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Toshiba Corporation – Group Meeting of the outside directors and shareholders Q&A Session (October 1, 2019)

Overseas Investor A:

I have a question to Raymond-san. I will ask the question in English. Having sort of attended a couple of Board meetings, what your view is on the portfolio just generally in terms of a lot of valued assets I think are actually held in sort of the form of joint ventures or listed subsidiaries and so. There's a question for the markets' perspective is whether or not the cash flows and the balance sheet that you have can really be utilized the way you would like to given the nature of the structure of some of the businesses that we consider are fairly valuable, whether be, Toshiba Tec, Toshiba Plant or the elevators business with Kone, for example. Do you think there is a need to adjust the portfolio the way it is structured or do you think that the way it is today seems to be appropriate?

George Raymond Zage III:

Thanks for the question. I'll also answer it in English, if that's okay. In terms of the portfolio I would say the first order of business was really trying to understand it a little bit better. There are lots of different businesses and I think one observation for me would include that some of the businesses that intuitively are maybe lower growth opportunities sometimes also come with some of the highest margins and so there is a real discussion that has taken place around the businesses. I think it feels quite likely that some restructuring will take place in the portfolio. I think management had done considerable work on that, including using some outside advisors, before I showed up. I think there's been ongoing work and ongoing discussion during the time that I've been a participant in the Board meetings.

And I think it's quite likely that there will be some actionable activity in the near future. But when I use the word 'near,' I'm not exactly sure what that means. I would say that, as Kobayashi-san mentioned earlier, there is a sense of urgency at the Board. I think we understand that we need to take some decisions and we just need to make sure that they are thoughtful decisions, but I think you can leave here with the view that you should expect some activity over the course of the next year involving changes in the composition of the portfolio and where capital is allocated.

Overseas Investor B:

We've been shareholders of Toshiba I think for almost three years now, since early 2017. And, I think one of the sort of the recurring themes of frustration we feel is a sense that even if we hear that Toshiba is changing, new things are happening, in kind of one of the most important metrics which has been a big push by the current administration in terms of the corporate governance code and companies having an awareness of its cost of capital, that the company has kind of fallen short time and time again since we initiated our investment. I mean just to raise a couple of examples, I think the way in which the early prepayment to the US Utilities which was the large use of proceeds from the equity raise, that strategy was done in a poor way in our view which resulted in a large windfall to Baupost and the other funds that bought the claims.

I think us as shareholders had previously proposed to the company a non-diluted financing to meet the equity whole which was, rejected in favor of highly dilutive equity financing. And I think more recently, the company has retired subordinated bonds which have a cost of capital substantially below the equity. When we meet with the company we hear, the cost of triple B bonds are very expensive and so the company wants to issue them at single A. And, in the public disclosures, it looks like the cash balance keeps shrinking even though a lot of that has to do with sort of accounting quirks and sort of other working capital related items, which we feel is not being properly sort of disclosed.

And so I guess my question to each of you is, how much of a focus in the Board meetings is the understanding of cost of capital in trying to improve the capital allocation? And what do you think could be done to try and sort of improve that discussion going forward, because I think we are all in agreement that the goal is to drive medium- to long-term value creation in the company, but if your cost of capital is so high that's very hard to do. And so I think it would be great to just get some thoughts from each of you on your sense of the company's current cost of capital, how that can be improved and how the board is working to try and hopefully get management to understand that topic better?

Yoshimitsu Kobayashi:

(Translation)

Regarding that point, we talked about capital allocation at the previous Board meeting. We discussed what a fair cost of capital is. In addition, because of the ongoing low interest trend, we should utilize leverage rather than equity. Those were some of the points we discussed intensively. The management team is trying to make a certain decision in this regard and disclose that decision to our shareholders and investors in November. When the decision has been made by the Board, we will make an announcement. That's where we are now.

Yoshiaki Fujimori:

(Translation)

We on the Board have had intensive discussions twice in the past regarding cost of capital and capital allocation. As you are aware, starting this year, the Board structure has been changed and including myself there are five people with experience overseas, and those people have some differences in their thinking about capital allocation with the executives in Japan. In that sense we are having healthy discussions at the meetings regarding cost of capital. We have discussed it in terms of return on investment, ROIC, and also regarding the accumulation of capital towards the future. Since we have a lot of cheap sources of capital today, we have been intensively talking about how we should we construct capital in such a trend and what will be the best balance for Toshiba in three years to five years' time.

We don't have a consensus on those points yet since there are differences of opinion among the members. I think that is very constructive. Based on those discussions eventually, as Kobayashi-san said, by November, we would like to show you a certain direction. I would like to say once again that we feel the sense of urgency and are keenly aware of the need to find an answer and a clear vision.

George Raymond Zage III:

I would also reiterate the view and I think the last session that we had on this topic lasted seven and a half hours, maybe eight, on a Saturday. So, it's not a 15-minute type discussion. It's an entire day and I think one of the outcomes of that full day of discussions was that we had even more to discuss, so we set up an additional meeting to continue that dialogue amongst the Board and with the management. I would say personally I share the view on the importance of getting decisions around cost of capital and the capital structure right. I think access to debt capital in Japan comes at a uniquely low cost. And I think we need to be aware of that and try and take better

advantage of that as a business. And I think really the question is to what degree and I think as was mentioned before it's a discussion, but the discussion is really about to what degree you can push, not whether you should.

Overseas Investor C:

Thank you very much for organizing this meeting. We had the first one in January and the second one, you have a three Board members, we hope that there will be more of these and that they'll be more frequent and that you will have more of the fellow Board members come to exchange this dialogue because I think it's really important, as you pointed out. Obviously, the shareholder base clearly endorsed the reshaping of the Board. I think the votes talk for themselves as the company announced in May this Board was supposed to be critically focused on portfolio management, capital allocation, and the transformation of Toshiba.

And I think what the votes expressed is this and the questions today is the clear desire to see Toshiba change. And it's our believe that the market is clearly suggesting that while the Toshiba Next Plan is a great start, is just not reflective of a company that truly wants to change. And so, we heard about the four Board meetings you guys already had since you've been appointed. The seven-and-a-half-hour discussion on capital allocation, but I think what people are looking for is when will they see tangible evidence that this Board is clearly focused and the company is clearly focused on transforming itself and reviving Toshiba. Sorry, this is again a question for all of you.

Yoshimitsu Kobayashi:

(Translation)

It was October 2015 when I was asked to serve as an outside director. Back then, Toshiba was on the brink of bankruptcy. The banks were very much concerned about Toshiba. But our perception is that we substantially resolved the issue, where the LNG business divestment I think is like the final milestone in divesting the risks from our business portfolio. It was roughly 18 months ago that the basic Toshiba Next Plan was established for the next two to three years, and it's been out for about a year.

The Board structure is the two internal and ten outside and now we have five directors with quite international experience. We have held four Board meetings to date and we've conducted an intensive review of the business portfolio, capital allocation and also better communication. That is how we started. We mentioned that we would continue our discussion until November in order for us to partially announce the contents of

some outcome, so I hope you will maintain your expectations toward the year end.

Yoshiaki Fujimori:

(Translation)

It's only been three months since I took this responsibility as the outside director. But during these three months, I have looked at what Toshiba has been doing in the past, and what Toshiba should do in the future. As Kobayashi-san said, I believe the first phase was a survival stage for Toshiba. They had a huge portfolio and they divested a huge part of that portfolio and with that in a sense Toshiba was able to survive, and today we have a new Board structure. We are now at a stage of trying to figure out how we can rebuild Toshiba in a better way. What kind of capital allocation is appropriate? What kind of business portfolio is adequate? I think we are now at a very different stage. Now that the Toshiba Next Plan has been put together, the Board is very much engaged with the plan to try to realize the betterment of Toshiba.

As questioned before, we have subsidiaries where Toshiba has 51% plus ownership and others with a joint venture business structure. There are still entities where things are still ambiguous. We are currently discussing what we need to do about those entities.

And I think Kurumatani-san has been implementing a very good process. As we have committed to generate 10% ROS in five years, he is looking at each business to make sure that this ROS 10% target can be achieved. If that is not feasible, he also discusses to come up with measures to deal with it. They already have an internal process to provide very severe scrutiny over their businesses. I think it is important to put those processes in place because if you have a good process and you follow it, you will get good results. So I think a major transformation is only achievable if you have such a process in place. I also believe that the Board is very much engaged in the overall process that Kurumatani-san is leading as the CEO and that there is a huge commitment from the Board and that it has the highest respect for Kurumatani-san's process and what he's doing. We look forward to announcing those outcomes and what is being delivered.

George Raymond Zage III:

I would maybe just reiterate the couple of the comments that Fujimori-san made which is and I think we met as the Board without the management team at the end of our last session and one of the conclusions amongst the directors was that Kurumatani-san had the right sense of urgency and was really focused on trying to take some actions and to

make sure that those were in a position to be discussed, but in a position to be discussed comes at a number of different levels and so I think for the people in this room I know everybody shares a sense of urgency and wants to see action, but there is an amount of internal planning and discussion and review that needs to take place before things are ready to be talked about. As soon as you start talking about anything that has to do with strategy, that has implications for management positions and jobs and all of that needs to have an appropriate level of thought before it's ready for the world.

But I would say if you had been sitting in the room, I think you would've been happy with the quality of the dialogue around these sorts of topics. And so, I think we all realized that there's a timeframe where investors want to see feedback and I think management in particular is very focused on trying to deliver.

Domestic Investor D:

(Translation)

First I would like to thank Mr. Kobayashi, who has gone through a very difficult four years and put Toshiba on the right track for growth. As for the two new directors, I am expecting you to contribute a lot to these themes relating to medium- to long-term corporate value creation. I would like to ask you what you think about the relationship with stakeholders. In your company you are saying to all of the stakeholders that you will make an appropriate return while realizing continuous sustainable growth. That is the mission.

Recently in the United States, there was a business roundtable among business people regarding the adjustment of the business relationship. That is something that I can understand very well but in reality, I assume that there are sometimes differences in the opinions of stakeholders regarding interests between them. As for the relationship with non-shareholder stakeholders, do you think that the good relationship with them is important only to the extent it contributes to the corporate value over the long-term, or do you think that your mission is to realize the benefits of all stakeholders or regional society as a whole?

Yoshimitsu Kobayashi:

(Translation)

I would like to answer your question first. Rather than answering your question as whole Toshiba or the Board of Toshiba, as it depends to some extent on individuals, I

would like to answer based on my own thoughts. Personally, I tend to look at things in three-dimensional ways. In terms of management of economy, management of efficiency, capital efficiency like ROE, ROS and ROIC, in other words, the three financial statements of cash flow, balance sheet, and profits and losses, I think those are the area that directs to shareholders' interests. But when we talk about corporate value, the question is, is that all? Other perspectives are creating innovation for society and providing new services to society. These may not directly benefit shareholders, but they benefit society as a whole.

The third aspect, my Z axis which I say, is management of sustainability or the global environment and reduction of CO₂, or more recently, plastic debris, the ocean waste issue and CSR, ESG or SDGs investments. In this case global citizens themselves are the stakeholders and we have to consider the perspectives of society and the entire earth in management.

The timeframe is different for all of these three aspects. In terms of shareholders and profits, the timeframe is monthly and quarterly or, at the longest, three to five years, but for the innovation dimension, R&D takes at least 10 years or 20 years, so that's a long-term perspective. As for the Z axis, this encompasses the entire earth, relating to the issues of CO₂, global warming or ocean plastic. This axis is related to sustainability and is very important for the company's sustainability as well. However, the balance is important. Making money, paying taxes and providing returns to shareholders should be 80%, while innovation should be 10%. For society, for example we are conducting basic research to solve for thermal power generation, carbon free management of the company or by new catalysts, and that might take 10 years. I think everything depends on the balance between those three aspects, but management has to consider all three of them as well as the timeframes.

Yoshiaki Fujimori:

(Translation)

I have the same way of thinking. Other than shareholder return benefits, there are different incentives people are talking about all over the world, such as diversity and work style reform. ESG, SDGs are also included, but the company should look at all of them as a whole rather than each individual issue separately. These should be the sources of strategy. SDGs should be part of that strategy, as should ESG and diversity. By executing those strategies successfully, we should be able to create corporate value. Without those things, I don't think any company can create value in the future. So

those are the fundamental points that the company has to cover while trying to increase corporate value and they should be incorporated in its strategy. We should have a cycle of these activities that should eventually generate return to all stakeholders. I think this kind of cycle model should be emphasized to realize that.

George Raymond Zage III:

I would maybe start with the observation that when I look at the business roundtable discussion that you referred to, in the United States, and the issues that brought that discussion to the public, I don't view Japan as being very close to having most of those issues. I actually think Japan has always been much more towards the stakeholder value orientation and frankly could still shift considerably in the direction of shareholder focus and not have the same sorts of issues that you've seen in the United States particularly around income disparity I think was one of the main features of that discussion. And I don't really see that as being an issue that -- I mean it's a discussion point for when you talk about restructuring businesses, but I don't think it's one of the things that I'm most worried about when I look at the challenges at Toshiba today.

Overseas Investor E:

One of the challenges that we perceived when we invested in Toshiba was a lot of the failures of the past was a governance failure with respect to the inability to manage a fairly disparate business force, whether went out and did M&A at a division level or otherwise. With a new Board in place, I am curious beyond the strategy sessions, the level of interaction with the next layer of management and related to that the question is also usually when there is significant change in direction with respect to strategy you also see change in business leadership and, perhaps a reasonable amount of that reorientation is happening below the surface, but perhaps you could shed some color in terms of what's happening at a business level to accomplish these objectives beyond, the CEO level discussion of what are the changes that need to be done in a thoughtful fashion. Any of you can take it.

George Raymond Zage III:

I would say that one of my requests before the first series of meetings that Toshiba was to have the opportunity to have heads of business units come to the Board and make presentations about their business both in terms of the opportunities and the challenges. And there's a range of different businesses. There was a range of different takeaways. Some of these businesses are high-growth opportunities and are exciting

and, dynamic and worthy of increased Capex and others are not. And so we did take the chance to interact with the management team. I think the practical reality is that you have much more of a holding company type structure at the top. I would say that from the interaction that I've had both individually and in the Board meetings, I think Kurumatani-san is quite focused on trying to have more control and reach through in terms of thinking through and implementing strategy. And I would say just anecdotally from some of the trips I've had to other parts of the business in and around Board meetings, I think you can see the impact and that the messaging is getting through to the subsidiary levels, but I do think it's going to be important over time to have quite a bit of decision-making control starting at the top and being pushed through the rest of the organization.

Yoshimitsu Kobayashi:

(Translation)

Regarding the risk assessment of the businesses, I think Zage-san already mentioned that and he explained it well. In terms of governance, after the inappropriate accounting, we set up an accounting compliance committee which is monitoring accounting matters. Centered around compliance, there is an internal control system. We have the Audit committee just comprised of the outside directors, including the member with full-time mission, which is now leading the monitoring process. Specifically, under the Audit committee, the internal audit division regularly submits auditing reports to the committee and there are regular interviews with the various divisions. The committee members also attend the important meetings on the executive side and there is a whistleblowing communication line directly to the Audit committee. And the Board receives a reporting from the Audit committee on a regular basis regarding risk assessment and compliance, and gives opinions on such reports.

Overseas Investor F:

(Translation)

Regarding the inappropriate accounting you mentioned, I think initiatives are important at the Board level but, as is reported in the media, the corporate culture was a challenge and based on my own experience, looking at other Japanese companies when there were issues and problems, it was not easy for them to change. The corporate culture lingers on even in the new organization. On that point, what kind of measures has Toshiba taken? Mr. Kobayashi, Mr. Fujimori, can you answer that question?

My second question is regarding cost of capital and portfolio management. Compared to those, my question might be minor, but have you discussed strategic shareholdings? I think you have 127 stocks in strategic shareholdings. Many of them are not significant at the business and the amount is small, but when the amount is small, is it relevant for you to hold onto those strategic shareholdings or should you release them to use the capital for different businesses? I would like to ask that question to Mr. Zage and Mr. Fujimori.

Yoshimitsu Kobayashi:

(Translation)

The corporate culture is almost like people's DNA and the fundamental corporate culture is very difficult to change. However, at Toshiba, from Tsunakawa-san's era, messages were disseminated and strongly conveyed to employees through direct meetings at each sites, and themes such as compliance issues and the shortfall of good governance at Toshiba. Under Kurumatani-san, I think that message became even clearer, and for individual business units, conversations are taking place including younger employees. This has been an accumulation of small steps. While it's very difficult to communicate top-down, but Toshiba is taking those small steps. The biggest concern was the deterioration of morale among the employees and at one point there were many who were leaving the company, but right now we have recovered the situation. The employees' morale has recovered and unless we have good employee morale, we will not be able to change the corporate culture. I think finally we are now seeing a good cycle. Everyone is becoming more confident. It's like playing rugby: do a good scrum and move forward. That's what I feel right now when I look at Toshiba.

Yoshiaki Fujimori:

(Translation)

Regarding inappropriate accounting, if you look at the environment that allows such inappropriate accounting in most companies, first and foremost, I think it comes from the culture of the Board of Directors. It's true for US companies and also true for Japanese companies that, from my perspective, things start going wrong from the Board, and examples is that when people don't have enough time to read meeting materials, which should be made available two or three weeks in advance, the Board members don't have enough time to review the presentations and only spend a few minutes going through them. In the worst case, it becomes more difficult for people to ask questions, and all the questions are answered by the CEO and it's like a dictatorship

in the boardroom. Just a single person answers a question and if somebody else tries to say something different, it becomes really awkward. If that kind of thing happens in a company, that's a sign that things are starting to go wrong. I have seen that in Japanese companies and US companies.

But today our Board is trying to spend a lot of time on these matters. I know there is structure in NASDAQ and all the different markets, so the Board can access data and presentation materials really early. We started to do that from July-August to ensure that we had all the necessary data available. We also were able to spend a lot of time asking questions directly to the leaders of the different business units. One thing that we have requested to be improved is that, since those business leaders would have their own story and come up with their own data to support that, we insisted that we should have a consistent KPI and data across the company so that those business leaders' performance can be assessed in a consistent way. If we have consistent criteria, we can identify where things are going wrong. For this, we need to have a consistent set of KPIs and we need to get the presentations in advance, and ask a lot of questions to the business leaders, and then they revise in a deeper way. I think establishing such an environment is something that we are requesting as Board members to Kurumatani-san and others and they have been responding our requests. That is the most important thing in my view.

Regarding the strategic shareholdings, compared to other companies, Toshiba's stock portfolio has been reduced and Kurumatani-san, the CEO, has a very strong intention to try to reduce the strategic shareholdings as much as possible. I think that's where the company is headed. But to what level we should divest the stocks is something that we may need to discuss at the Board. Maybe we can actually pick up specific names to determine if that shareholdings is necessary. We can do that at the Board level. Kurumatani-san has already taken major steps, so what's left as homework is for the Board to look at the small holdings of 100 or 200 million yen to determine if those holdings are needed or not. We'd like to spend some time on that kind of discussion.

George Raymond Zage III:

I don't have much to add to that, but I would say it's something that has been discussed and considered at our last Board meeting and that was at the initiation of the management team, which started making suggestions to try and address your concern.

Overseas Investor G:

(Translation)

Thank you for this opportunity. I have one question. Last year, Toshiba announced the Toshiba Next Plan whose purpose was to increase shareholders' value. At the same time you have announced numerical targets for sales and operating profits. In some cases, especially for sales target, there may be a contradiction between that and shareholder value and corporate value. What are your thoughts about these points, especially in your roles as independent outside directors?

Yoshimitsu Kobayashi

(Translation)

We have the Toshiba Next Plan for the next five years at least, and we have key performance measures such ROS and ROE, and internally ROIC as well. Regarding sales, we have restrictions to not enter contracts for businesses which cannot secure certain ROS levels as a basic guideline. Of course, we will monitor on return of operating businesses. However, as mentioned earlier, we will constantly review the Toshiba Next plan, while thoroughly monitoring the progress that is defined so far.

Yoshiaki Fujimori

(Translation)

In the Toshiba Next Plan, the items include, for example, for ROS 6% in 2021, 10% in the long-term, and for ROE 10% as the goal and eventually, 15% as the aspiration. Those numerical targets have been announced as part of the Toshiba Next Plan, so achieving those targets are the priorities. But I think the growth of our company is very important, so such KPIs as 2021 targets is set in the Toshiba Next Plan, but for longer term we have to sustain income and growth, otherwise we can't improve corporate value. It all depends on the management's thinking and its final decisions.

It is the decision of the company as a whole. It also depends on the compensation systems. In the Compensation committee we are considering reviewing the compensation system with long-term incentives. We are trying to review and revise the system because we need to have a balance between the short-term goals and long-term sustainability. There are different focuses for those two. So basically we have the base compensation, short term, medium term and long term, but we would like to make sure that there is a long-term incentive as well. Whether or not this shall be linked to TSR, we have to think about it from now for the growth of the company, and I believe

we should do is to make it a KPI for the company's entire behavior and choice.

George Raymond Zage III:

Just to add to that, at the Board level, my own view was I thought to the Toshiba Next Plan targets were appropriately ambitious as a starting point for mapping out the future. I think in our capacity as Board members, the real objective is to look on a rolling basis and say that there are some of these targets which have turned out to be achievable and maybe it's possible that the individual businesses can beat their targets. And then there are cases where that's not true and some of that is external factors and some of that is internal factors. And I think our role very specifically to keep on pushing to make sure that all of those targets are require real effort on behalf of the management team. I would say my impression from listening to all the members of the management team that I've met, they are quite focused on working and trying to achieve their targets and I think over time, we are just going to have to keep on recalibrating that so that we get a good result and overriding all of that is a real focus on shareholder returns and some of the long-term financial targets that Fujimori-san mentioned a few minutes ago.

Overseas Investor C:

I'm going to follow-up on the same theme that I started at the beginning of the session. So, look Hitachi, which is obviously a major competitor and has the benefit of having had way more time than Toshiba to actually try and start restructuring itself, selling listed subsidiaries and being very strategically focused, how, and understanding that the new Board has only been in its seat for couple months and I think as Kobayashi-san said during the last session, the company had to focus on defensive work and is now returning to offensive work, but how can you give us comfort that Toshiba, which is now starting on its back foot, is actually going to be able not only to catch up with the likes of Hitachi but actually will be able to jump over them and be competitive in this increasingly global environment? And again, all three of you, it would be great to hear your answers.

Yoshimitsu Kobayashi:

(Translation)

There is no magic formula for success, so whichever way we take to jump back up, we have to take solid steps one by one. Hitachi has reduced their listed subsidiaries to only four. Toshiba happens to have four at the moment and we are having very intensive

discussions on the listed subsidiaries. Before the Toshiba Next Plan, the atmosphere did not allow us to even talk about M&A, but today, except for huge M&A, we are ready to talk about the kind of M&As that can supplement each existing business and we are getting ready to be proactive on those fronts as well. So our mindset is completely focused on growth, our strategic shareholdings, and so on.

The current Board structure as well as the management structure allows us to talk about these things. We don't know how much we will be able to decide and announce progress, but with regard to part of the basic strategy in November, we would like to have very precise discussions, including on capital policy and our policy regarding listed subsidiaries, M&A opportunities and also the growth strategy for the different business units and withdrawing from unprofitable businesses. It may take time, but we will also aim the Cyber Physical System to be as a future pillar of Toshiba's businesses, and we intend to look at these matters precisely.

George Raymond Zage III:

I think the answer to your question is actually quite simple, which is you're going to have to take comfort after management delivers results that create comfort. I think the reality is that talk is cheap and ultimately, to demonstrate that the company is serious about achieving some of these objectives, it's going to have to start achieving some of these objectives and I think that's something that we all realize in participating in all of these discussions. And so, if you're talking about trying to improve the return on invested capital, the way you are going to get comfort is that you are actually going to see it starting to happen. In terms of activity around restructuring or, and I know there's been a lot of focus on share buybacks, I mean the company is buying back shares and I think there's a recognition that there's still more that can be done to improve the profitability levels of the business.

And in terms of simple things like business mix one observation you could make is that a lot of the business of Toshiba's are kind of more asset heavy than asset light and you can improve returns by making a shift and maybe it's 80:20 now and you need to get to something that's more like 50:50. And you are going to take comfort that that's shifting in the right direction maybe when you see some small acquisitions of software companies that are synergistic with some of the existing businesses where there is a clear case around profitability, but I think in all these, the comfort is something that's got to be earned by the management team and by the new Board. And I think we all

understand that.

Yoshiaki Fujimori:

(Translation)

What we need to do first and foremost is to take action on our non-core businesses and low profitable businesses as quickly as possible to basically improve our cash position and decide on how to allocate cash both for the short-term and long-term perspective. Also, basically, it is important to grow and to increase the corporate value in the long term, so we need to think about R&D development, R&D investment opportunities and M&A, while taking measures including various capital allocation in the short-, medium-term. That is the basic strategy.

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