investors and the stock markets, the management and employees must commit to putting their utmost effort into achieving the goals outlined in the Toshiba Next Plan.

I have been involved in portfolio management as an institutions investor in the US for over 35 years. In both the US and Asia I have seen many corporate revitalizations, some of which have succeeded, and some of which failed. I would like to make use of this experience to serve as a bridge between management and investors to deepen mutual understanding in order to achieve sustainable and stable growth and raise corporate value.



Jerry Black
Outside Director

I have deep experience in international business and also deep experience with Japanese companies having been part of the Aeon group since 2009.

I became an outside director in June this year. While at Aeon, I viewed from the outside, the crisis at Toshiba due to the inappropriate accounting and troubles with overseas businesses. I also observed the difficult decisions made by Board members and management that were necessary to regain the trust of investors and society.

It was the strength of its associates that helped Toshiba to overcome the difficult last four years and to get to this point of taking the next steps toward bold transformation. The Toshiba passion for product, engineering and making innovations to build a better world is extraordinary and now is the time to deliver the Toshiba Next Plan to embark upon a renewed period of success.

My role as an external Board member is to help ensure the appropriate strategy and execution to deliver value to all stakeholders. While Toshiba must make continued progress on compliance and governance improvements, the effective execution of the Toshiba Next Plan is indispensable to our success. The Board members will be actively engaged in both monitoring the progress of the plan's execution and holding ongoing discussions to ensure the effective use of capital and the continued open dialog with stakeholders.

It is my hope that Toshiba will continue to build a culture of accountability and ownership while bridging corporate silos to create the synergies to help unlock the tremendous hidden value of the Company. I am honored to become part of the next phase of Toshiba's success and I am committed to supporting Toshiba to the best of my abilities.



Raymond Zage III
Outside Director

I have lived and worked in Asia, primarily Singapore, for over 25 years including some time spent living and studying in Tokyo. I am excited to have the opportunity to serve as an independent director of Toshiba, one of Japan's most iconic companies.

There are many challenges ahead both external and internal. Our external challenges include a world that is increasingly filled with trade tension and tariffs, which will undoubtedly impact many parts of our business. Toshiba will need to be both proactive and responsive to the challenges created by this environment with the objective of trying to create a competitive advantage where we can. From within the Company, we need to focus on improving the profitability and productivity of all of Toshiba's businesses. Our long-term success and competitiveness is based on generating strong returns on capital and having the ability to invest thoughtfully in new technologies and capabilities. We need to focus on investing in areas where we have a strong competitive advantage and in areas where we are not a leader we will need to take steps to change strategy to improve overall financial performance. Disciplined capital management is a critical component of the long-term success of the Company. As a new independent director of Toshiba, I am looking forward to working with management and the Board to improve the financial and operating performance of the Company making sure that the process of decision making captures short, medium and long-term considerations. It is critical that this process comes with feedback and input from all levels at Toshiba including employees, management and shareholders. We need an environment of cooperation and communication among stakeholders to make this journey a success.

Contents

Data Section

Consolidated Financial Summary	66
Consolidated Balance Sheets	68
Consolidated Statements of Operations	70
Consolidated Statements of Comprehensive Income	71
Consolidated Statements of Cash Flows	72
Industry Segment Performance	73
Shareholder Information	74
Stock Information	75
Consolidated Subsidiaries and the companies accounted for under the equity method	76

Major indices of the Data Section have been compiled chronologically based on the fiscal years. For the details of financial information for the year ended March 31, 2019, please refer to the "Financial Report 2019."

Consolidated Financial Summary

	2015
Net sales	¥4,851,060
Operating income (loss)	(72,496)
Income (loss) from continuing operations, before income taxes and noncontrolling interests	(122,333)
Net income (loss) attributable to shareholders of the Company	(37,825)
Comprehensive income (loss) attributable to shareholders of the Company	90,638
Equity attributable to shareholders of the Company	1,083,996
Total equity	1,565,357
Total assets	6,334,778
Return on investment (ROI) (%)*	(2.6)
Return on equity (ROE) (%)*	(3.6)
Return on total assets (ROA) (%)*	(0.6)
Per share of common stock: (Yen)	2,560.09
Earnings (loss) per share attributable to shareholders of the Company (Basic) (Yen)	(89.33)
Earnings (loss) per share attributable to shareholders of the Company (Diluted) (Yen)	—
Shareholders' equity ratio (%)	17.1
Return on equity ratio (%)	(3.6)
Price-to-earnings ratio (PER)	—
Net cash provided by (used in) operating activities	330,442
Net cash provided by (used in) investing activities	(190,130)
Net cash provided by (used in) financing activities	(125,795)
Cash, cash equivalents and restricted cash at the end of the fiscal year	185,721
Number of employees	198,741

Notes: 1. The Group's Consolidated Financial Statements are based on the companies accounted for under the equity method.

2. The Memory business (including its SSD business, but excluding its image sensor business) was classified as discontinued operations in accordance with Accounting Standards Codification ("ASC") No.205-20 "Presentation of Financial Statements - Discontinued Operations" in the fiscal year ended March 31, 2018. Results of the prior fiscal years have been revised to reflect these changes. The results of the Memory business were reported as discontinued operations for the first two months of the fiscal year ended March 31, 2019, and the results of the rest of the year were accounted for using the equity method.

3. The Westinghouse Group's Nuclear Power business was classified as discontinued operations in accordance with ASC 205-20 in the fiscal year ended March 31, 2017. Results of the prior years have been revised to reflect these changes.

4. The Healthcare Systems & Services segment and Home Appliances business were classified as discontinued operations in accordance with ASC 205-20 in the fiscal year ended March 31, 2016. Results of the prior years have been revised to reflect these changes.

5. The Group adopted Accounting Standards Updates ("ASU") No. 2016-15 "Statement of Cash Flows Classification of Certain Cash Receipts and Cash Payments (a consensus of the FASB Emerging Issues Task Force)", ASU No. 2016-18 "Statement of Cash Flows Restricted Cash (a consensus of the FASB Emerging Issues Task Force)" and ASU No. 2017-07 "Compensation Retirement Benefits Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" effective from the first quarter of the fiscal year ended March 31, 2019. Results of the prior years have been revised to reflect these changes, except for ASU 2017-07, which is not reflected before the fiscal year ended March 31, 2016.

6. Consumption tax is not included in net sales.

7. Operating income (loss) is derived by deducting the cost of sales, selling, general and administrative expenses and impairment loss on goodwill from net sales. This result is regularly reviewed to support decision-making in allocation of resources and to assess performance. Certain expenses such as restructuring charges and legal settlement costs are not charged to operating income (loss).

(Millions of yen)

2016	2017	2018	2019
¥ 4,346,485	¥4,043,736	¥ 3,947,596	¥3,693,539
(581,376)	96,537	86,184	35,447
(499,439)	44,945	82,378	10,909
(460,013)	(965,663)	804,011	1,013,256
(752,518)	(844,585)	819,189	1,083,664
328,874	(552,947)	783,135	1,456,659
672,258	(275,704)	1,010,734	1,699,045
5,433,341	4,269,513	4,458,211	4,297,344
(23.7)	5.4	6.6	1.8
(65.1)	861.9	698.6	90.5
(7.8)	(19.9)	18.4	23.1
776.74	(1,306.03)	1,201.78	2,691.21
(1,086.45)	(2,280.76)	1,628.88	1,641.85
—	—	—	—
6.1	(13.0)	17.6	33.9
(65.1)	—	698.6	90.5
—	—	1.89	2.15
(1,230)	134,163	37,367	124,855
653,442	(178,929)	(146,713)	1,305,434
135,747	(204,220)	(63,613)	(645,018)
975,529	723,231	548,657	1,335,520
187,809	153,492	141,256	128,697

8. Total equity is the sum of Equity attributable to shareholders of the Company and Equity attributable to noncontrolling interests.

9. The calculation of "Per share of common stock", "Shareholders' equity ratio" and "Return on equity ratio" is based on Equity attributable to shareholders of the Company in the consolidated balance sheets.

10. Basic net earnings (loss) per share attributable to shareholders of the Company ("EPS") is computed based on the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the dilution that could occur if convertible bonds were converted or stock acquisition rights were exercised to issue common stock, unless their inclusion would have an antidilutive effect.

11. Diluted net earnings per share attributable to shareholders of the Company has been omitted because the Company did not have potential common stock outstanding.

12. The proposal to consolidate every 10 shares of the Company into 1 share on October 1, 2018 as the effective date was approved at the Ordinary General Meeting of Shareholders for the 179th fiscal year, which was held on June 27, 2018. Accordingly, the Company consolidated the shares at 10 for 1 effective as of October 1, 2018. The results of the prior fiscal years have been revised to reflect these changes.

13. Return on equity ratio for the year ended March 31, 2017 has been omitted because the average equity attributable to shareholders of the Company during the period is less than zero.

14. Price-to-earnings ratio ("PER") for the years ended March 31, 2017, 2016 and 2015 has been omitted because of net loss attributable to shareholders of the Company.

15. The number of employees is the sum of the workers who are expected to work or have worked over a year among regular employees and fixed-term employees.

* Results before the fiscal year ended March 31, 2017 do not reflect the impact of new accounting standards applied from the fiscal year ended March 31, 2019.

Consolidated Balance Sheets

(Millions of yen)

March 31	2018	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	¥ 500,820	¥ 1,335,520
Notes, accounts receivable and contract assets		
Notes receivable	50,255	79,072
Accounts receivable and contract assets	940,315	955,649
Allowance for doubtful notes, accounts receivable and contract assets	(22,424)	(19,466)
Inventories	469,767	468,878
Prepaid expenses and other current assets	343,882	214,205
Current assets of discontinued operations	1,296,481	—
	3,579,096	3,033,858
Long-term Receivables and Investments:		
Long-term receivables	7,862	8,603
Investments in and advances to affiliates	148,120	501,052
Marketable securities and other investments	89,858	85,965
	245,840	595,620
Property, Plant and Equipment:		
Land	42,079	42,442
Buildings	629,742	642,613
Machinery and equipment	1,232,282	1,243,888
Construction in progress	18,984	28,939
	1,923,087	1,957,882
Less—Accumulated depreciation	(1,557,452)	(1,572,162)
	365,635	385,720
Other Assets:		
Deferred tax assets	76,326	99,003
Other	191,314	183,143
	267,640	282,146
	¥ 4,458,211	¥ 4,297,344

For more information, please visit our IR website at <http://www.toshiba.co.jp/about/ir/en/finance/index.htm>

(Millions of yen)

March 31	2018	2019
LIABILITIES AND EQUITY		
Current Liabilities:		
Short-term borrowings	¥ 89,891	¥ 26,991
Current portion of long-term debt	211,667	330,753
Notes and accounts payable, trade	684,687	660,792
Accounts payable, other and accrued expenses	303,568	297,334
Accrued income and other taxes	54,270	49,422
Advance payments received	288,720	301,450
Other current liabilities	448,529	211,677
Current liabilities of discontinued operations	349,608	—
	2,430,940	1,878,419
Long-Term Liabilities:		
Long-term debt	390,860	76,935
Accrued pension and severance costs	443,092	434,487
Other liabilities	182,585	208,458
	1,016,537	719,880
Equity Attributable to Shareholders of the Company:		
Common stock	499,999	200,044
Additional paid-in capital	357,153	—
Retained earnings (losses)	223,615	1,528,463
Accumulated other comprehensive loss	(295,572)	(262,311)
Treasury stock, at cost	(2,060)	(9,537)
	783,135	1,456,659
Equity Attributable to Noncontrolling Interests:		
	227,599	242,386
Commitments and contingent liabilities		
	¥4,458,211	¥4,297,344

(Millions of yen)

March 31	2018	2019
Accumulated Other Comprehensive Loss:		
Net unrealized gains and losses on securities	¥ 37,147	¥ 20
Foreign currency translation adjustments	(82,514)	(20,085)
Pension liability adjustments	(248,874)	(241,772)
Net unrealized gains and losses on derivative instruments	(1,331)	(474)

Consolidated Statements of Operations

(Millions of yen)

Year ended March 31	2018	2019
Sales and Other Income:		
Net sales	¥3,947,596	¥3,693,539
Interest and dividends	7,799	6,249
Equity in earnings of affiliates	10,250	12,901
Other income	184,599	49,487
	4,150,244	3,762,176
Costs and Expenses:		
Cost of sales	2,983,039	2,783,564
Selling, general and administrative expenses	878,373	864,690
Impairment loss on goodwill	—	9,838
Interest expenses	29,364	10,563
Other expense	177,090	82,612
	4,067,866	3,751,267
Income (loss) from Continuing Operations, before Income Taxes and noncontrolling interests	82,378	10,909
Income Taxes:		
Current	(21,709)	30,793
Deferred	(40,229)	(15,241)
	(61,938)	15,552
Income (Loss) from Continuing Operations, before Noncontrolling Interests	144,316	(4,643)
Income from Discontinued Operations, before Noncontrolling Interests	696,068	1,040,240
Net Income before Noncontrolling Interests	840,384	1,035,597
Less: Net Income (Loss) Attributable to Noncontrolling Interests	36,373	22,341
Net Income Attributable to Shareholders of the Company	¥ 804,011	¥1,013,256

Consolidated Statements of Comprehensive Income

(Millions of yen)

Year ended March 31	2018	2019
Net Income before Noncontrolling Interests	¥840,384	¥1,035,597
Other Comprehensive Income (Loss), Net of Tax:		
Net unrealized gains and losses on securities	12,928	40
Foreign currency translation adjustments	(39,210)	62,172
Pension liability adjustments	29,799	5,043
Net unrealized gains and losses on derivative instruments	1,512	999
Total other comprehensive income (loss)	5,029	68,254
Comprehensive Income before Noncontrolling Interests	845,413	1,103,851
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interests	26,224	20,187
Comprehensive Income Attributable to Shareholders of the Company	¥819,189	¥1,083,664

Consolidated Statements of Cash Flows

(Millions of yen)

Year ended March 31	2018	2019
Cash Flows from Operating Activities:		
Net income before noncontrolling interests	¥ 840,384	¥1,035,597
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by operating activities		
Depreciation and amortization	118,070	78,518
Provisions for pension and severance costs, less payments	9,016	(13,031)
Deferred income taxes	(99,776)	(12,641)
Equity in earning of affiliates, net of dividends	(8,167)	(6,608)
Gain (loss) from sales, disposal and impairment of property, plant and equipment, intangible assets and securities, net	(54,098)	(913,110)
Increase in notes and accounts receivable, trade	(74,367)	(41,935)
Increase in inventories	(30,156)	(65,899)
Decrease in notes and accounts payable, trade	31,256	(10,396)
Increase (decrease) in accrued income and other taxes	1,691	(14,111)
Increase (decrease) in advance payments received	(17,085)	7,241
Other	(679,401)	81,230
Net cash provided by operating activities	37,367	124,855
Cash Flows from Investing Activities:		
Proceeds from sale of property, plant and equipment	25,811	4,749
Proceeds from sale of securities	2,759	1,637
Acquisition of property, plant, equipment and intangible assets	(199,908)	(138,237)
Purchase of securities	(16,737)	(1,913)
Increase in investments in affiliates	(117,214)	(30,381)
Others	158,576 ^{*1}	1,469,579 ^{*2}
Net cash provided by (used in) investing activities	(146,713)	1,305,434
Cash Flows from Financing Activities:		
Proceeds from long-term debt	2,826	4,605
Repayment of long-term debt	(256,333)	(198,906)
Decrease in short-term borrowings, net	(239,271)	(63,047)
Proceeds from stock offering	573,447	—
Dividends paid	(10,940)	(22,249)
Purchase of treasury stock, net	(115)	(399,924)
Other	(133,227)	34,503
Net cash used in financing activities	(63,613)	(645,018)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,615)	1,592
Net increase (decrease) in cash, cash equivalents and restricted cash	(174,574)	786,863
Cash, cash equivalents and restricted cash at the beginning of the fiscal year	723,231	548,657
Cash, cash equivalents and restricted cash at the end of the fiscal year	548,657	1,335,520
Less: Cash, cash equivalents and restricted cash of discontinued operations at the end of the fiscal year	32,299	—
Cash, cash equivalents and restricted cash of continuing operations at the end of the fiscal year	¥ 516,358	¥1,335,520
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for—		
Interest	¥ 23,375	¥ 10,383
Income taxes	¥ 104,845	¥ 70,263

*1 Includes ¥149,728 million in proceeds from the sale of shares of Landis+Gyr Group.

*2 Includes ¥1,458,289 million in proceeds from the sale of shares of Toshiba Memory Corporation.

Industry Segment Performance

(Millions of yen)

Year ended March 31	2018	2019	Change (%)
---------------------	------	------	------------

Energy Systems & Solutions

Net sales	¥ 841,081	¥ 652,718	(22.4)
Share of net sales (%)	19.7	16.3	—
Operating income (loss)	(9,696)	(24,012)	—
Operating income ratio (%)	(1.2)	(3.7)	—
Number of employees (Thousands)	18	17	(5.6)
R&D expenditures	27,367	17,965	(34.4)
Depreciation	13,651	10,447	(23.5)
Capital expenditures	12,636	12,251	(3.0)
Total assets	674,144	782,892	16.1

Infrastructure Systems & Solutions

Net sales	1,246,776	1,291,931	3.6
Share of net sales (%)	29.1	32.3	—
Operating income (loss)	48,001	39,917	(16.8)
Operating income ratio (%)	3.9	3.1	—
Number of employees (Thousands)	42	42	0.0
R&D expenditures	39,247	42,281	7.7
Depreciation	23,427	24,805	5.9
Capital expenditures	24,255	30,398	25.3
Total assets	970,299	1,080,222	11.3

Retail & Printing Solutions

Net sales	522,762	485,396	(7.1)
Share of net sales (%)	12.2	12.1	—
Operating income (loss)	27,009	20,242	(25.1)
Operating income ratio (%)	5.2	4.2	—
Number of employees (Thousands)	20	20	0.0
R&D expenditures	28,065	27,761	(1.1)
Depreciation	12,239	12,827	4.8
Capital expenditures	11,330	13,315	17.5
Total assets	325,764	309,195	(5.1)

Storage & Electronic Devices Solutions

Net sales	879,602	900,942	2.4
Share of net sales (%)	20.6	22.5	—
Operating income (loss)	47,323	11,375	(76.0)
Operating income ratio (%)	5.4	1.3	—
Number of employees (Thousands)	20	24	20.0
R&D expenditures	43,975	45,943	4.5
Depreciation	17,172	16,838	(1.9)
Capital expenditures	29,006	38,007	31.0
Total assets	409,020	461,702	12.9

Year ended March 31	2018	2019	Change (%)
---------------------	------	------	------------

Industrial ICT Solutions

Net sales	¥258,870	¥253,059	(2.2)
Share of net sales (%)	6.1	6.3	—
Operating income (loss)	1,311	8,099	517.8
Operating income ratio (%)	0.5	3.2	—
Number of employees (Thousands)	10	9	(10.0)
R&D expenditures	6,680	6,775	1.4
Depreciation	5,145	3,464	(32.7)
Capital expenditures	2,806	3,861	37.6
Total assets	121,461	126,276	4.0

Others

Net sales	529,279	420,371	(20.6)
Share of net sales (%)	12.4	10.5	—
Operating income (loss)	(31,679)	(25,031)	—
Operating income ratio (%)	(6.0)	(6.0)	—
Number of employees (Thousands)	20	16	(20.0)
R&D expenditures	33,318	26,756	(19.7)
Depreciation	10,034	10,137	1.0
Capital expenditures	5,915	9,528	61.1
Total assets	728,440	1,597,546	119.3

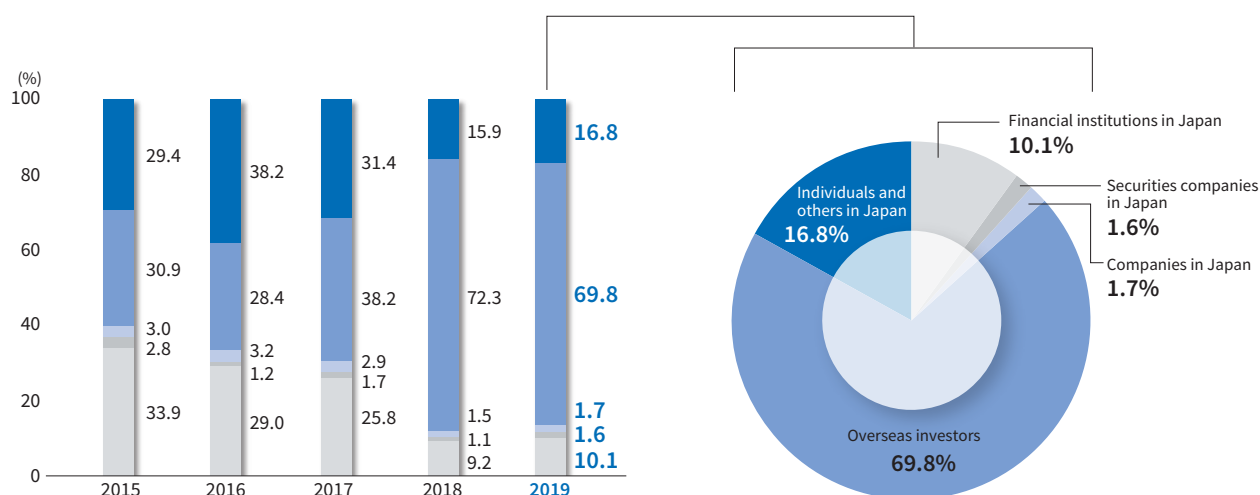
Shareholder Information

Distribution of Shareholders

(Shareholding ratio by category)

March 31	2015	2016	2017	2018	2019
■ Individuals and others in Japan	29.4 %	38.2 %	31.4 %	15.9 %	16.8 %
■ Overseas investors	30.9	28.4	38.2	72.3	69.8
■ Companies in Japan	3.0	3.2	2.9	1.5	1.7
■ Securities companies in Japan	2.8	1.2	1.7	1.1	1.6
■ Financial institutions in Japan	33.9	29.0	25.8	9.2	10.1

Note: For the purpose of calculation of shareholding ratio, treasury shares are excluded from the total number of issued shares.



Major Shareholders (As of March 31, 2019)

Name of Shareholder	Shareholding ratio (Percentage)
GOLDMAN, SACHS & CO. REG	10.1%
SMP PARTNERS (CAYMAN) LIMITED AS TRUSTEE OF ECM MASTER FUND	5.9
GOLDMAN SACHS INTERNATIONAL	4.1
CHINOOK HOLDINGS LTD	3.9
KING STREET CAPITAL MASTER FUND, LTD	2.5
The Dai-ichi Life Insurance Company, Limited	2.1
Nippon Life Insurance Company	2.0
STATE STREET BANK WEST CLIENT - TREATY 505234	1.9
Toshiba Employees Shareholding Association	1.9
KSS TRADING I LTD	1.8

Notes: 1. For the purpose of calculation of shareholding ratio in the above table of principal shareholders, treasury shares are excluded from the total number of issued shares (denominator).

2. The change report on large-volume holdings offered for public inspection on June 1, 2018 notes that, as of June 1, 2018, Farallon Capital Management L.L.C. and CHINOOK HOLDINGS LTD jointly hold 350,398 thousand shares (ratio of stock certificates, etc., held: 5.37%) as shown below. As the Company cannot confirm the beneficial ownership or number of shares held by Farallon Capital Management L.L.C. as of the end of the current fiscal year, Farallon Capital Management L.L.C. is not included in the above table. The number of shares referred to in this note is the number of shares prior to share consolidation in October 2018.

Name of company	Number of stock certificates, etc., held (in thousands)	Ratio of stock certificates, etc., held (percentage)
Farallon Capital Management, L.L.C.	138,475	2.12
CHINOOK HOLDINGS LTD	211,923	3.25
Total	350,398	5.37

3. The change report on large-volume holdings offered for public inspection on December 19, 2018 notes that Effissimo Capital Management Pte Ltd. held 73,719 thousand shares as of December 14, 2018 (ratio of stock certificates, etc., held: 11.30%). However, as the Company was unable to confirm the beneficial ownership or number of shares held at the end of the current fiscal year, Effissimo Capital Management Pte Ltd. is not included in the above table.

4. The report on large-volume holdings offered for public inspection on March 12, 2019 notes that King Street Capital Management, L.P. held 31,695 thousand shares as of March 8, 2019 (ratio of stock certificates, etc., held: 5.41%). However, as the Company was unable to confirm the beneficial ownership or number of shares held at the end of the current fiscal year, King Street Capital Management, L.P. is not included in the above table.

Stock Information

Year ended March 31	2015	2016	2017	2018	2019
Common stock price (Yen, fiscal year)* ¹					
High	548.5	517.2	475.2	347	3,980 ^{*3}
Low	376	155	178	193	2,840
Nikkei average (Yen)	19,206.99	16,758.67	18,909.26	21,454.30	21,205.81
Number of shares issued (Millions of shares)	4,238	4,238	4,238	6,521	544 ^{*3}
Market capitalization (Billions of yen)* ²	2,136.6	928.0	1,023.0	2,008.4	1,917.6
Earnings (Loss) per share attributable to shareholders of the Company (Yen)					
—Basic (EPS)* ⁴	(89.33)	(1,086.45)	(2,280.76)	1,628.88	1,641.85
—Diluted (EPS)	—	—	—	—	—
Annual dividends per share (Yen)	4	—	—	—	30
Payout ratio (%) (Consolidated)	—	—	—	—	1.83
Number of shareholders	391,614	437,466	366,030	300,871	270,570
Price-to-earnings ratio (PER) (Times)	—	—	—	1.89	2.15
Price-to-cash flows ratio (PCFR) (Times)	14.0	(3.8)	(1.3)	1.6	2.0
Price-to-book value ratio (PBR) (Times)	2.0	2.8	(1.8)	2.6	1.3

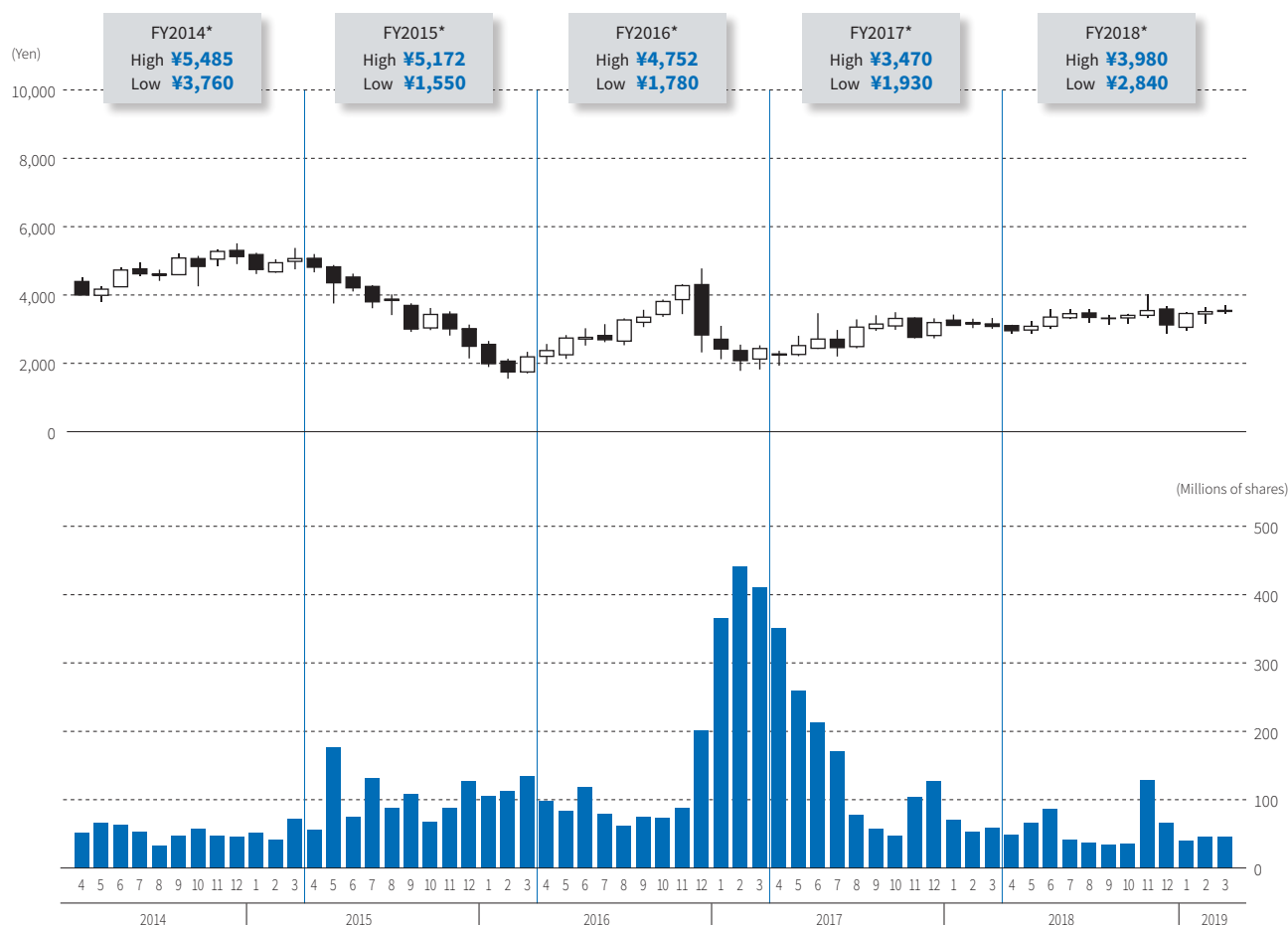
*1: Common stock price until July 31, 2017 is based on the 1st section of the Tokyo Stock Exchange, and from August 1, 2017 onward on the 2nd section of the Tokyo Stock Exchange.

*2: Market capitalization = Common stock price [year-end/yen/close] × Total issues shares

*3: The Company implemented a share consolidation with a ratio of 10 common shares to 1 share as of October 1, 2018.

*4: Earnings (Loss) per share attributable to shareholders of the Company before the fiscal year ended March 31, 2018 has been revised.

Stock Price and Trading Volume Trends (for past 5 fiscal years)



* The Company implemented a share consolidation with a ratio of 10 common shares to 1 share as of October 1, 2018. The stock price and the trading volume are calculated assuming that the share consolidation was implemented on April, 2014.

Consolidated Subsidiaries and the companies accounted for under the equity method

Consolidated Subsidiaries

Domestic

<ul style="list-style-type: none"> • Japan Semiconductor Corporation • Kaga Toshiba Electronics Corporation • Nishishiba Electric Co., Ltd.* • Nuclear Fuel Industries, Ltd. • NuFlare Technology, Inc.* • Toshiba Carrier Corporation • Toshiba Device Corporation • Toshiba Electronic Devices & Storage Corporation • Toshiba Digital Solutions Corporation 	<ul style="list-style-type: none"> • Toshiba Elevator and Building Systems Corporation • Toshiba Energy Systems & Solutions Corporation • Toshiba Fuel Cell Power Systems Corporation *¹ • Toshiba Global Commerce Solutions Holdings Corporation • Toshiba Industrial Products and Systems Corporation • Toshiba Infrastructure Systems & Solutions Corporation 	<ul style="list-style-type: none"> • Toshiba IT-Services Corporation • Toshiba Lighting & Technology Corporation • Toshiba Logistics Corporation • Toshiba Plant Systems & Services Corporation* • Toshiba Tec Corporation* • Toshiba Tec Solution Service Corporation
128 companies in total including the 21 above		
* Listed Company in stock market		

Overseas

<ul style="list-style-type: none"> • Concert LLC • GNFT Corporation • TCFG Compressor (Thailand) Co., Ltd. • Toshiba America Business Solutions, Inc. • Toshiba America Electronic Components, Inc. • Toshiba America, Inc. • Toshiba Asia Pacific Pte., Ltd. • Toshiba (Australia) Pty., Ltd. • Toshiba Carrier Air Conditioning (China) Co., Ltd. • Toshiba Carrier (Thailand) Co., Ltd. • Toshiba (China) Co., Ltd. • Toshiba Dalian Co., Ltd. • Toshiba Electronics Asia, Ltd. • Toshiba Electronics Europe GmbH 	<ul style="list-style-type: none"> • Toshiba Electronics Taiwan Corporation • Toshiba Elevator (China) Co., Ltd. • Toshiba Elevator (Shenyang) Co., Ltd. • Toshiba Europe GmbH • Toshiba Gulf FZE • Toshiba Hydro Power (Hangzhou) Co., Ltd. • Toshiba Industrial Products Asia Co., Ltd. • Toshiba Information Equipment (Philippines), Inc. • Toshiba Information Systems (UK) Ltd. • Toshiba International Corporation • Toshiba International Procurement Hong Kong, Ltd. • Toshiba JSW Power Systems Private Ltd. • Toshiba Lighting & Technology (Kunshan) Co., Ltd. 	<ul style="list-style-type: none"> • Toshiba of Europe Ltd. • Toshiba Semiconductor (Thailand) Co., Ltd. • Toshiba Tec Europe Imaging Systems S.A. • Toshiba Tec France Imaging Systems S.A. • Toshiba Tec Information Systems (Shenzhen) Co., Ltd. • Toshiba Tec Singapore Pte., Ltd. • Toshiba Tec U.K. Imaging Systems Ltd. • Toshiba Transmission & Distribution Systems Asia Sdn. Bhd. • Toshiba Transmission & Distribution Systems (India) Private Ltd. • TPSC (India) Private Ltd. • TPSC (Thailand) Co., Ltd.
222 companies in total including the 38 above		

The companies accounted for under the equity method

Domestic

<ul style="list-style-type: none"> • EREX New Energy Saiki Co., Ltd. • Toshiba Memory Corporation 	<ul style="list-style-type: none"> • Toshiba Memory Holdings Corporation • Toshiba Mitsubishi Electric Industrial Systems Corporation 	44 companies in total including the 4 above
---	---	---

Overseas

<ul style="list-style-type: none"> • Changzhou Toshiba Transformer Co., Ltd. • Dalian Toshiba Locomotive Electric Equipment Co., Ltd. • Energy Asia Holdings, Ltd. • GE Toshiba Turbine Components de Mexico S.R.L. de C.V. • GD Midea Air-Conditioning Equipment Co., Ltd. • GD Midea Commercial Air-Conditioning Equipment Co., Ltd. 	<ul style="list-style-type: none"> • GD Midea Group Wuhan Air-Conditioning Equipment Co., Ltd. • GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd. • Guangdong Meizhi Compressor Ltd. • Guangdong Meizhi Precision Manufacturing Co., Ltd. • Henan Pinggao Toshiba High-Voltage Switchgear Co., Ltd. • PM&T Holding B.V. 	<ul style="list-style-type: none"> • Schneider Toshiba Inverter SAS • TMEIC Corporation • TMEIC Industrial Systems India Private Ltd. • TMEIC Power Electronics Products Corporation • Toshiba Carrier UK Ltd. • Toshiba Mitsubishi-Electric Industrial Systems (China) Corporation
76 companies in total including the 18 above		

(As of March 31, 2019)

*1: Deconsolidated in April 2019

Corporate History

July	1875	A shop-cum-factory (called Tanaka Seizo-sho from 1882; later Shibaura Engineering Works Co., Ltd.) opened in Tokyo.
Apr.	1890	Hakunetsu-sha & Co., Ltd. (from 1899 Tokyo Electric Company) founded.
June	1904	Shibaura Engineering Works Co., Ltd. established.
Sept.	1939	Shibaura Engineering Works Co., Ltd. merged with Tokyo Electric Company to become Tokyo Shibaura Electric Co., Ltd.
Oct.	1942	Absorbed Shibaura Mazda Industry Co., Ltd. and Nippon Medical Electric Co., Ltd., expanding home appliance line-up.
July	1943	Absorbed Tokyo Electric Co., Ltd. and Toyo Fire Brick Co., Ltd., expanding line-up of communications equipment.
Feb.	1950	Under the Law on Elimination of Excessive Concentration of Economic Power, a group of 14 companies, including Tokyo Electric Appliances Co., Ltd., now Toshiba TEC Corp., was separated from Tokyo Shibaura Electric Co., Ltd.
Apr.		Absorbed Toshiba Rolling Stock Co., Ltd., expanding rolling stock products.
Nov.	1955	Absorbed Dengyo-sha Prime Mover Works Ltd.
Nov.	1961	Absorbed Ishikawajima-Shibaura Turbine Co., Ltd., expanding line-up of turbines.
July	1978	English official trade name changed to "Toshiba Corporation."
Apr.	1984	Japanese official trade name changed to "Toshiba Corporation."
June	1998	Introduced corporate executive officer system.
Apr.	1999	Introduced in-house company system.
July	2001	Changed registered headquarters from Kawasaki City, Kanagawa, to Minato Ward, Tokyo.
Aug.		Announced 01 Action Plan.
June	2003	Adopted the Company with Committees (now, company with three Committee, etc.) system.
Oct.		Transferred electric equipment for manufacturing plant business to TMA Electric Corp. (now Toshiba Mitsubishi-Electric Industrial Systems Corp.).
Oct.	2006	Acquired Westinghouse Group.
June	2009	Raised funds by public offering.
Oct.		Acquired HDD business from Fujitsu Ltd.
Oct.	2010	Merged mobile phone business with that of Fujitsu Ltd. and transferred it to Fujitsu Toshiba Mobile Communications Ltd. (now Fujitsu Mobile Communications Ltd.).
July	2011	Acquired Landis+Gyr AG.
Mar.	2012	Transferred all shares of Toshiba Mobile Display Co., Ltd. to Japan Display Inc., a company established with co-funding by Innovation Network Corporation of Japan, Toshiba Corporation, Sony Corporation and Hitachi, Ltd.
Aug.		Toshiba TEC Corporation acquired the retail store solutions business of US-based IBM (International Business Machines Corporation).
Sept.	2015	Decided that, in principle, the majority of the directors of the Company, and all members of the Nomination Committee, Audit Committee and Compensation Committee, shall be outside directors.
Dec.		Announced the Toshiba Rebuilding Initiative.
Mar.	2016	Sold off all shares of Toshiba Medical Systems Corporation.
June		Sold off 8.01% shares of Toshiba Lifestyle Products & Services Corporation.
June		The Board decided to no longer appoint advisers to the Board ("Sodanyaku").
Mar.	2017	Westinghouse Group deconsolidated from Toshiba Group by Westinghouse Electric Company filing a voluntary petition for relief under Chapter 11.
Apr.		Split off and transferred the memory business to Toshiba Memory Corp. by means of a company split.
July		Split off and transferred the social infrastructure business to Toshiba Electric Service Corp. (Toshiba Infrastructure Systems & Solutions Corp.) by means of a company split. Split off and transferred the electronic devices business to Toshiba Electric Devices & Storage Corp. by means of a company split. Split off and transferred the ICT solutions business to Toshiba Solutions Corp. (Toshiba Digital Solutions Corp.) by means of a company split.
July		Sold off 100% shares of Landis+Gyr Group.
Oct.		Split off and transferred the energy business to Toshiba Energy Systems & Solutions Corp. by means of a company split.
Feb.	2018	Transferred 95% shares of Toshiba Visual Solutions Corporation to China's Hisense Group.
June		Transferred all shares of Toshiba Memory Corporation.
Oct.		Transferred 80.1% shares of Toshiba Client Solutions CO., Ltd. to Sharp Corporation.

Corporate Data (As of March 31, 2019)

Toshiba Corporation

1-1, Shibaura 1-chome, Minato-ku, Tokyo, Japan (headquarters)

Founded:	July 1875
Number of Employees:	Approx. 129,000 (consolidated)
Fiscal Year:	April 1 to March 31
Authorized Number of Shares:	1 billion
Number of Shares Issued:	544,000,000
Number of Shareholders:	227,918
Stock Exchange Listings:	Tokyo, Nagoya
ISIN:	JP359 2200004
Ticker Code on the Tokyo Stock Exchange:	6502
Shareholder Registration Agent:	Sumitomo Mitsui Trust Bank, Limited

● This report has not been audited by our independent auditor.

● **Forward-looking statements**

- The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration, or qualification under the securities laws of any such jurisdiction.
- This presentation contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group. These forward-looking statements are not historical facts, rather they are based on management's assumptions and beliefs in light of the economic, financial and other data currently available. 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 that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore wishes to caution readers that actual results might differ materially from its expectations.

● **Regarding items reported in this report**

Any corrections made to this Report will be published on our website, as referenced above.

● **Product names may be trademarks of the respective companies.**

Editorial Policy

Toshiba has published an annual report after the end of the relevant fiscal year for the purpose of business reporting. This report will be referred to as “Integrated Report” from here on.

The goal of this report is to act as an effective communication tool that helps all stakeholders including shareholders and investors to understand about Toshiba Group. We have endeavored to report strategies and results in an integrated manner including both financial and non-financial information.

This integrated report conforms to the integrated reporting frameworks recommended by the International Integrated Reporting Council and by the Guidance for Collaborative Value Creation issued by the Japanese Ministry of Economy, Trade and Industry.

Reporting period: April 1, 2018 to March 31, 2019, including some information from April, 2019.

Reporting scope: Toshiba Corporation and Toshiba Group



Please refer to our website for detailed investors information and non-financial information.

Reports

Financial and non-financial information

Integrated Report

Financial reports (main), non-financial outlines



<http://www.toshiba.co.jp/about/ir/en/finance/ar/index.htm>

Non-financial details

CSR Report

Overview of CSR activities



<https://www.toshiba/ww/en/csr/report/download.html>

Environmental Report

Overview of environmental activities



<http://www.toshiba.co.jp/env/en/communication/report/index.htm>

Website Sources of timely information

Financial information

IR website

Financial information; legal disclosures



<http://www.toshiba.co.jp/about/ir/index.htm>

IR website for smartphones

Financial information; legal disclosures



<http://www.toshiba.co.jp/about/ir/sp/index.htm>

Non-financial information

CSR website

CSR information



<https://www.toshiba/ww/en/csr.html>

Environment website

Environmental information



<http://www.toshiba.co.jp/env/en/>

Committed to People, Committed to the Future.

Toshiba Corporation

1-1, Shibaura 1-chome, Minato-ku, Tokyo, 105-8001, Japan

Contacts:

Public Relations & Investor Relations Office

Corporate Communications Division

Inquiry page on Investor Relations

URL <http://www.toshiba.co.jp/about/ir/en/contact.htm>

The production and printing of this report reflect the following considerations:



Waterless Printing



Non-VOC Ink

Issued December 2019
Printed in Japan