

The Toshiba Next Plan Progress Report

Change and Growth

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- Toshiba Next Plan (“TNP”), announced on Nov 2018, is a turnaround plan.
- Our objective today is to explain changes implemented at Toshiba and progress in the turnaround.

Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies, and the performance of Toshiba Group.
- These statements are not historical facts; rather, they are based on assumptions and judgments formed by the management of Toshiba Group in light of currently available information. They include items which have not been finalized at this point and future plans which have yet to be confirmed or require further consideration.
- Since Toshiba Group promotes business in various market environments in many countries and regions, its activities are subject to a number of risks and uncertainties which include, but are not limited to, those related to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax and other regulations, geopolitical risk, and natural disasters. Toshiba therefore wishes to caution readers that actual results may differ from our expectations. Please refer to the annual securities report (*Yuukashoken houkokusho*) for fiscal year (FY) 2018 and the quarterly securities report (*shihanki houkokusho*) for the second quarter of FY2019 (both issued in Japanese only) for detailed information on Toshiba Group's business risk.
- Toshiba's fiscal year runs from April 1 to March 31. All figures are consolidated totals for 12 months, unless stated otherwise.
- Results in segments have been reclassified to reflect the current organizational structure, unless stated otherwise.
- Since Toshiba is not involved in the management of Kioxia Holdings (hereinafter "Kioxia") and is not provided any forecasted business results, Toshiba Group's forward-looking statements concerning financial conditions, results of operations, and cash flows do not include the impact of Kioxia.
- "Orders Received" in this presentation are based on numbers used for internal management purposes.



Toshiba Next Plan Progress Report

Change & Growth

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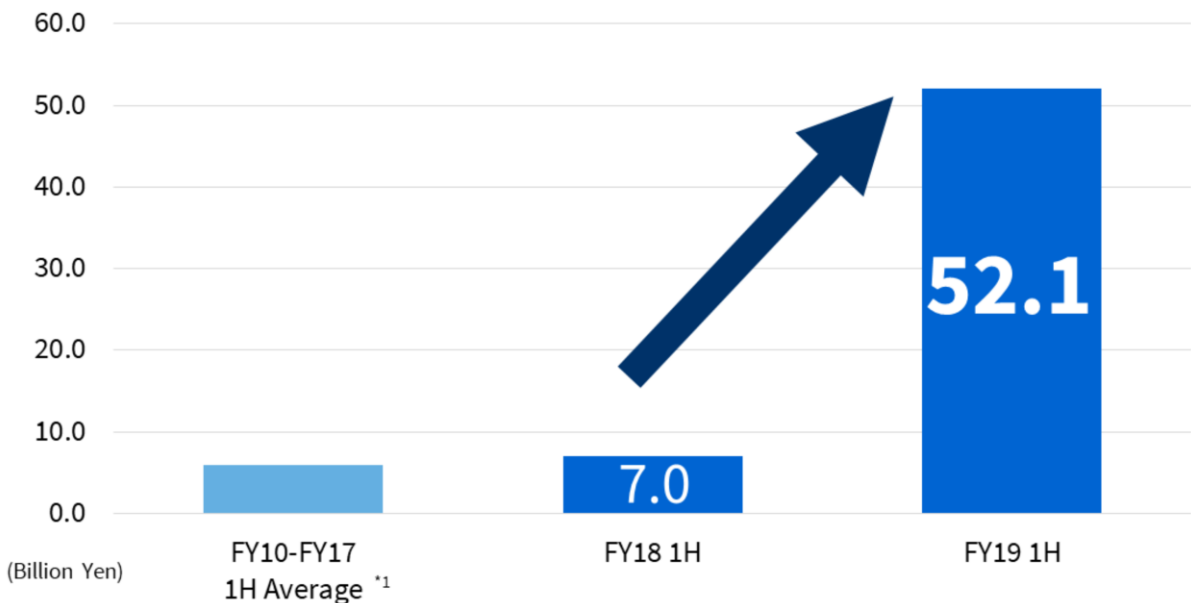
- Our theme today is “Change & Growth”.

- 1. Establishment of a Stronger Earnings Structure**
- 2. Disciplined Portfolio Management**
- 3. Launch of a Cutting Edge Governance Structure**
- 4. Capital Policy and Shareholder Returns**

- These four key “Changes” achieved over the past year will be explained in the following slides.

Establishment of a Stronger Earnings Structure

FY19 First Half (1H) Results: Operating Income



*1 Only includes ongoing businesses

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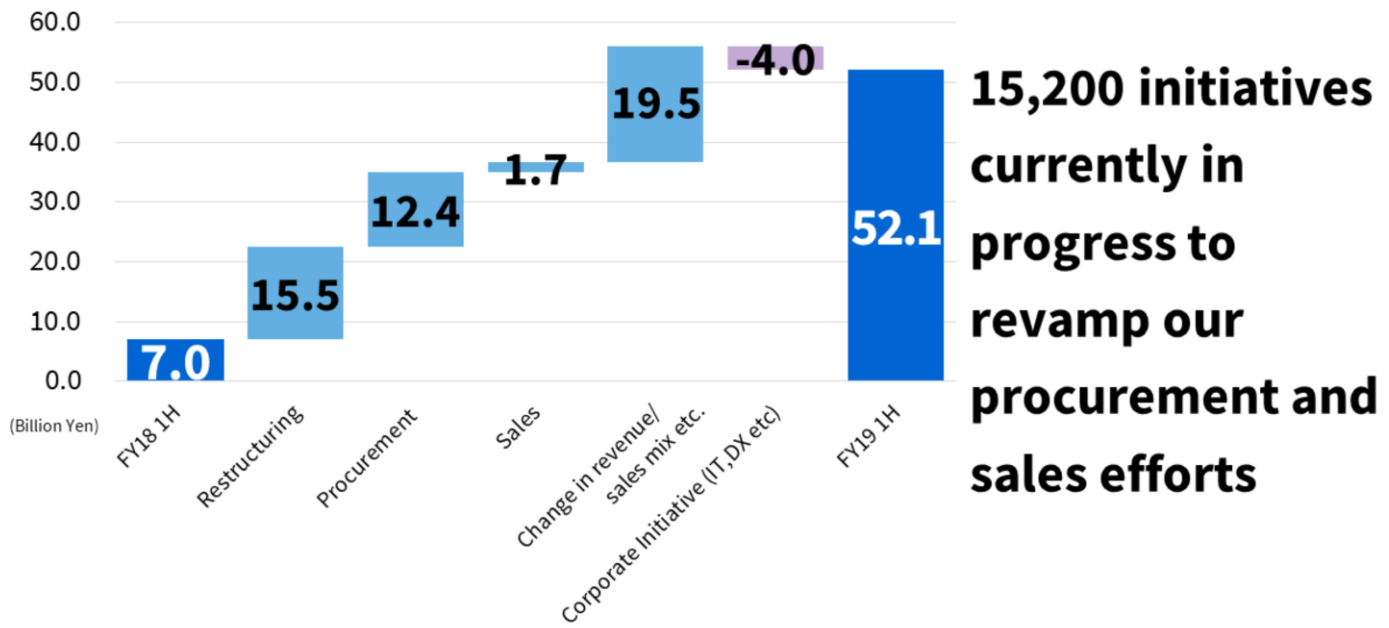
- Achieved 52.1B yen operating income during the first six months, approx. 7.5 times on a year-on-year basis, a significant increase.
- Most profitable first-half performance over the last decade, excluding the Memory business.
- All business segments increased profit, and all business segments achieved surplus for the first in the past decade.
- Due to the impact of seasonality roughly 30% of income is generated in the first half and 70% in the second half. Thus, this first half result is very promising.
- While still early days, management sees positive changes to the earnings structure in the first 6 months of TNP, and will redouble efforts to promote the plan.

- ☑ **Completed sales of the LNG business**
 - ☑ **Completed NuGen liquidation procedures^{*1}**
 - ☑ **Early retirement: 1,237 employees**
 - ☑ **Eliminated 53 subsidiaries (15% reduction)**
- Steadily executing
our commitments
set forth in the
Toshiba Next Plan**

^{*1} Completed liquidation procedures on Toshiba side; UK side procedures are ongoing.

- Completed restructuring plans announced last year.
- Exited from the LNG business, successfully completed sale to Total in September.
- Completed our liquidation procedure for NuGen, a UK nuclear construction company.
- We have more or less resolved our problems from our past.
- Early retirement program and elimination of subsidiaries executed according to plan.
- Eliminated 15% of subsidiaries; target is 25%.
- Becoming into a company that rapidly deals with risk.

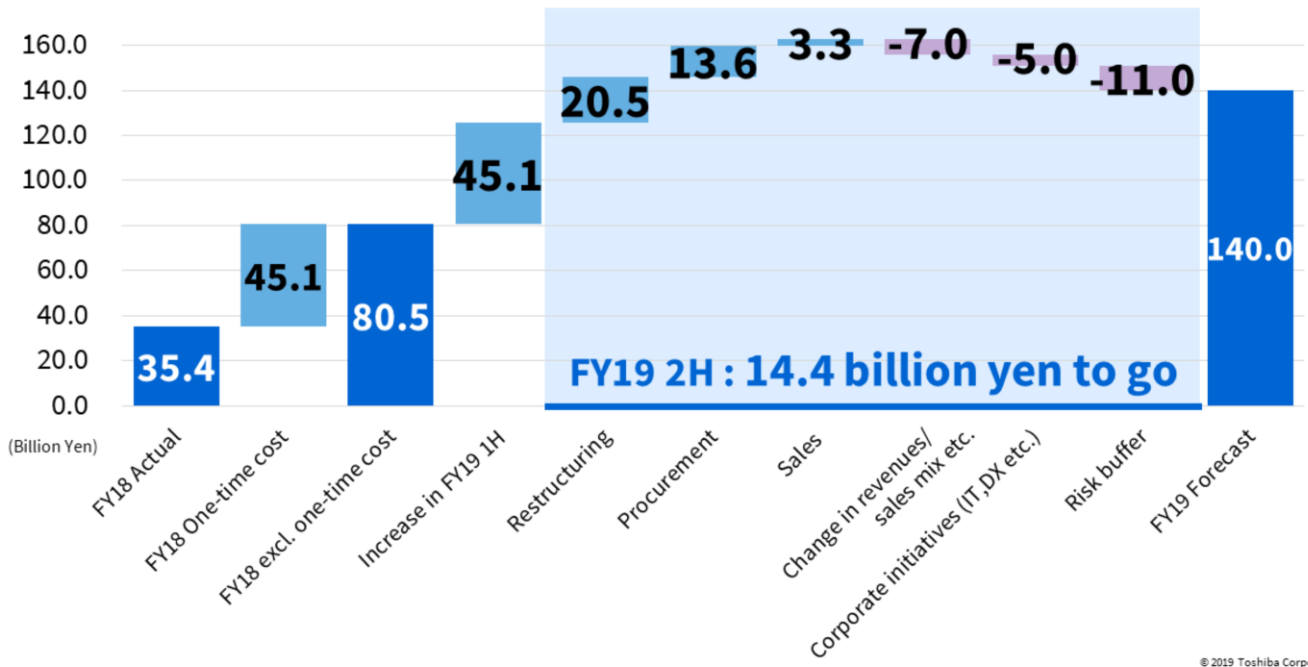
FY19 1H Results: Operating Income



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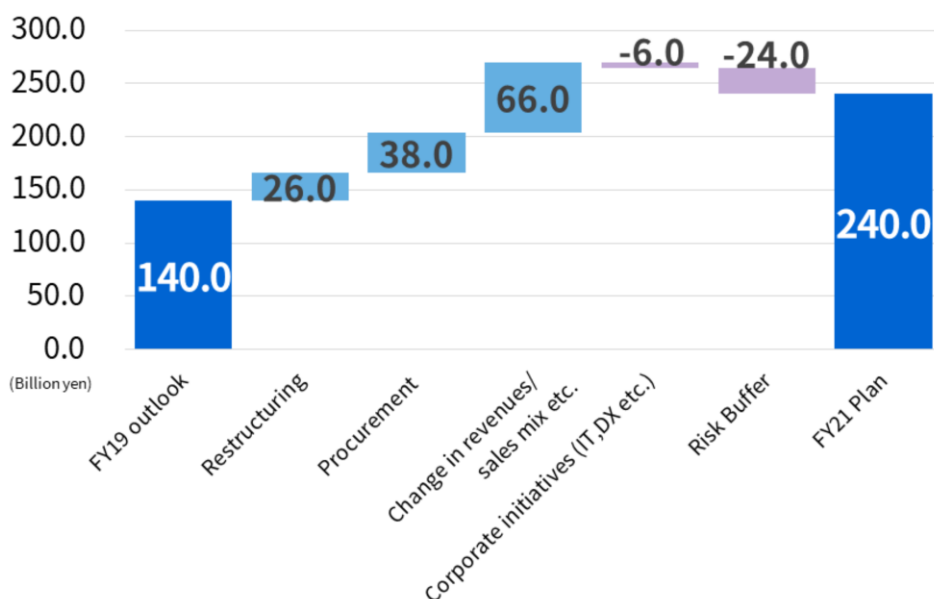
- Achieved 15.5B yen improvement from restructuring efforts, 12.4B yen improvement from procurement reforms, and 1.7B yen from sales reforms.
- The Social Infrastructure and Building Solutions businesses contributed to the 19.5B yen improvement from changes in revenues and the sales mix.
- 3,900 initiatives for procurement reform and 11,300 for sales reform; 15,200 initiatives in total are currently ongoing.
- Cross functional team (CFT) activities conducted for the first time as a group-wide effort.
- It is encouraging to see the results appearing from these large scale activities.

Outlook for Full Year Operating Income



- FY18 operating income was 35.4B yen, but effectively reached 80.5B yen excluding a significant one-time cost such as restructuring.
- As we achieved a 45.1B yen increase during the first half, we need a further 14.4B yen increase to reach our FY19 forecast.
- Revamping procurement and sales efforts toward establishing a solid earnings structure is the most important agenda item for this year.
- We will continue to build on the positive results of each initiative.

Outlook for FY21 Operating Income



Stepping up initiatives to achieve ROS of 6%

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- Off to a good start.
- With 140B yen as the starting point, we aim to achieve operating income of 240B yen in FY21 target, ROS 6%.
- The 66B yen includes increased sales from Discrete Semiconductors, Railway and Air Conditioning operations.
- Already working on longer term group-wide initiatives for bottom-up improvement.
- Modularization has been commenced for 20 products as a part of our process transformation.
- Already commenced an overhaul of IT infrastructure, targeting launch of a new mainframe system in FY21.
- We will continue to execute such initiatives one by one to change our company fundamentally in the mid-to-long term beyond FY21.

FY19 1H Results: Orders Received



* Includes Toshiba Energy Systems, Toshiba Infrastructure Systems, Toshiba Digital Solutions, and Toshiba Elevator.

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- More rigid screening criteria for new project orders were introduced last year to completely change the process.
- Gross margin improved by 1.2% as a result.
- Even with careful project selection, order volume increased by about 20%.
- Won large thermal power plant projects due to customers' recognition of our high quality and our delivery track record.

Disciplined Portfolio Management

Business Divestitures to Date

6.7T yen (FY14)

3.4T yen (FY19)

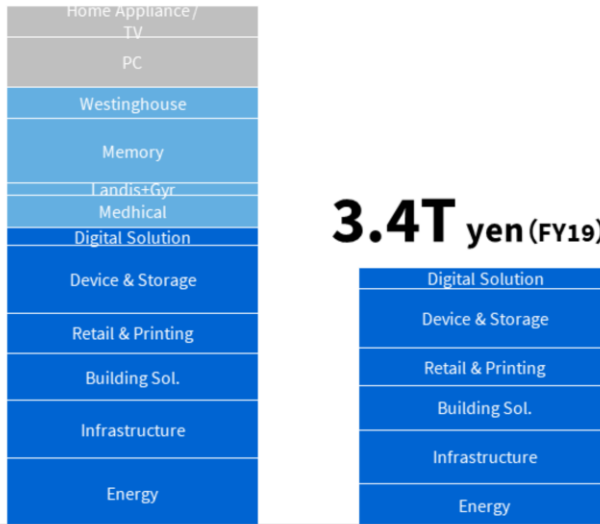
Divested 7^{*1} businesses with total revenues of 3T yen over the last 4 years.

Net Sales

B-to-C business
approx. **1.1T yen**

Risk Business
Crisis Management
approx. **1.9T yen**

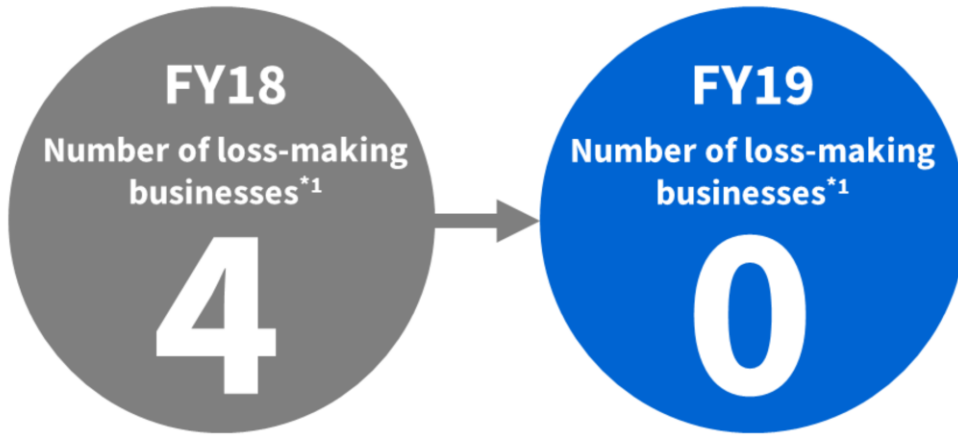
B-to-B business



*1: Counting only major businesses with net sales exceeding 100B yen.

- We have been changing our portfolio by large scale divestitures.
- Divested 7 businesses with total revenues of 3 trillion yen over the last 4 years. Exited from loss-making B-to-C business, the high risk Westinghouse business, and the volatile Memory business. We also sold businesses to improve our balance sheet.
- Remaining portfolio consists of B-to-B businesses with low volatility, that performed steadily even during the financial crisis of 2008. We will achieve turnaround by boosting the ROS above 6% for the remaining businesses.

Eliminated All Loss-making Business

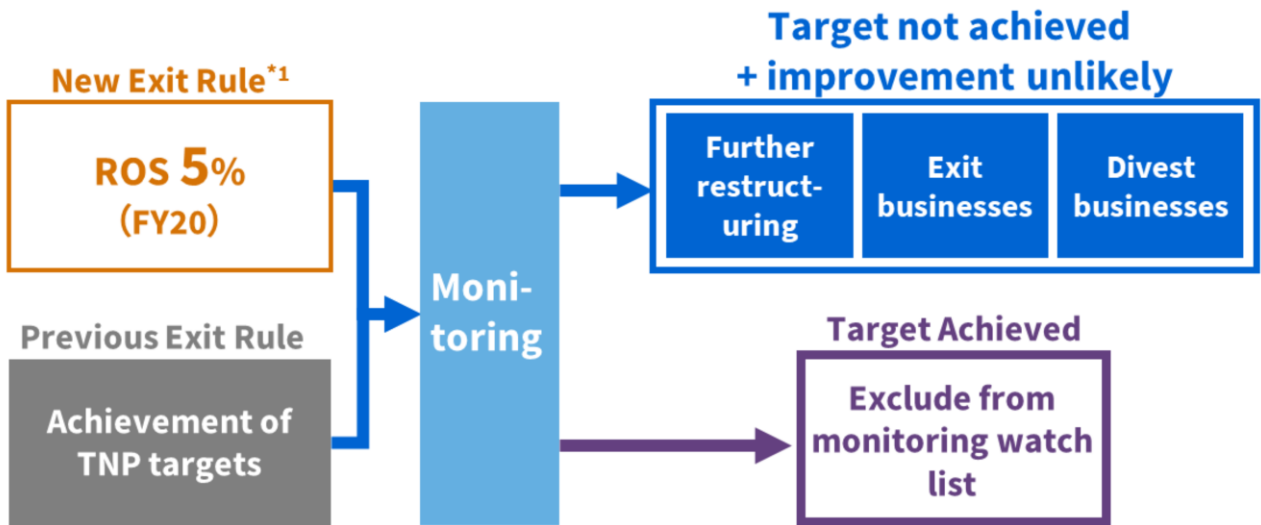


*1: Excludes business in incubation stage

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- Profitability is improving across all businesses.
- Expect no more loss-making business this year.
- The CEO periodically and frequently conducts direct interviews with each business unit leader.
- Business leaders are changing the daily operations of their businesses.

Implementation of the ROS 5% Rule



Exit Logic LSI (Advanced ASIC) business*2

*1 Excludes business in incubation stage. *2 Excludes in-vehicle digital operations and customer support for existing customers

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- We believe businesses in our current portfolio can all improve their margins as the result of benchmarking analysis, but we need clearer discipline.
- Our previous stance was to manage portfolios by measuring their performance against TNP.
- Our new policy is to also monitor businesses which do not achieve a 5% ROS in FY20.
- Game plans and detailed KPIs to achieve ROS 5% are set individually for each business.
- We decided to retreat from the Logic LSI Advanced ASIC business as the System & Device Division did not appear capable of achieving 5% ROS in FY20.
- Under this new monitoring process, the board will be consulted before arriving at the final decision.

Monitored Businesses

Thermal Power

5% ROS Improvement*¹

- ✓ Increased service ratio from 35% to 40%
- ✓ Layout change completed in 20% of total Keihin Product Works floor space

Industrial Motors

2% ROS Improvement

- ✓ Shifted to higher efficiency models, +10% year-on-year in Japan
- ✓ Production for low-pressure motors shifted from North America to Vietnam

HDD

2% ROS Improvement

- ✓ Integrate Mobile HDD production lines in Philippines
- ✓ Threefold increase in the shipments to DC*² since 2017

Steady progress towards achieving ROS of 5%

*1 FY19 ROS forecast compared with FY18 ROS *2 DC: Data Centers

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- Initiatives for improvement are under way at all monitored business other than System LSI.
- Thermal Power expects to achieve profitability this year, as losses from projects are decreasing and as the service business is growing as planned.
- Profits from Industrial Motors are increasing due to the shift to high margin products, as well as an optimization of production capacity.
- Profits from mobile HDD stabilized after downsizing production capacity, and progress in customer certification of large volume HDD for data centers has led to increased sales volume.
- Steady progress seen with the three monitored businesses.

Launch of a Cutting-Edge Governance Structure

Previous 12

**Executive Officer
doubling as Directors**

5

Outside Directors

7

New 12

CEO + COO only **2**

Outside Directors **10**

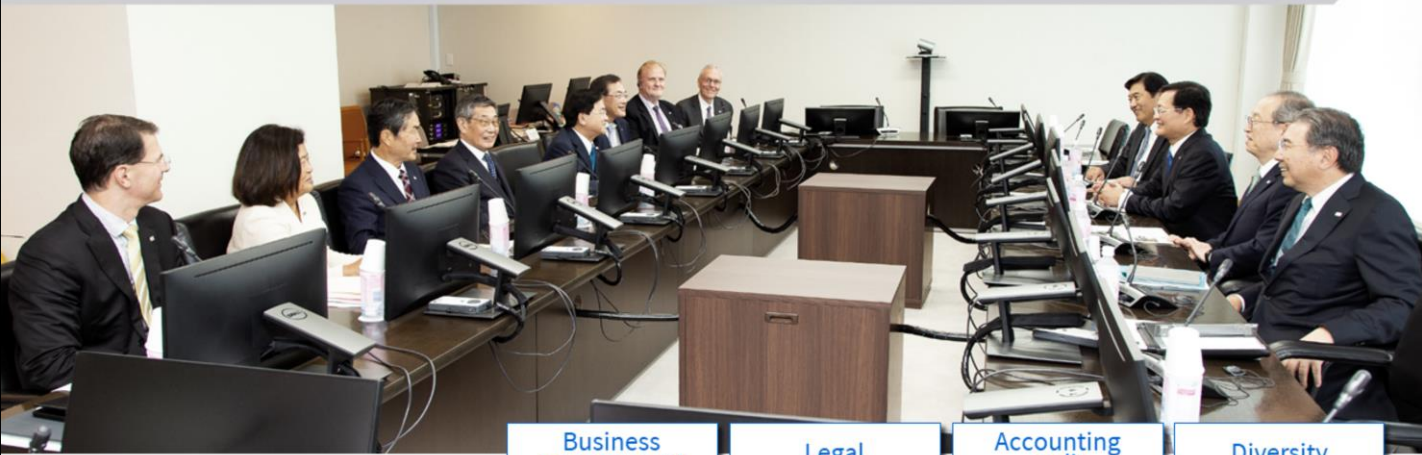
Directors with
International Backgrounds **5**

A cutting-edge board structure*¹ in Japan

*1 Outside directors and foreign directors account for approximately 30% and 3% of boards of Nikkei 225 companies, respectively.

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- The governance structure has changed this year, following the renewal of the board in June.
- Of the 12 members, only the CEO and COO remain on the board, all other members are outside directors. The ratio of outside directors is comparable with western companies.
- Among the outside directors, 5 directors have international backgrounds.
- We now have one of the most cutting-edge board structures in Japan.



**Skill sets required to execute
Toshiba Next Plan**



Accelerating strategic discussions with diversity

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- The new board brings together diverse skill sets and backgrounds, such as expertise in global business, management and operations, including M&A, investing, and corporate transformation.
- Their insights are useful to the Company as we embark on a turnaround.
- The new board has already contributed significantly to strategic discussions in the first six months, and has drastically transformed the decision making process.

January 2019

First
Outside Directors and
Shareholders Group
Meeting

June 2019

Annual
Shareholders'
Meeting

October 2019

Second
Outside Directors and
Shareholders Group
Meeting

Incorporating shareholders' and investors' perspectives in our strategic discussions

- Our stance towards communication with the market has also changed significantly.
- The first outside directors and shareholders group meeting was held in January.
- The new outside directors participated in the second meeting, which was held in October.
- In addition, we openly interact with our shareholders on an individual basis to receive their input.

- Introduce long-term incentives based on the 3-year relative TSR*¹ in executive officers' compensation scheme**
- Introduce equity-based compensation in the form of restricted shares to outside directors**
- Expand performance-linked stock incentives to non-executives including business heads and staff managers**

Alignment with medium-to-long term shareholder value

*1 Total Shareholders Return: The overall yield for shareholders, including capital gains and dividends

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- Changes will be introduced to our compensation system for Executive Officers.
- 3-year relative TSR will be incorporated in Executive Officers' compensation scheme to align their incentives with mid-to-long term shareholder value.
- In addition, we will expand compensation with restricted shares to outside directors, and performance-linked stock incentives to non-executives, including business heads and staff managers.

Capital Policy and Shareholder Returns

 **Completed 700.0 B yen^{*1}**
Share Repurchase

Successfully executed the largest repurchase in Japan^{*2}

^{*1} Actual amount of shares repurchased is 699,999,651,362 yen.

^{*2} Largest share repurchase in terms of total amount, % of market cap, and relative to trading volume among the 59 share repurchase transactions on the open market exceeding ¥100 billion executed by Japanese companies over the last 10 years.

- We successfully completed the share repurchase promised last year.
- This was the largest share repurchase in Japan in the last 10 years, in terms of total amount and size relative to market cap and trading volume.
- We purchased 198 million shares, and total shares issued after cancelation of treasury shares will be 455 million shares, the same level before the third party allotment in 2017.

Continued Divestiture of Strategic Shareholdings and Assets

Strategic shareholdings	Real Estate	Divestiture/Reorganization of Staff Function Service Subsidiaries
KONE TOPCON Shibaura Mechatronics IHI Japan Material etc.	Toshiba General Hospital Osaka Factory Site Ome Factory Site US Irvine Campus Toshiba Guesthouses etc.	Temporary Staffing Subsidiary Payroll Service Subsidiary Expert Corporate Staffing Subsidiary Digital Marketing Subsidiary Security Service Subsidiary etc.

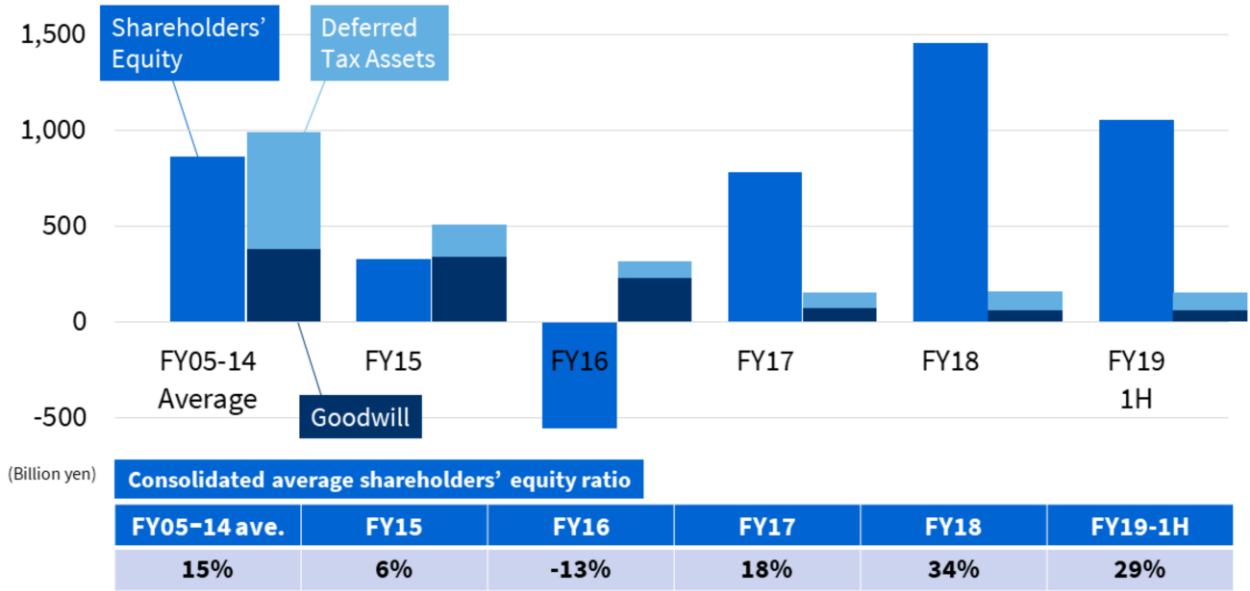
**Divested approx. 260B yen in listed shares
and approx. 90B yen in real estate*¹**

*1 Cumulative total from 2015 to present

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- Actively divesting non-business assets.
- Divested strategic shareholdings of approx. 260.0B yen and approx. 90.0B yen in real estate since 2015.
- Our strategic shareholding is low compared to our peers. We will continue to sell more.
- Sold our stake in IHI Corporation and Japan Material Co., Ltd. this month.
- Also divesting and reorganizing subsidiaries.
- Entered into an agreement to divest our subsidiary for personnel dispatch and general affairs services this month.
- Working to divest more strategic shareholdings and subsidiaries over the next 6 to 12 months.

Recovery from an Equity Shortfall



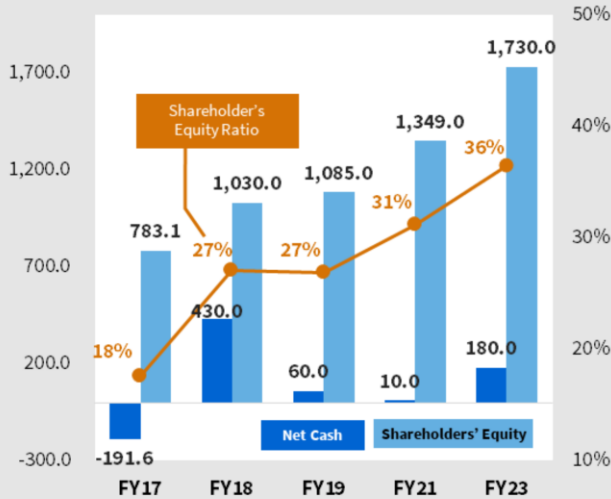
- Shareholders' equity ratio recovered to 29% at the end of FY19 first half after fluctuating below 20% for many years.
- Significant reduction of goodwill, which used to account for half of total shareholders' equity. Balance sheet in a much healthier state and strongly recovering from an equity shortfall.

Appropriate Level of Capital

Plan announced on Nov 8, 2018

Policy based on discussions with the board

Plan of financial Structure (B yen)



Periodically Evaluate the Appropriate Level of Capital

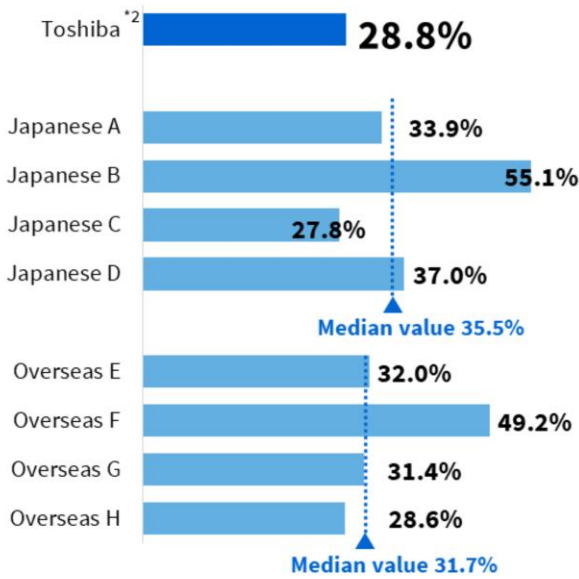
Appropriate level of capital will be determined in consideration of risk assets, contingent liabilities, portfolio and business plans.

Periodic review by the board

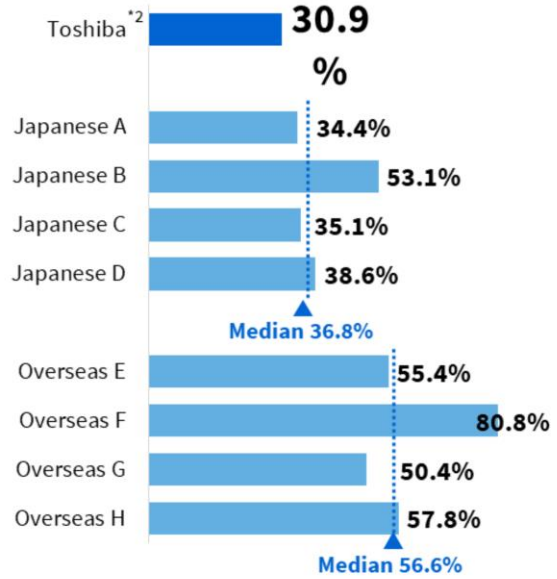
- Last year, our plan was to accumulate capital over time.
- After discussions with the board, including third-party advisors, we have shifted to a new process where the board periodically reviews the appropriate level of capital.
- We concluded that there is no magic number for the appropriate amount for capital, and it must be subject to periodic review. We will evaluate balance sheet items such as risk assets and contingent liabilities, our business portfolio, and business plans.

Benchmark for Shareholders' Equity

Shareholders' Equity Ratio (%)^{*1}



Shareholders' Equity/ Net Sales (%)



^{*1} Competitors' figures as of end of the most recent fiscal year ^{*2} FY19-1H actual amount

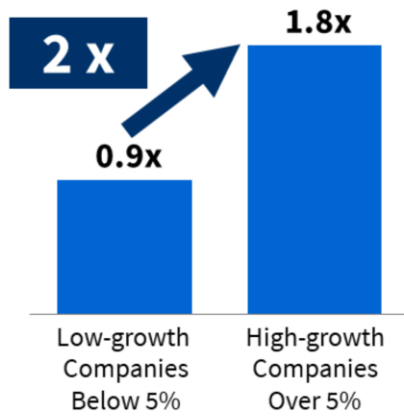
- In addition to the balance sheet approach, we are benchmarking against domestic and overseas competitors with similar risk profiles. Benchmarking analysis will be part of the comprehensive evaluation for the appropriate level of capital. This is the conclusion of the Board.
- We have sought advices from Goldman Sachs and a global management consulting firm on how to conduct objective analysis.
- We confirmed that current shareholders' equity is not excessive.

Enhancing TSR through Growth

Cumulative total of TOPIX500 companies *1

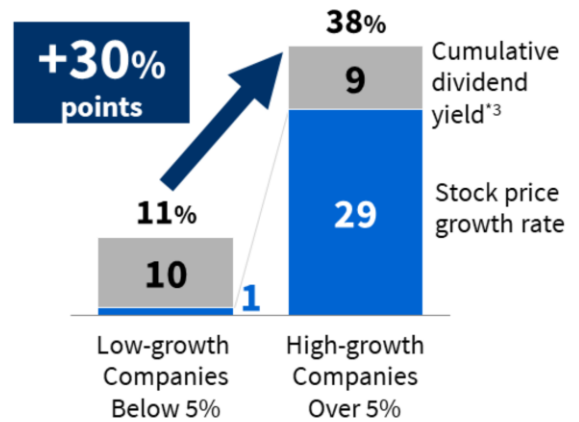
Pricing Multiples

PBR Median*2



TSR

2014-2018



*1 Excluding the financial industry

*2 FY2018 average used for PBR; annualized growth rate from FY2014-2018 used for the growth rate

*3 Yield calculated as the sum of the weighted average of market cap growth rates from 2014-2018 and cumulative dividend payments from 2014-2018, divided by 2014 market cap

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- Increasing TSR is a key target for Toshiba.
- Enhancing TSR through financial strategy is one way, but we confirmed through third-party evaluation that growth is the key factor.

- Decrease cost of capital by using leverage to finance growth**
- Limit debt so that net D/E does not exceed 30% and net D/EBITDA does not exceed 100%**
- Enhance TSR by pursuing growth**

- We will use debt to finance growth and to optimize our cost of capital.
- We will set a limit on debt so that net D/E does not exceed 30% and net D/EBITDA does not exceed 100%.

- Our basic policy is to maintain an average consolidated dividend payout ratio of at least 30%^{*1}**
- Capital in excess of the appropriate level of capital will be used to provide shareholder returns, including share repurchases**

^{*1} For the time being, equity-method investment income/losses from Kioxia Corporation are excluded from this policy

- The Board also discussed policy on shareholder returns.
- Maintain current policy of securing average consolidated dividend payout ratio of over 30% during the course of TNP.
- We will consider providing additional shareholder returns, including share repurchases, when capital exceeds the appropriate level.

**Toshiba Plant
Systems & Services**

NuFlare Technology

Nishishiba Electric

- Increase enterprise value through privatization**
- EPS improvement^{*1}: +21% (FY20), +12%(FY21)**
- ROE improvement^{*1}: +2% (FY20), +2% (FY21)**

^{*1} Compared to basis excluding equity method investment income/losses from Kioxia Corporation from TNP

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- Engaged in detailed discussions with the board on our listed subsidiaries as an important governance related topic, based on METI's "Practical Guideline for Corporate Governance Systems".
- Aiming to enhance enterprise value through privatization of Toshiba Plant Systems & Services, NuFlare Technology, and Nishishiba Electric.
- Forecasting EPS improvement of +21% in FY20 and +12% in FY21, ROE improvement of +2% in both FY20 and FY21.
- This is an attractive investment to improve EPS with a higher return compared to a share repurchase. We proceeded with the projects to deliver value to our shareholders as quickly as possible.
- With respect to Toshiba Tec, we are discussing and considering measures to enhance the long-term sustainable enterprise value of both Toshiba and Toshiba Tec. As nothing has been determined so far, we do not intend to change our stake in Toshiba Tec for the time being.

Objectives of the Privatization of Listed Subsidiaries

Toshiba Plant Systems & Services

Enhance cooperation on sales, technology, quality, and production

- Improve profitability by group-wide operation of power generation system business
- Expand service business etc.

NuFlare Technology

Enhance cooperative development

- Accelerate R&D for multi-beam mask writers
- Development of epitaxial reactors etc.

Nishishiba Electric

Utilize Toshiba Group resources

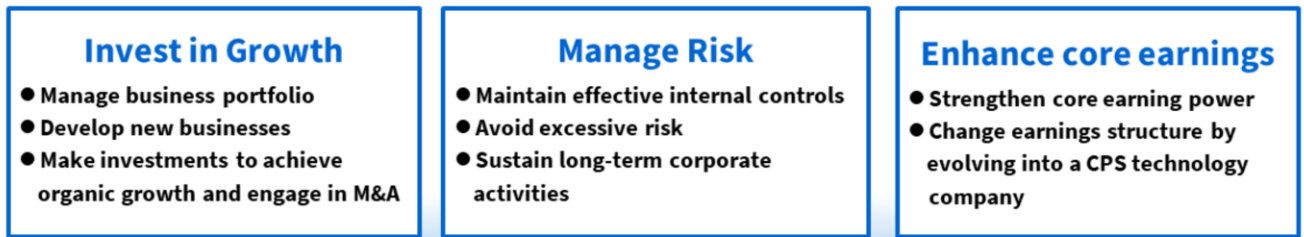
- Enhance distribution channel by utilizing customer base
- Reduce costs through joint purchasing etc.

- We have respected the independence of our listed subsidiaries to date, but moving forward we will make concentrated group-wide efforts, and create synergies through privatization.
- We have confirmed that IRR will significantly exceed the cost of capital with these projects.

Toshiba Next Plan: Growth Phase 2

Objectives of the Toshiba Next Plan

Customers, business partners, employees and the regional society



Maximize enterprise value

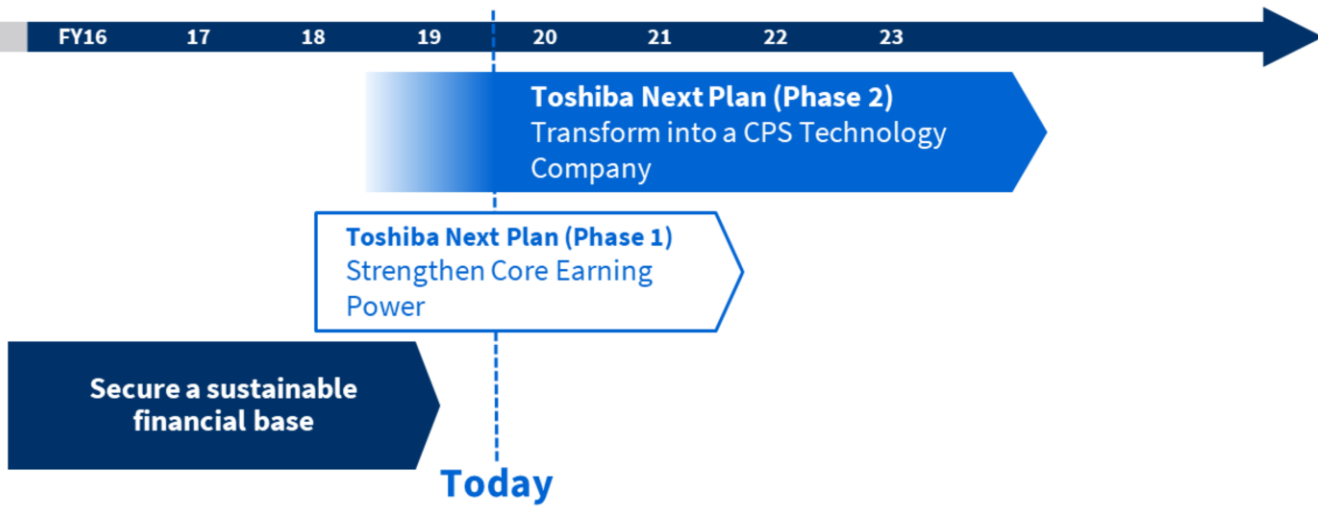
Enhance Total Shareholder Return (TSR*1)

*1 Total Shareholders Return: The overall yield for shareholders, including capital gains and dividends

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- Objective of TNP is to increase TSR. This will not change.
- Growth is an important factor to enhance TSR.
- In addition to pursuing organic growth, we believe M&A will become an option for future growth. We trust that the new board with the right skill sets makes us better equipped to pursue M&A opportunities.
- We still do not intend to embark on large-scale M&A transactions that will create significant goodwill.

Process towards Growth

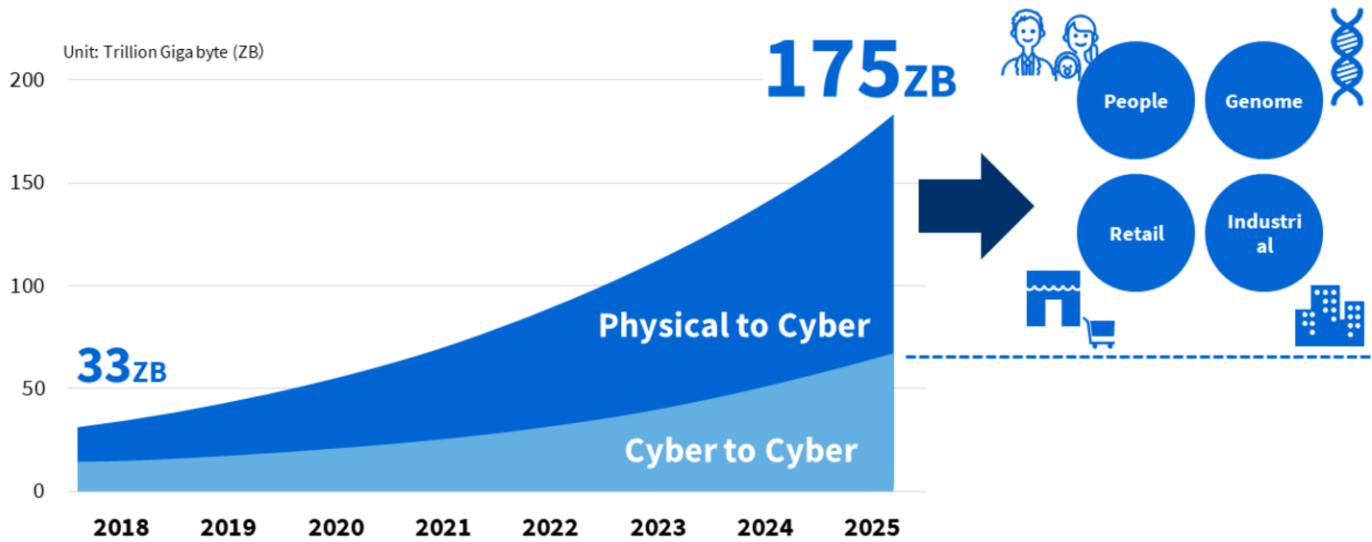


**Completed recovery of financial base;
shifting towards growth phase 2**

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- We are currently focusing on improving profitability and are accelerating our efforts to achieve FY21 targets.
- When the Phase 1 targets are achieved, we will be an “excellent company” for a hardware-oriented business.
- However, we will also step up our efforts to transform Toshiba into a CPS Technology Company, which we call “Phase 2” of TNP.

Expansion of the Digital Economy



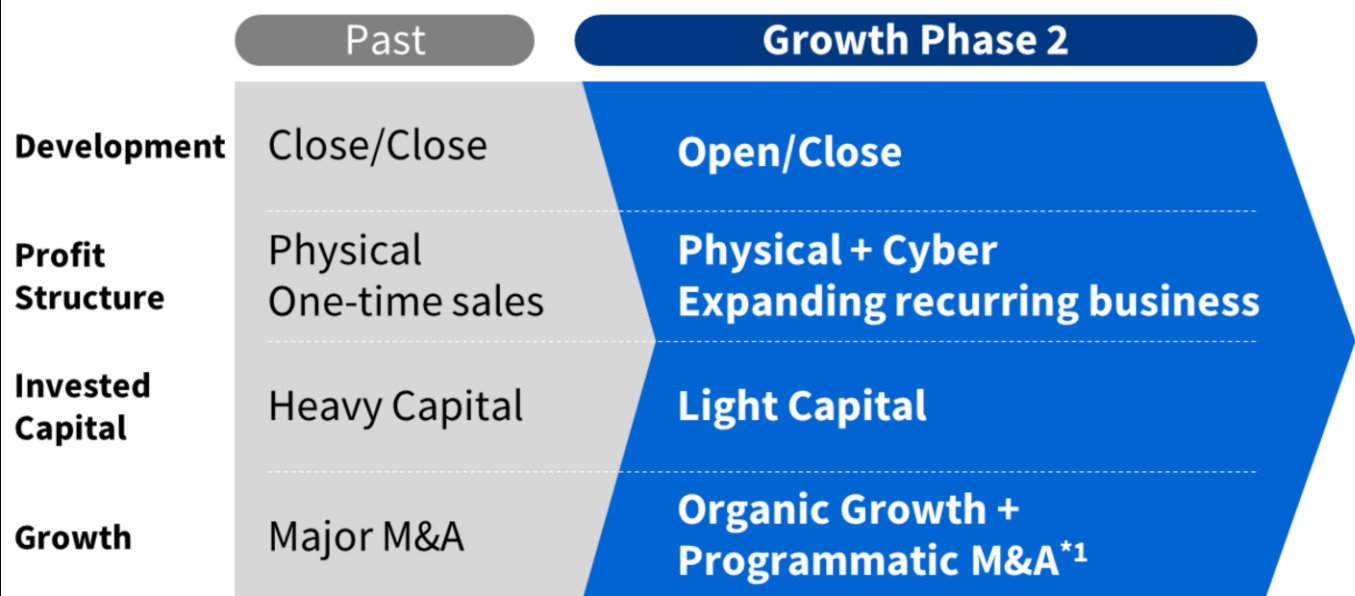
CPS-related data is increasing explosively

Source: Toshiba's forecast based on IDC White paper "The Digitization of the World from Edge to Core"

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- With the expansion of the digital economy, data is increasing explosively, and will reach 175ZB in 2025.
- Greatest increase in data generation is in the “physical” sector, which is directly relevant to our business domains.
- We see great opportunities accompanying the continued rise of the digital economy.

Transformation Towards a CPS Technology Company



^{*1} Not major M&A encountered opportunistically, but focused on areas that are adjacent and complementary. Carry out planned, small scale M&A as part of annual business strategy. 60% of companies with top 100 market cap in past decade (2007-2017) employ this method. (Source: McKinsey & Company)

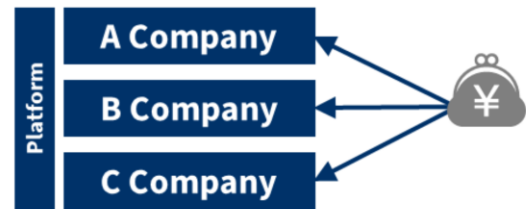
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- These are the important themes for our transformation towards becoming a CPS Technology Company.
- Development style becomes Open/ Close from Close/ Close. We will both collaborate and compete with other companies including our peers.
- Our business model will change from Physical to Physical + Cyber. We will improve profitability by expanding recurring business.
- Capital requirement will be lighter.
- M&A will become programmatic.

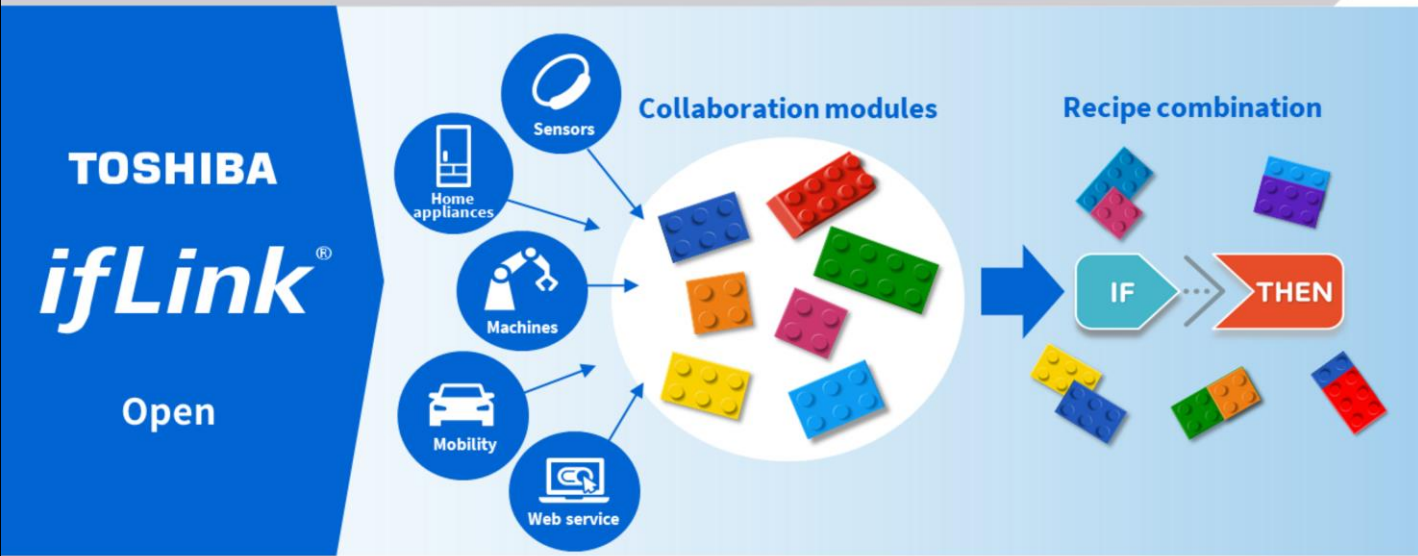
CPS Technology Company

Value Chain = DE

Platform = DX



- There are two business models for a CPS Technology Company.
- One model is to transform existing value chain by digitization.
- The other model is to create a new platform and enable co-creation, even with competitors. This approach will add more business value.



Established ifLink® Open Community

https://www.toshiba.co.jp/about/press/2019_11/pr0501.htm

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- We announced the ifLink Open Community the other day. This is a good example of the Open/Close concept.
- ifLink allows users to operate apps and functions by defining a condition and a result—if and then.
- It is simple to use, requiring no expertise in IT or programming on the part of the user, and will bring new opportunities to companies in many businesses.
- ifLink already has many members. We will encourage other companies to join to create new opportunities.
- We will stride forward to create CPS business through open innovation.

[Reference]

- https://www.toshiba.co.jp/about/press/2019_11/pr0501.htm

New services utilizing CPS technology arise one after another



greateranglia

Train operations



Gestamp

Welding in vehicle chassis parts



FALCON GROUP

Thermal power plant

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- New services utilizing CPS technology such as Digital Twin, IoT and AI are emerging one after another.
- We started providing services for enhancing timetabling for Greater Anglia Railway in the UK through an alliance with Mitsui & Co., Ltd.
- More projects are following; with Gestamp in Spain, Falcon in Mexico, and others.
- Our CPS-related activities are progressing.

[Reference]

- <https://www.toshiba-sol.co.jp/en/news/detail/20190910.htm>
- <https://www.toshiba-sol.co.jp/en/news/detail/20191028.htm>
- https://www.toshiba-energy.com/en/info/info2019_1101.htm

SCiB™

Construction of new factories in India and in Yokohama



Gujarat, India
Building completed in October 2019



Yokohama
(artist impression)

Strategic partnership with suppliers

- Titan Kogyo
- CBMM etc.

Power Electronics

Production capacity increase

- Silicon: Increase 8-inch production capacity at Kaga
- SiC: Start up 6-inch line at Himeji

Received order for electric equipment from Railway company

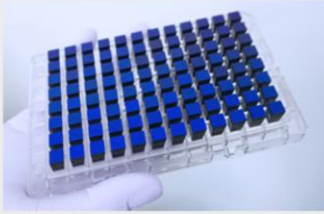


Taiwan High Speed Rail 700T Type

- For SCiB, new factories constructions are on the way, and in India we aim to start mass production in 2020.
- We continue to grow the business by initiatives such as strategic partnerships with suppliers to meet increasing demand from Japan's major automobile companies, railway systems companies, etc.
- For Power Electronics, we have expanded production capacity at Kaga and Himeji Operations. We recently received an order for electric equipment for 360 cars for Taiwan's High Speed Rail.

Japonica Array™

**Collaborate with
Toshiba's society managed
health insurance**



Japanese population genotype tool
“Japonica Array™”

* Japonica Array is a trademark of Tohoku University.

Micro RNA

**Collaborative research
with Tokyo Medical
University and National
Cancer Center Japan**

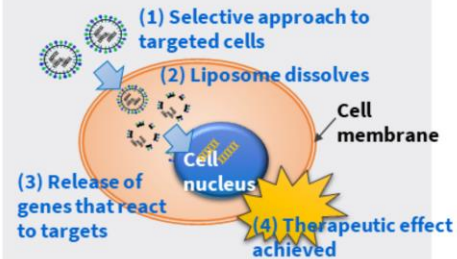


Micro RNA
Chip

Small test
equipment

Liposome

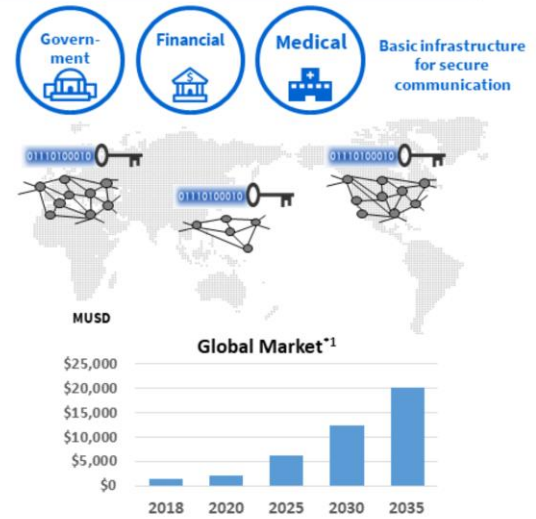
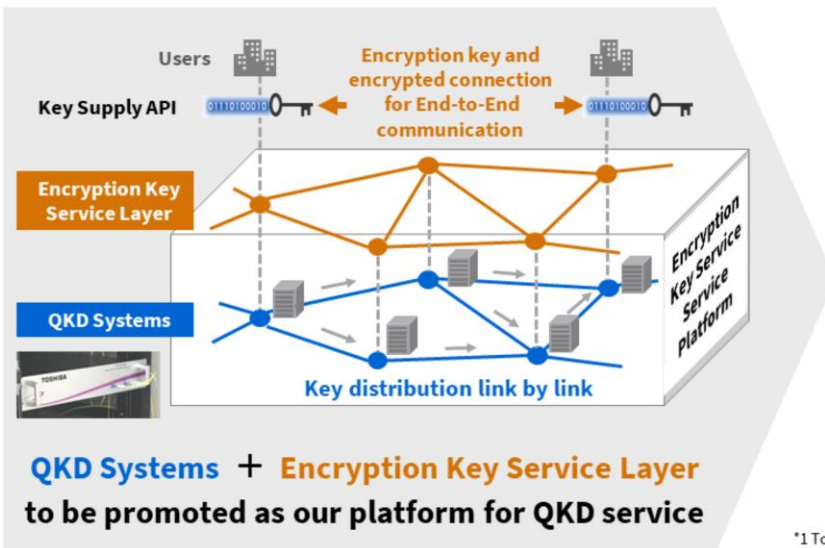
**Collaborative research
with School of Medicine,
Shinshu University**



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- We are seeing progress in precision medicine, too.
- We have started collecting genome data for Japonica Array, and have made solid progress.
- For cancer screening, we have developed Micro RNA, which analyzes suspected cancers for 13 organs. We will further verify the system with Tokyo Medical University and National Cancer Center Japan.
- We have started collaborative research on using liposome with Shinshu University, and will expand application to gene therapy for cancer.

Next Growth Business – QKD: Quantum Key Distribution



*1 Toshiba's long term forecast based on QuantumXchange's mid-term forecast.

Use our world's #1 technologies to establish de facto standard in global market for encryption key supply service

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- Our world-leading QKD technology is in a good position to become the global de facto standard.
- We are already collaborating and testing QKD installation with domestic and overseas companies, targeting commercialization in FY20.
- Our plan is to build a subscription-based business model, instead of just selling the hardware.
- We foresee a market that surpasses 2 trillion yen by 2035. We will work to make QKD technology widely accepted and used in the coming decade.

The Toshiba Next Plan Targets – Repost

Aim to maximize enterprise value and TSR*¹ through profitable growth

	FY18 Actual	FY19 Forecast	FY21 Plan	FY23 Target
Net Sales	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%	--	--	approx. 15%

*1 TSR = Total Shareholder Return

*2 EBITDA = Operating income + depreciation and amortization expenses

*3 ROE excludes effects from non-continuing business and the sale of the memory business in FY18. No figures provided for FY19 onward as Kioxia forecasts have not been provided to Toshiba and forecasts therefore cannot be calculated.

Assumed exchange rates: USD1=JPY105; EUR1=JPY125

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- We haven't changed our target to achieve an ROS of 8% to 10% in FY23.
- With disciplined capital policy and growth strategy, we will accumulate activities supporting “Change & Growth” one by one, toward becoming a Company that can achieve an ROE of 15%.

Contribute to Achieving SDGs*¹ through All Business Activities

Actions/initiatives to enhance positive impact on SDGs

Toshiba Group Business Activities



Initiatives Supporting Business Activities



Materials/ Suppliers

Procurement/ Logistics

Manufacturing

Sales

Product Use

Product Disposal



Consider rights, labor, and environment throughout the supply chain



Manage energy use appropriately
Reduce emission of GHG and harmful chemical substances
Protect rights of laborers, including immigrants



Eliminate/reuse wastes
Quality assurance, product safety/security
Preserve biological diversity



Enhance governance/risk management, committed compliance

Actions to minimize negative impact on SDGs

*1 SDGs: Sustainable Development Goals

- We have identified which of our corporate activities have a significant impact on society through our SDGs analysis.
- Continue to enhance positive impacts, while minimizing negative impacts from our technologies.
- We will continue to pursue the objectives of the SDGs throughout our corporate activities.

“Change” Achieved

- ✓ **Achieved 7-fold year-on-year increase in operating income in the first half**
- ✓ **Renewed the board structure**
- ✓ **Completed 700.0 B yen share repurchase**
- ✓ **Privatized listed companies, divested strategic shareholdings**
- ✓ **Exited from risk businesses, resolved capital shortfall**
- ✓ **Utilized leverage and determined the appropriate level of capital**
- ✓ **Introduced the ROS 5% exit rule**
- ✓ **Set shareholder returns policy including share repurchase**
- ✓ **Created a compensation system which enhances shareholder value**

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- This summarizes what we've explained today.
- We started off the year with strong results in the first half, and will build on our progress to achieve a 6% ROS in FY21.
- We now have a new governance structure to support our efforts.
- We also completed the share repurchase as promised.
- We took the lead in current capital market themes such as listed subsidiaries and strategic shareholdings.
- We completed our exit from risk businesses. Our financial status is much healthier as we have resolved the issue of a shortfall in capital.
- We will further use leverage with discipline, maintain an appropriate level of capital, implement the ROS 5% exit rule of portfolio management, and exercise financial discipline in managing capital.
- To enhance our TSR, we will pursue growth and consider share repurchase under the new policy of shareholder returns.
- We will further improve our compensation system so that it is better aligned with shareholders' value.
- Achieving a solid foundation based on the above, we will move on to Phase 2 of TNP for growth.



Toshiba Next Plan Progress Report

Change & Growth

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- We do not need a superhero at Toshiba.
- Everyone is a hero. Every one of us will cooperate in amassing small improvements.
- The sum of such individual efforts are creating major changes. This is who we are.
- Thank you for your continued support.



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

- Our unchanging credo is “Committed to People, Committed to the Future.”

TOSHIBA