TOSHIBA

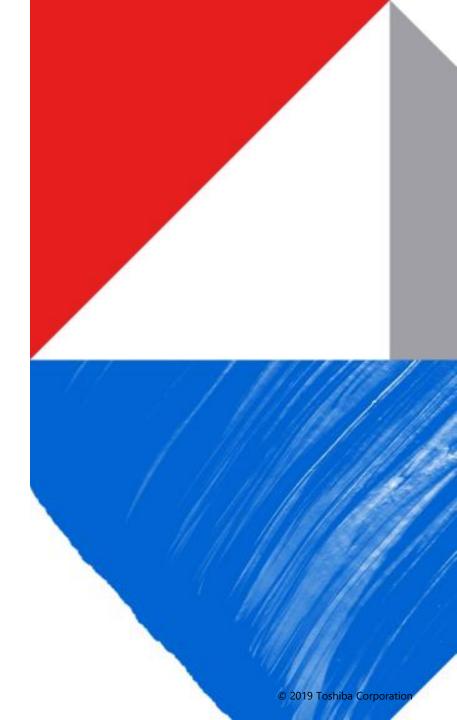
Toshiba's Technology Strategy

Dr. Shiro Saito

СТО

Corporate Executive Vice President Toshiba Corporation

November 28, 2019





Strengths in digital transformation for industry

Physical

Strengths nourished in manufacturing

We turn on the promise of a new day

X

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Agenda

Toshiba Group's Vision

2 Technology Development to Become a CPS Technology Company

3 Activities for new business creation

4 In Closing

1

Toshiba Group's Vision

- Process towards Growth
- CPS Technology Company Image Realized by Technology
- R&D Structure
- R&D Investment



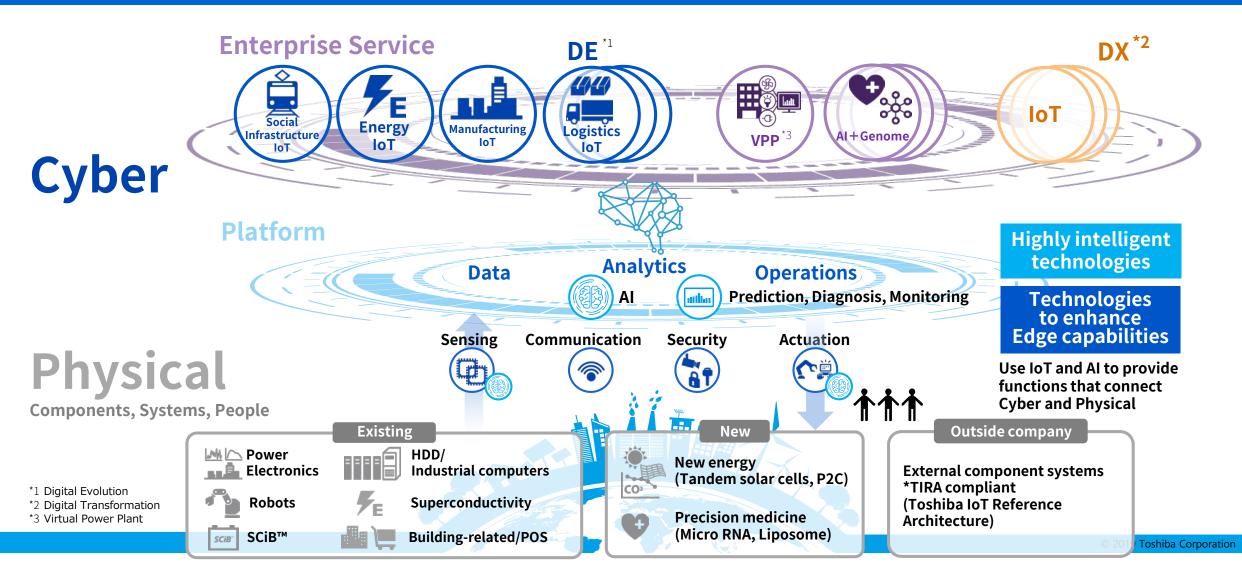
Process towards Growth



Completed recovery of financial base; shifting towards growth phase 2

CPS Technology Company Image Realized by Technology

Through R&D and open innovation, bring Edge capabilities to key components for existing businesses; use Toshiba's IoT architecture to create new enterprise services



R&D Structure

Promotion of digital services, new businesses and IoT architecture deployment; three new organizations established* to strengthen security-related technologies

*Cyber-Physical System Promotion Division, Digital Innovation Technology Center and Cyber Security Technology Center

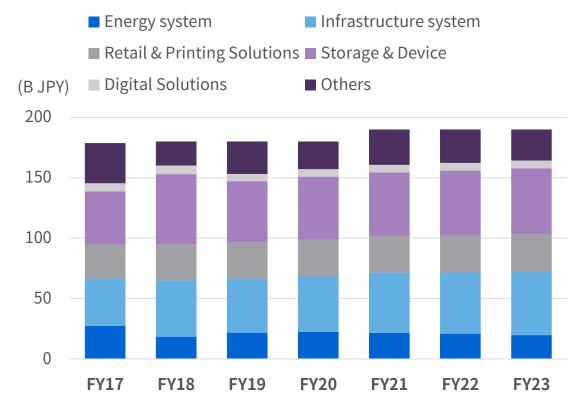
Toshiba Corporation	Research & Development Division Cyber-Physical System Prom New Business Developm Digital Innovation Technolog	nent Office	Corporate Research & Development Center Cyber Security Technology Center Corporate Software Engineering & Technology Center Corporate Manufacturing Engineering Center
	Key group companies	-	Overseas R&D Organization
Toshiba Energy Systems & Solutions Corporation	Energy Systems Research & Center	k Development	Toshiba Research Europe Limited - Cambridge Research Laboratory - Bristol Research and Innovation Laboratory
Toshiba Infrastructure Systems & Solutions Corporation	Infrastructure Systems Res Center	search & Development	Toshiba America Research, Inc.
Toshiba Electronic Devices & Storage Corporation	Electronic Devices & Storag Development Center	ge Research &	Toshiba (China) Co., Ltd. - R&D Center
Toshiba Digital Solutions Corporation	— Software & AI Technology (Center	Toshiba Software (India) Private Limited
Toshiba Tec Corporation	— Research & Development C	enter	Toshiba Software Development (Vietnam) Co., Ltd.

R&D Investment

Accelerate investments to support profit and medium- to long-term profit

R&D investment*1

Total investment plan: JPY 930B (FY19-23)



Major R&D projects

Energy systems

Focus on growth fields such as clean energy (renewable energy, VPP^{*2}, supercritical CO₂ turbine, etc.), and asset management.

Infrastructure systems

Focus on fields that support growth, including SCiB[™] application, robotics, highly efficient motors, power supply systems, etc.

Electronic devices and storage

Focus investment on the development of power devices (Si, SiC), automotive semiconductors, and HDD for data centers.

Digital solutions

Focus on development for business model transformation such as *RECAIUS™*, and *SATLYS™*

Building solutions

Continue investments to develop products that create new value and that align with target customers.

*1 Before segment reclassification in April 2019 *2 Virtual Power Plant



Technology Development to Become a CPS Technology Company

Technology Development Policy

- Differentiate competitive components and enhance their capabilities for the Edge
- Reinforce AI-based digital technologies
- Deploy IoT reference architecture and services

Technology Development Policy

Create original CPS with competitive components and AI & IoT technologies Resolve social issues and maximize enterprise value through technology

In FY2019, focus on realizing DE and DX deployment



Differentiate competitive components and enhance their capabilities for the Edge



Reinforce AI-based digital technologies



Deploy IoT reference architecture and services



Differentiate competitive components and enhance their capabilities for the Edge



Increase and reinforce Edge capabilities of components



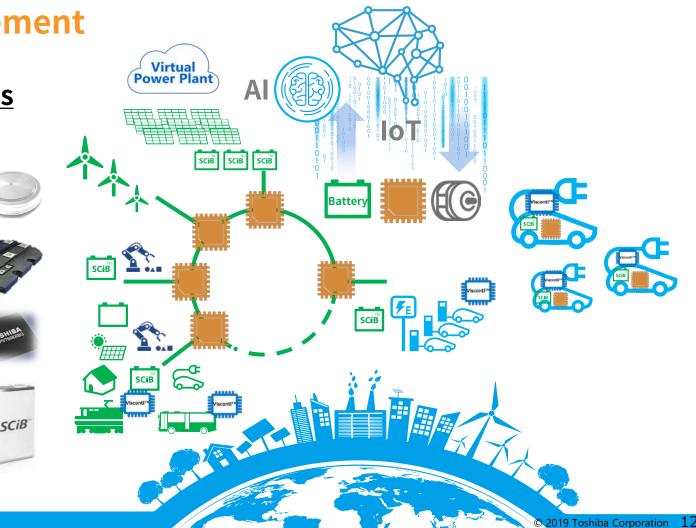
Realize CPS for social infrastructure and energy by making full use of Toshiba's customer base, technology and products

Toshiba's Edge Capability Enhancement

<u>Components x AI & IoT technology</u> create <u>competitive edge components</u> that support CPS

- Safe and highly reliable
- Power saving, low power consumption
- High-speed response and autonomous control
- Sensing and status monitoring
- Automation and labor saving

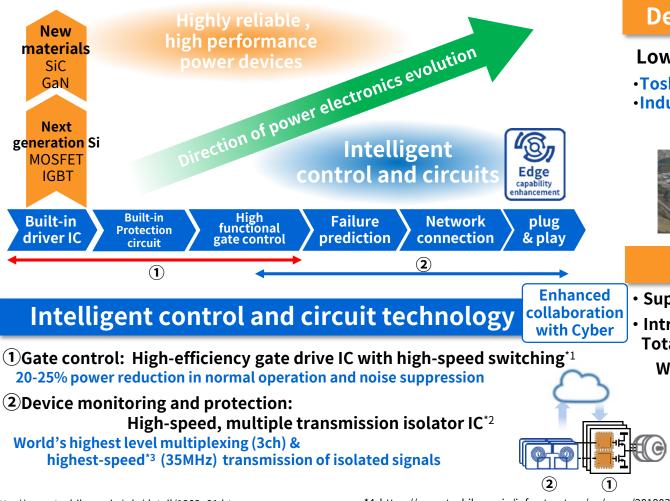




Edge Capability Enhancement Strategy: **Power Electronics**



Pursuit of device performance x Intelligent control and circuits Promote development of edge devices that support social infrastructure and energy CPS



*1 http://www.toshiba.co.jp/rdc/detail/1902_01.htm

- *2 IEEE international conference "ISSCC 2020" (San Francisco, Feb., 2020) *3 As an isolation amplifier
- *4 https://www.toshiba.co.jp/infrastructure/en/news/20190314.htm
- *5 Permanent Magnet Synchronous Motor

*6 https://www.toshiba.co.jp/cs/topics/back-number/20181011.htm

Development of next generation Si power devices

Low voltage power MOSFETs for automobiles

•Toshiba's original trench structure and process for UMOS-X Completed Industry's top class device performance Low on-resistance 25% reduction



Enhancement of 8-inch process capability at Kaga Toshiba Electronics Corporation $FY17 \rightarrow FY20 \times 1.5$

according to our research , as of March 2019)

Expanded application: SiC power devices

Supplied propulsion systems using All-SiC inverter to new railway vehicles^{*4}

• Introduced the world's first propulsion system using All-SiC inverter, Totally Enclosed PMSM^{*5}, and SCiB^{™*6} World's first

West Japan Railway Company Tokyo Metro Co., Ltd. Marunouchi Line







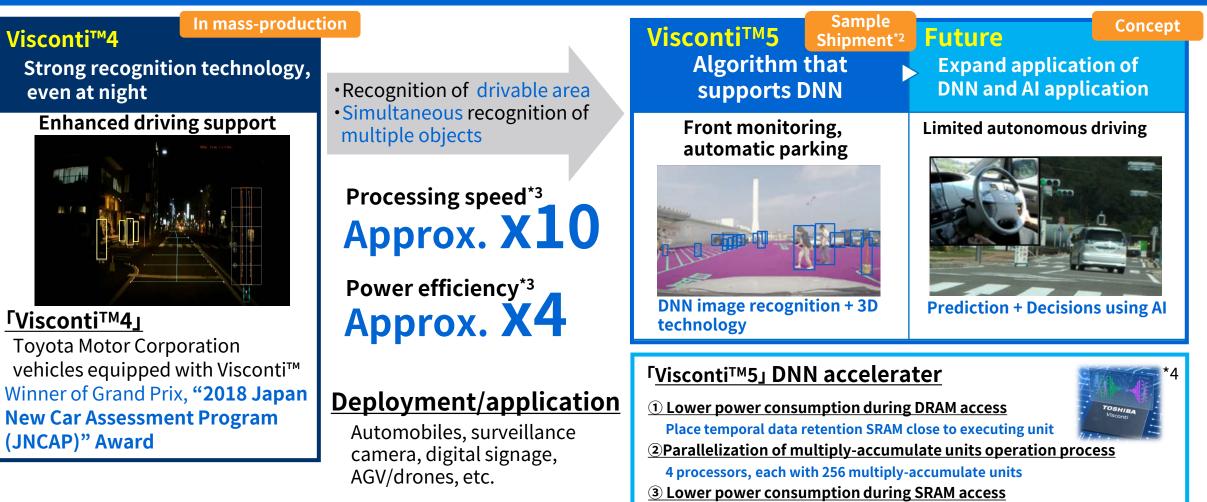


In operation from February 2019

Edge Capability Enhancement Strategy : Image Recognition Processor Visconti[™]5



Application of DNN^{*1}-hardware IP realizes high speed, low-power and high accuracy recognition Contributes to driving that secures safety of vehicle surroundings, driver and passenger



- *1 DNN is a machine model using artificial deep neural networks inspired by human brain function.
- *2 shipping of sample product from September, 2019
- *3 Compared with previous Toshiba's SoC (presented at International conference "ISSCC 2015").
- *4 https://toshiba.semicon-storage.com/ap-en/product/automotive/image-recognition.html

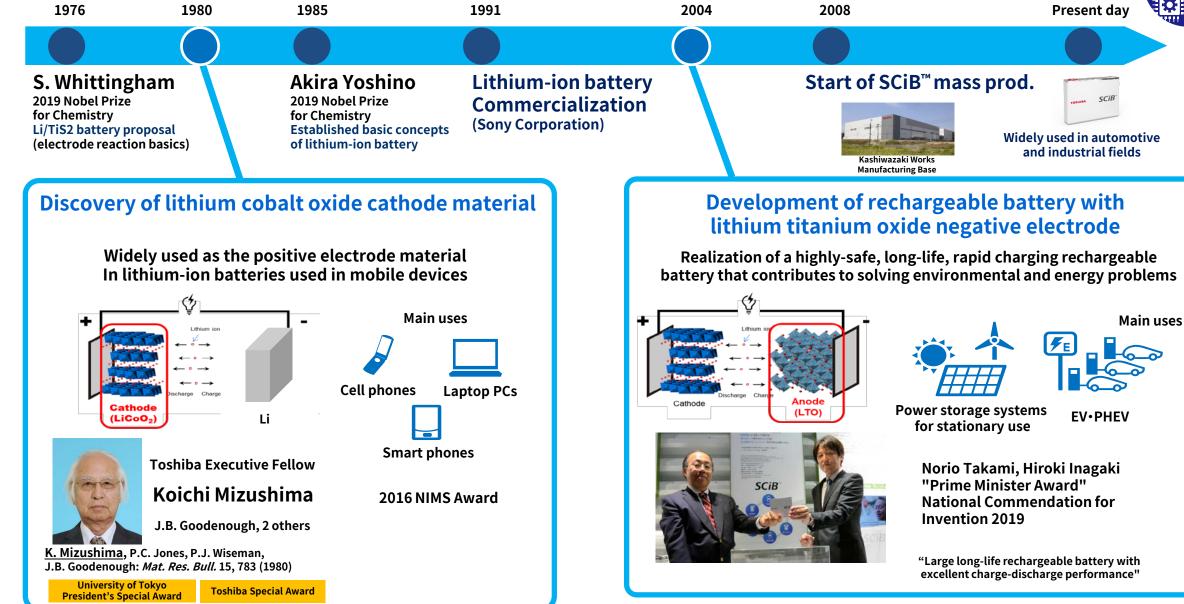
Allowing a series of DNN calculations to be executed by one SRAM access

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History of Rechargeable Battery Development - Toshiba's Contributions



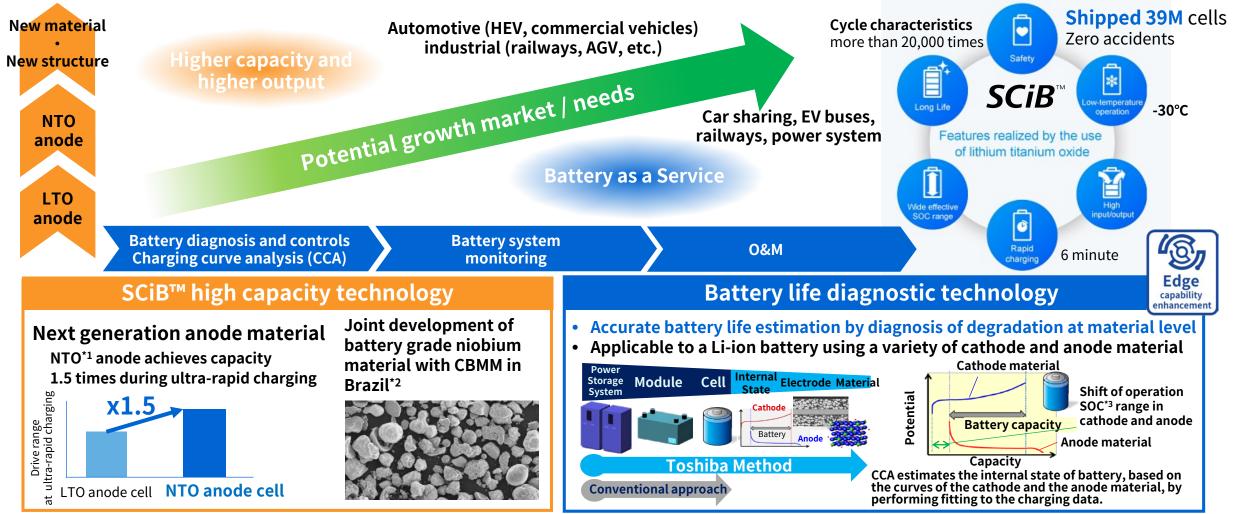


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Edge Capability Enhancement Strategy : SCiB™



Higher capacity & higher output x Battery service Respond to potential markets and needs by leveraging SCiB™ strengths



*1 Titanium Niobium oxide

*2 https://www.toshiba.co.jp/cs/en/topics/back-number/20180619.htm

*3 SOC: State of Charge

Edge Capability Enhancement Strategy : SCiB™



As advances in mobility realize the start of MaaS and other changes,

Technologies that enhance edge capabilities will promote SCiB[™] service businesses providing safe, secure battery systems

SCiBTM Technology and product capabilities

- Long life
- Rapid charging



Battery life diagnosis and AI technology

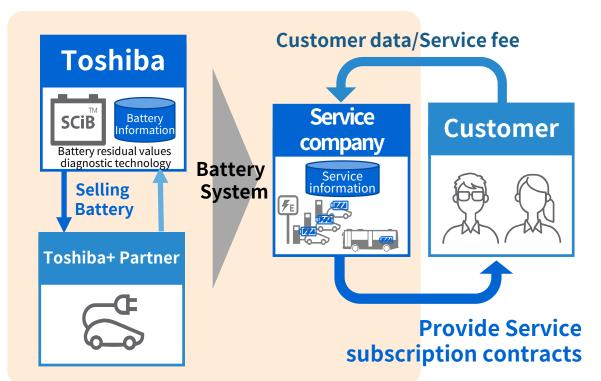
Digitization of value

- Highly accurate diagnosis
- Long life and safe operation with charge control

Customers Customer base built through co-creation

- Diverse operating achievements in automotive, railways, power system and AGV
- Value supply as a total Watt hour per price(ΣWh)

Switch from sell out to service business



Realize market expansion and sustained, stable profit

Edge Capability Enhancement Strategy : Automation and Labor Savings with Intelligent Robots



Bring intelligence to clumsy robots capable only of pre-set tasks Achieve unsupervised automation of non-routine work in logistics, manufacturing, and retail

Strengths of Toshiba Robots

Automation system integration technology **Recognition and sensing technology**



post code reader

object posture estimation



manufacturing World first handwritten

loading

Electrolyte injection sealing device for SCiB[™]



Accumulated data, domain knowledge

Advanced AI technology

Core technologies for intelligent robots

Technology for situation appropriate autonomous movement





Holding heavy loads carefully **De-palletizer**

Skilfully gripping and packing without gaps **Piece-picking Robot**



and increased workloads, etc.

Toshiba Intelligent Robots

Providing solutions for labor shortages

High-speed automatic adjustment of probe angle Weld Inspection robot





Automatic in-store check of price tags Shelf-monitoring robot



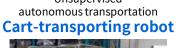
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Mobile palletizer



Unsupervised





Optimum packing and

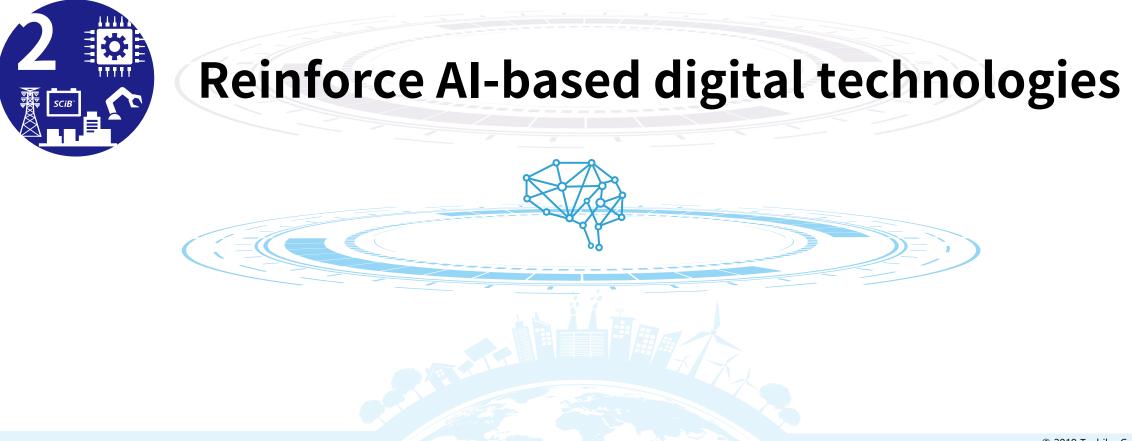
control

•Exerted force feedback

Efficient transfers by



exhibition machin



The Strengths of Toshiba AI Technology



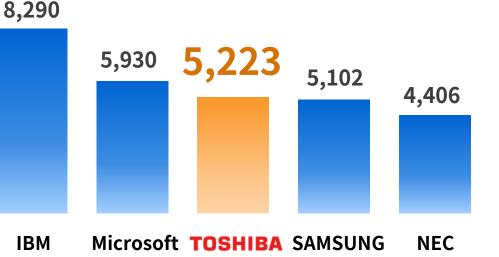
AI technologies and data Toshiba has accumulated enable deeper analysis of customer data, and realize solutions for customer issues in the CPS domain, such as manufacturing and maintenance

Point 1

Many years of AI technology development

1970 1980 1956 1995 2010 2015 2019 1st Al boom 2nd Al boom **3rd AI boom** Machine learning Search and Knowledge inference deep learning expression

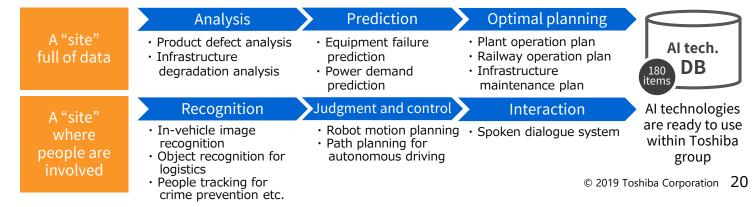
Over 50 years of history in spoken language, image processing and analytics ⇒ Cumulative total of AI-related patents: **No. 3 in the world, No. 1 in Japan***



Modified from Technical Trend Report published by the World Intellectual Property Organization (WIPO)

Point 2

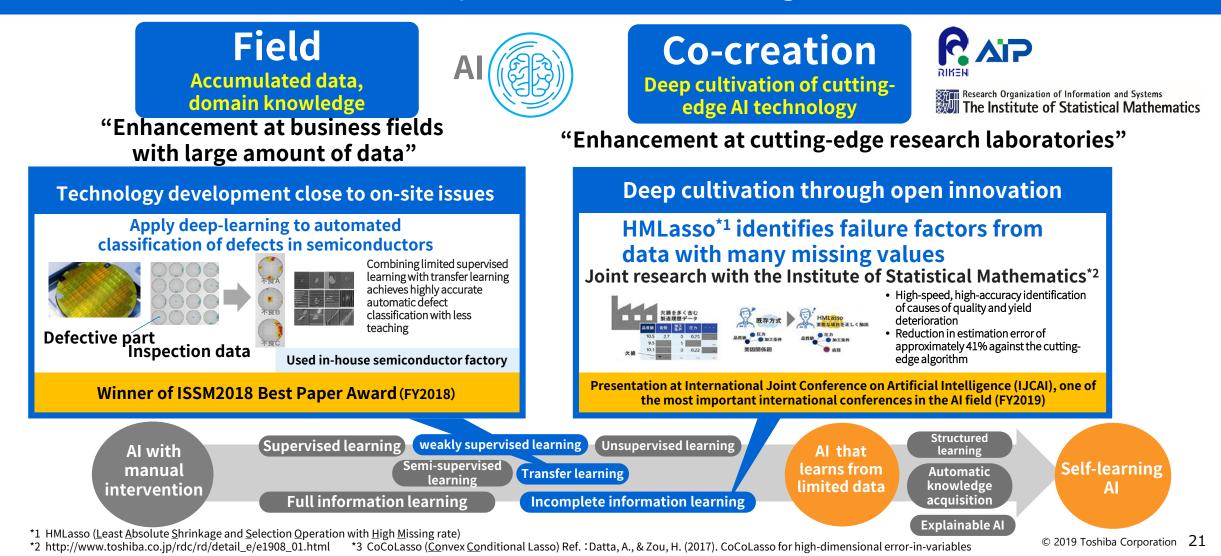
Toshiba's manufacturing and maintenance has accumulated master data and provided a place to put it into practice



Enhancement of AI Technology



From AI with manual intervention to AI that learns from limited data Ultimately advance to self-learning AI



Examples of AI Technology Development

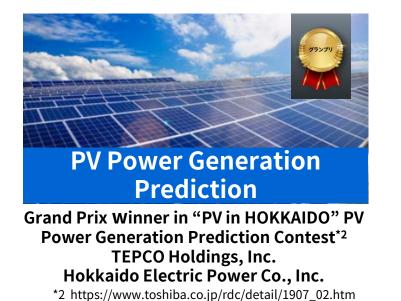
Toshiba AI technology generated from co-creation and field capabilities

Strengthen Deep Learning tech. through open innovation

World-class performance that achieves with joint research by RIKEN AIP

- •Scalable DNN that adjusts computation level after learning
- •Parallel distributed learning that reduces learning time
- Joint research by RIKEN AIP*1 and Toshiba Collaboration Center*1

https://www.toshiba.co.jp/about/press/2018_12/pr1702.htm



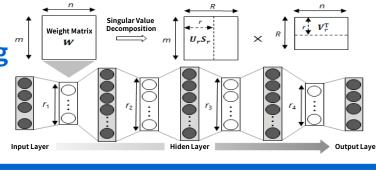


Adoption of coestation as "virtual operator" *3

RECAIUS[™]

Agreement on train timetable planning project with Greater Anglia, a train operator in the U.K.^{*4}

*3 https://www.toshiba-sol.co.jp/news/detail/20190327.htm *4 https://www.toshiba-sol.co.jp/en/news/detail/20190910.htm







AI Human Resources Development



Reinforce AI human resources that support CPS by introducing practical education using actual data



750 people

Now

2,000People

FY2022

350 people New employees (200 people)

In-house training, etc. (700 people)



Al engineer training program developed with the University of Tokyo^{*1} Train Al engineers at a scale of 100 per year

10 sessions in total (a 1.5-hour lecture and 2 hours of exercises for each)

- A wide range of study, from classic machine learning to the latest deep learning
- Focus on exercises for practical use

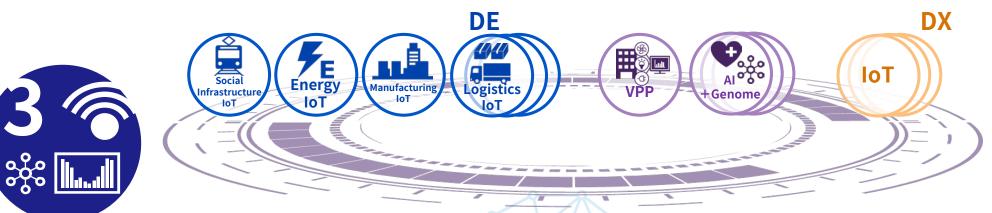
Final assignment problem period of about 1 month Examine and implement assignments^{*2} using real big data owned by the company, etc.

Presentations on final assignments in poster format

- Utilize knowledge and programming experience gained in lectures and exercises to present results of final assignment
- Develop problem-solving skills through implementation

*1: Graduate School of Information Science and Technology - University of Tokyo

esentation



Deploy IoT reference architecture and services

Services Scheduled for this Fiscal Year

	Dashboards	Social	Remote Monitoring Service for Railway Vehicles
		Infrastructure	Remote management and maintenance service for chillers
	Real-time plant efficiency monitoring	mastructure	Building wellness service
Energy Failure prediction	Failure prediction	Manufacturing	Meister Cloud™ Series for manufacturing IoT
	Optimal power generation planning service		Distributed & coupled simulation platform for in-vehicle control model
			Al image inspection service
	Design and maintenance data linkage between documents	Logistics	Logistics IoT cloud service





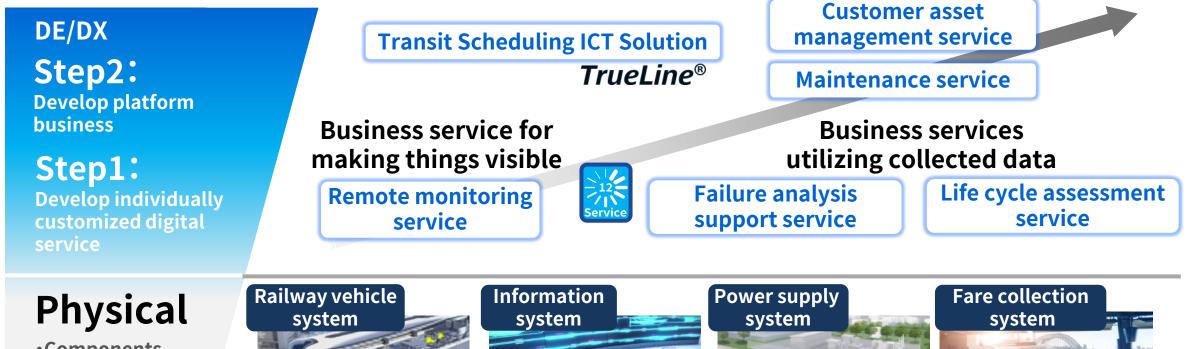
IoT Service Development in Social Infrastructure Business



Platform business

Accelerate the development of attractive systems and their application to IoT services, by taking advantage of domain knowledge and components in social infrastructure

Expand "As a Service" (Railways)



 Components Systems •Domain knowledge



Propulsion, Power supply, Air-conditioning, Train information

Train traffic control, **Transportation planning**



SCADA for power supply system, Transmission, Power feeding

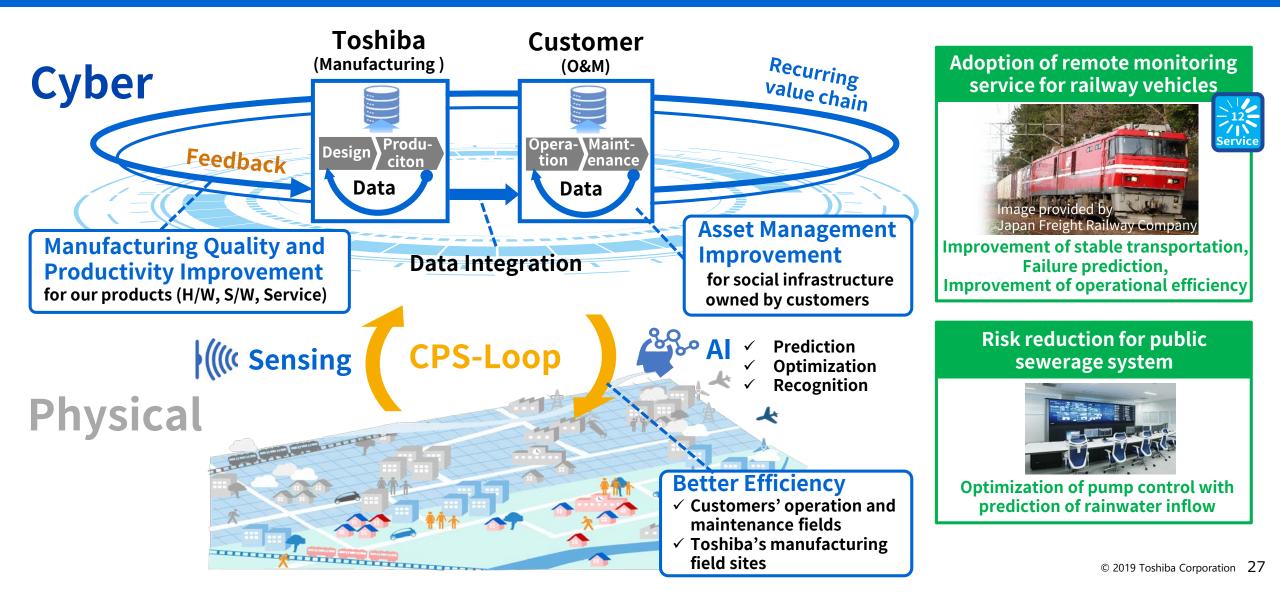


Automated ticket gates, Fare collection management

IoT Service Development in Social Infrastructure Business

Railways Building Water Water Roads

Contribute to our customers' business by CPS-loop connecting cyber & physical world



IoT Service Development in Energy Business



With Toshiba's deep expertise in power plants, Provide IoT solutions that meet customer needs

Expand "As a Service"

Use prediction and optimization technologies to realize and provide

Total value chain optimization service

Collaboration with other companies through open API technology

Extend proven in-house plant technology to external power plants

Dashboard service

Performance monitoring to provide performance evaluation and abnormality prediction service

Design and maintenance data linkage between documents

Failure prediction using operation data

Develop businesses in response to diverse potential needs

Physical

DE/DX

Step2:

Step1:

business

service

Develop platform

Develop individually

customized digital

Components
Systems
Domain knowledge



Steam turbine

No.1 share in North America * On an installed capacity basis. Source: Toshiba (2004~2018 Cumulative Actual))



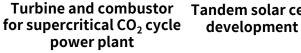
Central loaddispatching office system No.1 share in Japan



Adjustable-speed pumped-storage hydropower system

No.1 Global share *Plant number bas







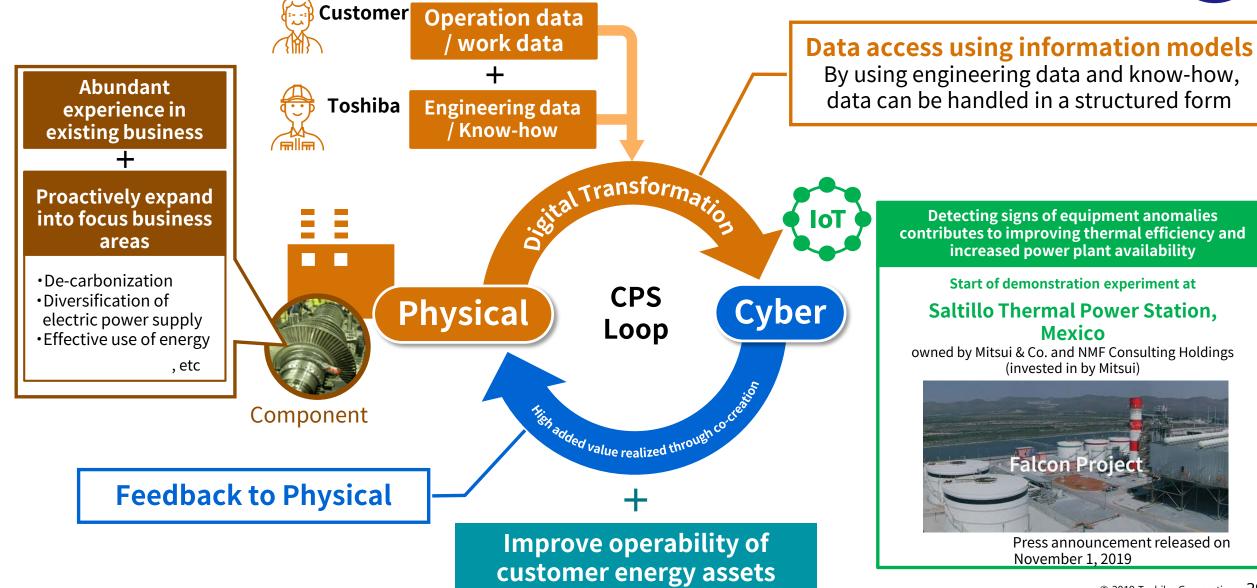


Autonomous hydrogen energy supply system "H2One™"

Expansion of business domain

IoT Service Development in Energy Business



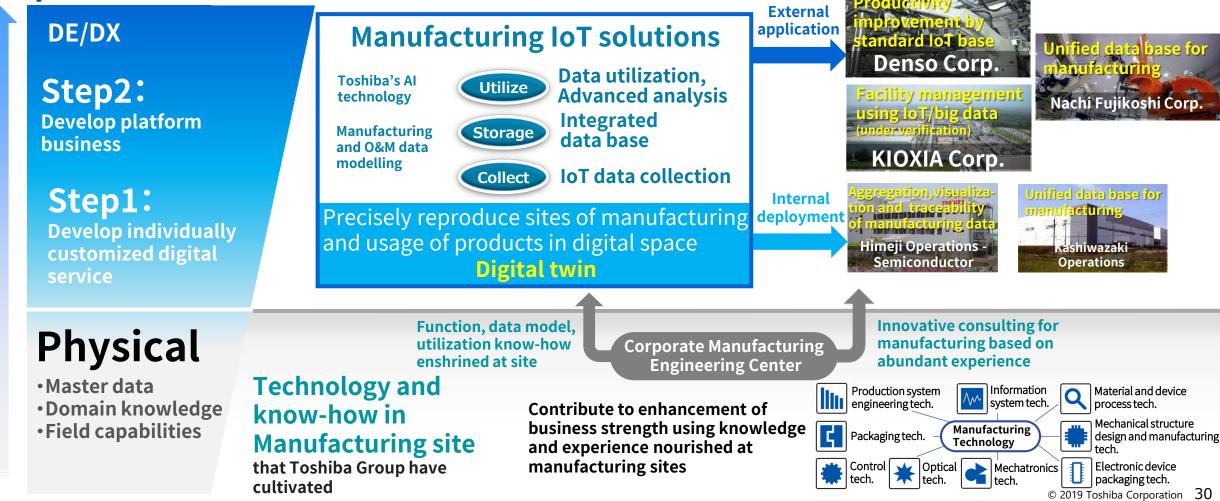


Use of Manufacturing IoT & Service Development, with examples



Using technologies and know-how in manufacturing X cutting-edge digital technology, Implementing innovation in manufacturing and construction of digital base inside and outside of company

Expand "As a Service"

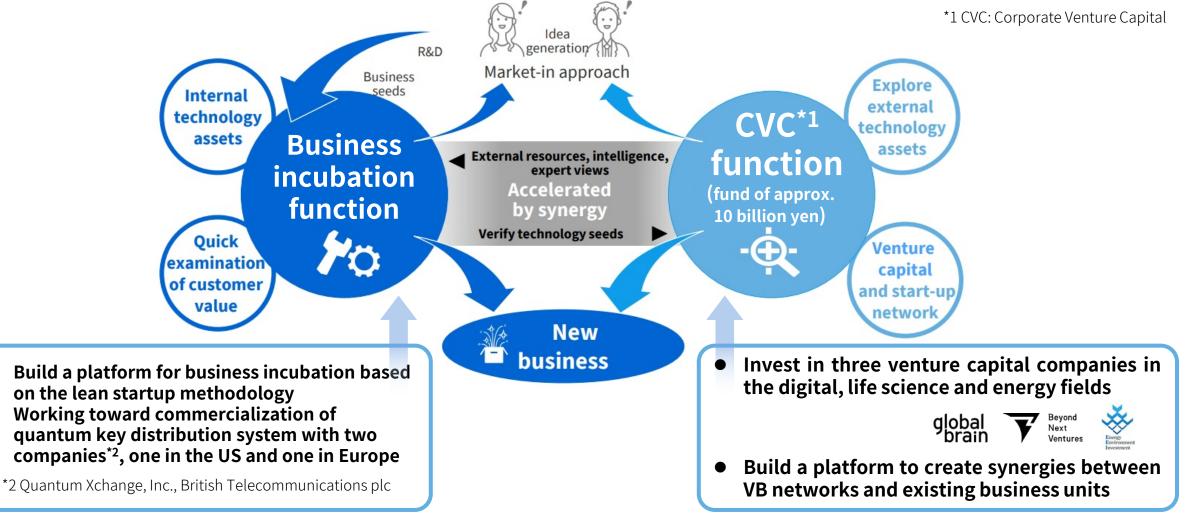




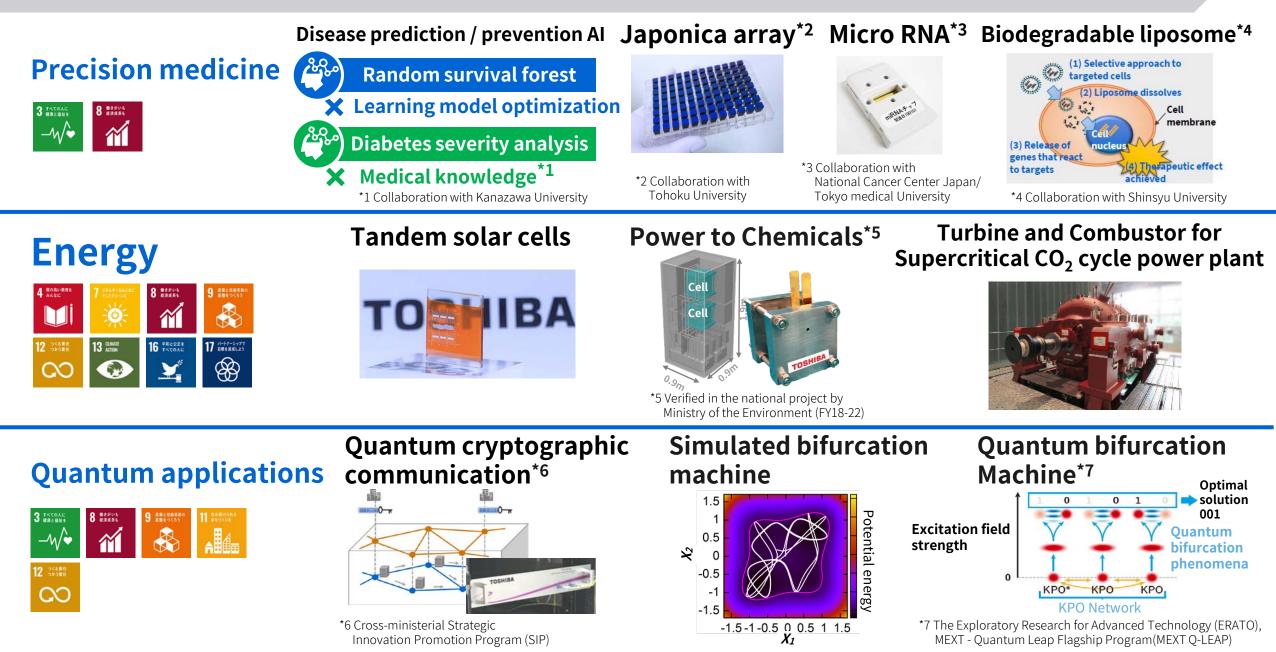
Activities for new business creation

Toshiba's Efforts to Resolve Social Issues – New Business Creation

New Business Development Office established in January 2019 Accelerate business incubation and open innovation



Cutting-edge Technologies to Resolve Social Issues



Cutting-edge Technology - Precision Medicine

Diseases Prediction AI + Prevention of Diabetic Nephropathy

(Disease Prevention)

00000000

Started joint research

Kanazawa University

Long-term clinical

information/

Pathological information

Medical knowledge

possible

prediction



Achieved world's top level prediction accuracy^{*1} of 96% in prediction of risk of diabetes.

*1: Risk prediction accuracy for diabetes in three years

<Highly accurate AI utilizing high quality data of several years>

Toshiba

Data

analysis AI

dddd

Random survival forest 🗙

Medical verification is

Learning model optimization technology

> Average results of several decision trees

2 High robustness

Possible to extract the impact Realized high accuracy using data set provided by Tokyo of individual input item against Midtown Clinic

(Prevent worsening) **Prevent** worsening of diabetic

nephropathy in patients (dialysis)

Stratify patients to suggest optimized treatment

Cancer detection technology using Micro RNA





Space-saving inspection device

Ultra-early detection of -w **High sensitivity cancer** using health check Micro RNA chip blood tests Can detect cancer in 13 organs 1 drop of blood, in only 2 hours Identify about 99% of cancer

patients Collaborating on implementation with the National

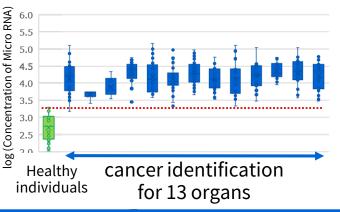
Cancer Center and Tokyo Medical University

<Cancer detection technology using Micro RNA>

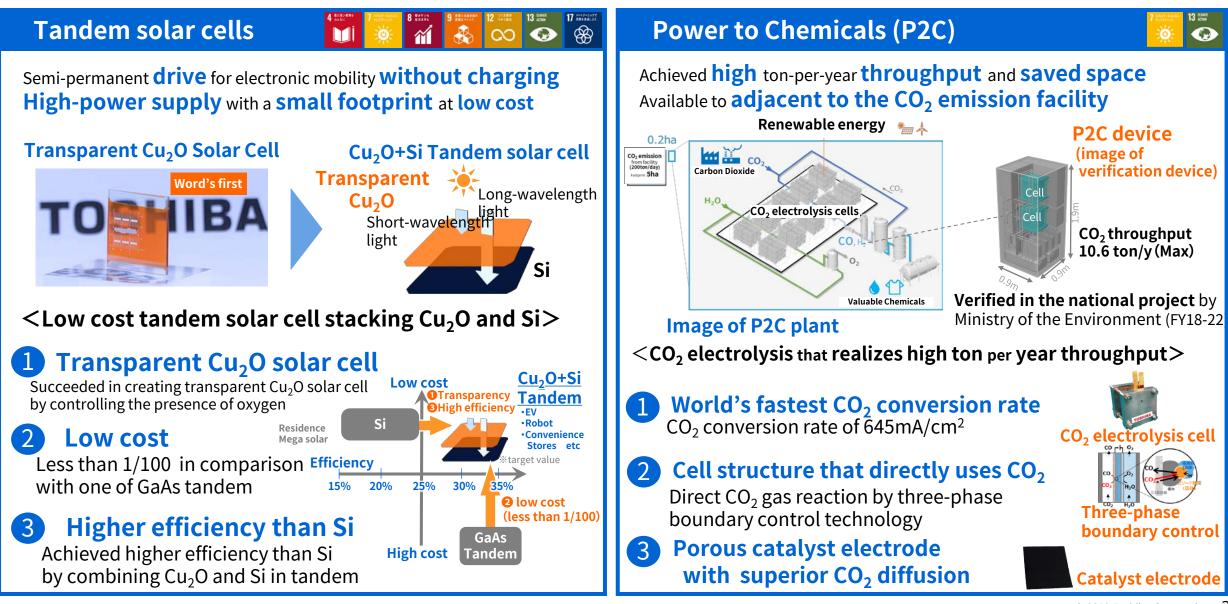
Cancers in 13 1 organs **Identify cancers** in 13 organs

(e.g. breast, stomach)

At stage 0 Identify cancers at stage 0



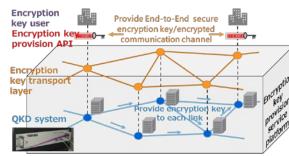
Cutting-edge Technology - Energy



Cutting-edge Technology - Quantum Applications

Quantum cryptographic communication

Secure communication platform safe from risk of decryption attack by quantum computers



Coexistence with existing optical fiber networks; promote as a platform through interface and network configuration standardization

<Platformization of Toshiba's original quantum cryptographic communication technology>

1 Unique wavelength application technology

- •Coexistence with data multiplexing transmission and quantum cryptography communication at O-band (1.3μm light wavelength band)
- •Achieved the world's fastest quantum key distribution speed and proposed design for world's longest distance communication on C-band (1.55µm light wavelength band)

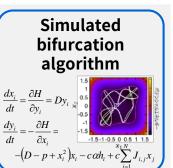
2 A platform that provides cryptographic keys

•A platform that provides encryption keys for various applications with standardized encryption key provision interface

Simulated bifurcation machine



Resolving combinational optimization problems on the world's fastest and largest scale



Taking full advantage of a high-speed algorithm in the world's fastest automated financial transaction system



Collaborate with partners to solve problems in areas other than finance, such as genetic analysis

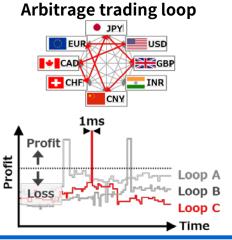
<**FPGA implementation** of Arbitrage trading machine>

1 High-speed response and solution accuracy

•Even with a 30µs response, best solution accuracy is 91%. Captures 1ms arbitrage trading opportunities.

2 Easy to install

•Can be installed on a commercially available FPGA. No need for installation on large-scale equipment.





In Closing





Strengths in digital transformation for industry

Physical

Strengths nourished in manufacturing

We turn on the promise of a new day

X

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Committed to People, Committed to the Future.

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