TOSHIBA

Toshiba Next Plan Progress Report

Moving on to Growth

-Towards Phase 2 & 3 of Growth-

November 11th, 2020

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President & CEO

Toshiba Corporation

● Hello, everyone. This is Kurumatani.

● Like the last time, we have decided to conduct this presentation online in light of the COVID-19 pandemic. Thank you for your understanding in this regard.

● I would now like to guide you through the presentation material.

Forward-looking Statements

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

Agenda

01. Progress in FY2020

02. Progress of the Toshiba Next Plan

03. ESG Enhancement Policy

04. Financial Management Policies

●Please turn to page 3.

●Today, I would like to talk about 4 themes, based on the agenda shown under this slide.

Executive Summary

Progress in FY2020

- 1H Results: Core operating income buoyant, +21.9 B yen from last year
- Full-year forecast: Confident on achieving core operating income 220.0 B yen
- COVID-19 impact: 1H -70.2 B yen, Full year -90.0 B yen
- Monitored business: Progress in restructuring of System LSI, Printing

The Toshiba Next Plan

- Phase 1: FY18→ FY25, improved marginal profit +9%, fixed cost -130.0 B yen
- Phase 2: Strong growth with infrastructure service as core
- Phase 3: Next generation business model as CPS Technology Company

Sustainable Growth

- ESG: Enhancing activities driven by our management philosophy
- Capital Allocation: Disciplined growth investment

●Page 4 is an executive summary.

●In the first half of fiscal year 2020, core operating income increased steadily by 21.9 billion yen year-on-year.

●With respect to the full-year forecast, we have achieved satisfactory results from our efforts to strengthen core earning power, and we are confident to accomplish 220 billion yen in core operating income.

●On the other hand, our forecast for the annual negative impact of the COVID-19 pandemic remains unchanged at 90 billion yen.

●With respect to the monitored businesses, we are seeing progress in the restructuring of the System LSI as well as printing businesses.

●I would like to discuss our progress in the Toshiba Next Plan in 3 distinct phases.

●Phase 1 refers to the strengthening of core earning power. We have achieved significant results, with a major improvement in marginal profit as well as reductions in fixed costs.

●Phases 2 and 3 involve our growth strategy with Infrastructure Services at its core, which was presented as a concept in June, as well as our evolution into a CPS technology company. I would like to discuss what the phases involve as well as how we plan to implement each phase.

●Finally, we will continue to further reinforce our ESG efforts, which we believe to be crucial for sustainable growth.

- As proactive investments are required to achieve growth, we will also allocate capital judiciously while emphasizing the financial discipline.

1. Progress in FY2020

●Starting on page 5, I would like to discuss our current performance during fiscal year 2020.

FY20 1H Consolidated Results

Core Operating Income buoyant, +21.9 B yen from last year

	FY20 1H Results	FY19 1H Results	Difference
Net Sales	1.37 T yen	1.71 T yen	-0.34 T yen
Core Operating Income*1 (ROS%)	81.1 B yen (5.1%)	59.2 B yen (3.5%)	+21.9 B yen (+1.6%)
Restructuring Cost	-7.8 B yen	-7.1 B yen	-0.7 B yen
COVID-19 Impact	-70.2 B yen	--	-70.2 B yen
Operating Income (ROS%)	3.1 B yen (0.2%)	52.1 B yen (3.0%)	-49.0 B yen (-2.8%)
EBITDA*2 (EBITDA%)	45.2 B yen (3.3%)	92.5 B yen (5.4%)	-47.3 B yen (-2.1%)

*1: Operating income excluding restructuring charges and the impact of the COVID-19 *2: EBITDA = Operating income + Depreciation and amortization

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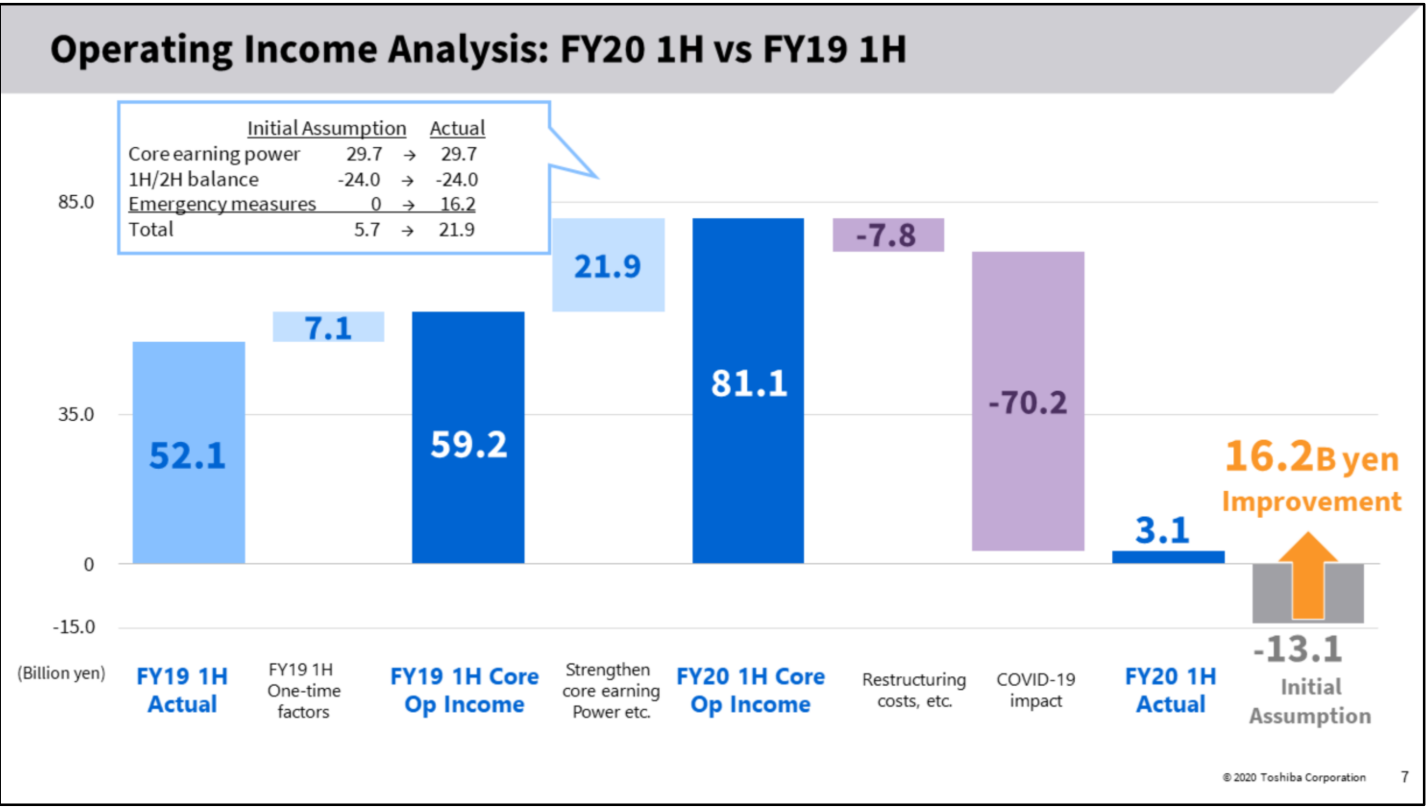
- Page 6 shows our consolidated performance for the first half of this fiscal year.
- While Net Sales decreased on a year-on-year basis to 1.37 trillion yen, we achieved a year-on-year increase in Core Operating Income, to 81.1 billion yen.
- As a result of Restructuring Cost of negative 7.8 billion yen, and the negative 70.2 billion yen impact from the COVID-19 pandemic, we reported the Operating Income of 3.1 billion yen for the first half of this fiscal year.



●An analysis of Operating Income is provided on page 7.

●Core Operating Income increased by 21.9 billion, compared to the 59.2 billion yen reported in the first half of fiscal year of 2019.

●The breakdown shows that a strengthening of core earning power led to a 29.7 billion yen increase in Operating Income.

●There is an imbalance between the first and second half of the fiscal year, with less income reported during the first half. This 24 billion yen negative impact was partially offset by a 16.2 billion yen reversal due to a suppression of SG&A expenses as an emergency measure, leading to a net positive impact of 21.9 billion yen as shown on the bar graph.

●While we stated in June that we could face operating losses in the order of 10 to 20 billion yen during the first half, we were able to achieve a 16.2 billion yen improvement mainly through a suppression of SG&A expenses as an emergency measure, allowing us to report positive Operating Income.

●As will be discussed later on, the strengthening of core earning power reflects improved operating capabilities and will also have a positive impact on future fiscal years. We are very happy with our achievements to date in this respect.

COVID-19 Impact on Operating Income in FY20 1H

Segment	Main reasons	Impact
Devices & Storage	Delay in installation of semiconductor manufacturing equipment in China, decrease in HDD factory capacity utilization, decrease in demand for devices for in-vehicle semiconductors, etc.	- 30.9 billion yen
Retail & Printing	Decrease in demand of MFP and POS systems, restriction in sales activities, etc.	- 15.0 billion yen
Buildings	Project delays, delays in manufacturing and installation work, etc.	- 8.3 billion yen
Energy Systems	Delays in manufacturing and installation work, decrease in capacity utilization at overseas manufacturing sites etc.	- 4.4 billion yen
Others		- 11.6 billion yen
Total		**- 70.2 billion yen**

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- Page 8 list the impact of COVID-19 on each segment during the first half.
- Devices and Storage was hit hardest with a negative impact of 30.9 billion yen, resulting from installation delays in semiconductor manufacturing devices as well as decreased sales of HDD and in-vehicle semiconductors
- Retail and printing also suffered from a decrease in the global demand for multifunction printing machines and POS systems.

Free Cash Flow

Free cash flow improved significantly compared to last year

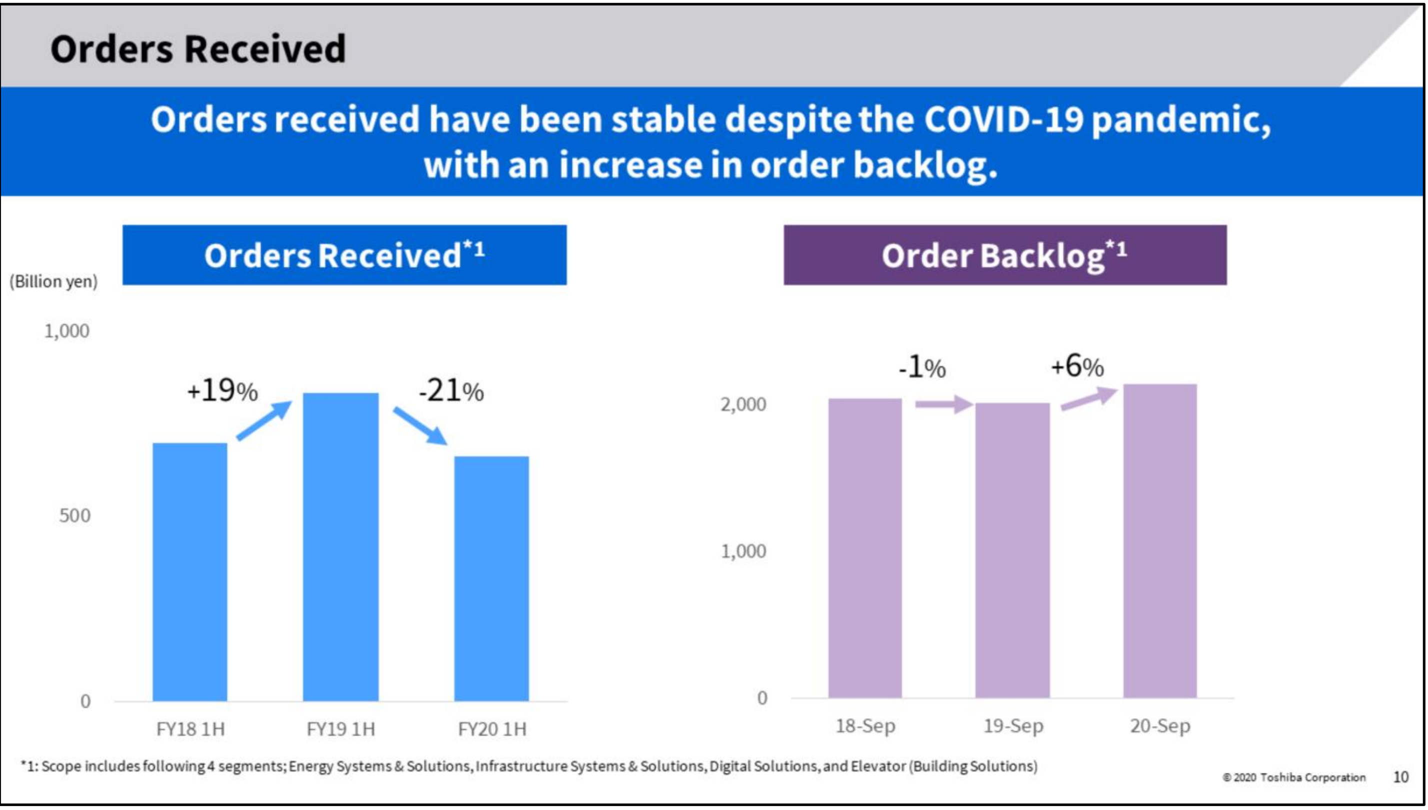
(Billion Yen)	FY20 1H	FY19 1H	Difference
Operating Cash Flow (excl. one-time factors)	55.5 (71.3)	-80.9 (46.9)	+136.4 (+24.4)
Investment Cash Flow	-48.4	-61.2	+12.8
Free Cash Flow	7.1	-142.1	+149.2

●Page 9 shows our free cash flows.

●The significant year-on-year improvement reflects payments from the sales of the LNG business which arose during the last fiscal year.

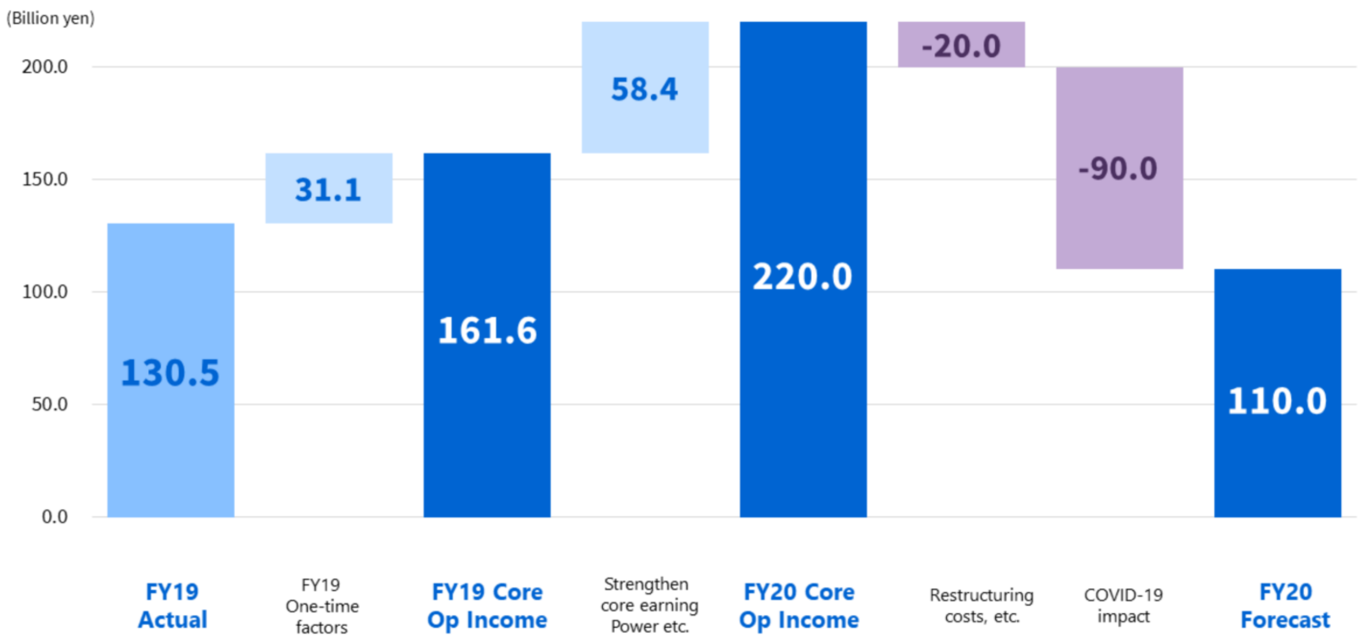
●Operating Cash Flows increased by 24.4 billion yen even when excluding one-time factors. Free Cash Flows were also positive.

●Our improved earning power has also had a positive impact on each cash flows.



- Page 10 shows trends in orders received.
- While total orders in monetary terms fluctuates year-by-year, we were able to largely maintain our historic average despite COVID-19.
- Order backlogs have also increased, which can be expected to contribute to sales increase in the second half as well as the next fiscal year.

Operating Income Analysis: FY20 vs FY19



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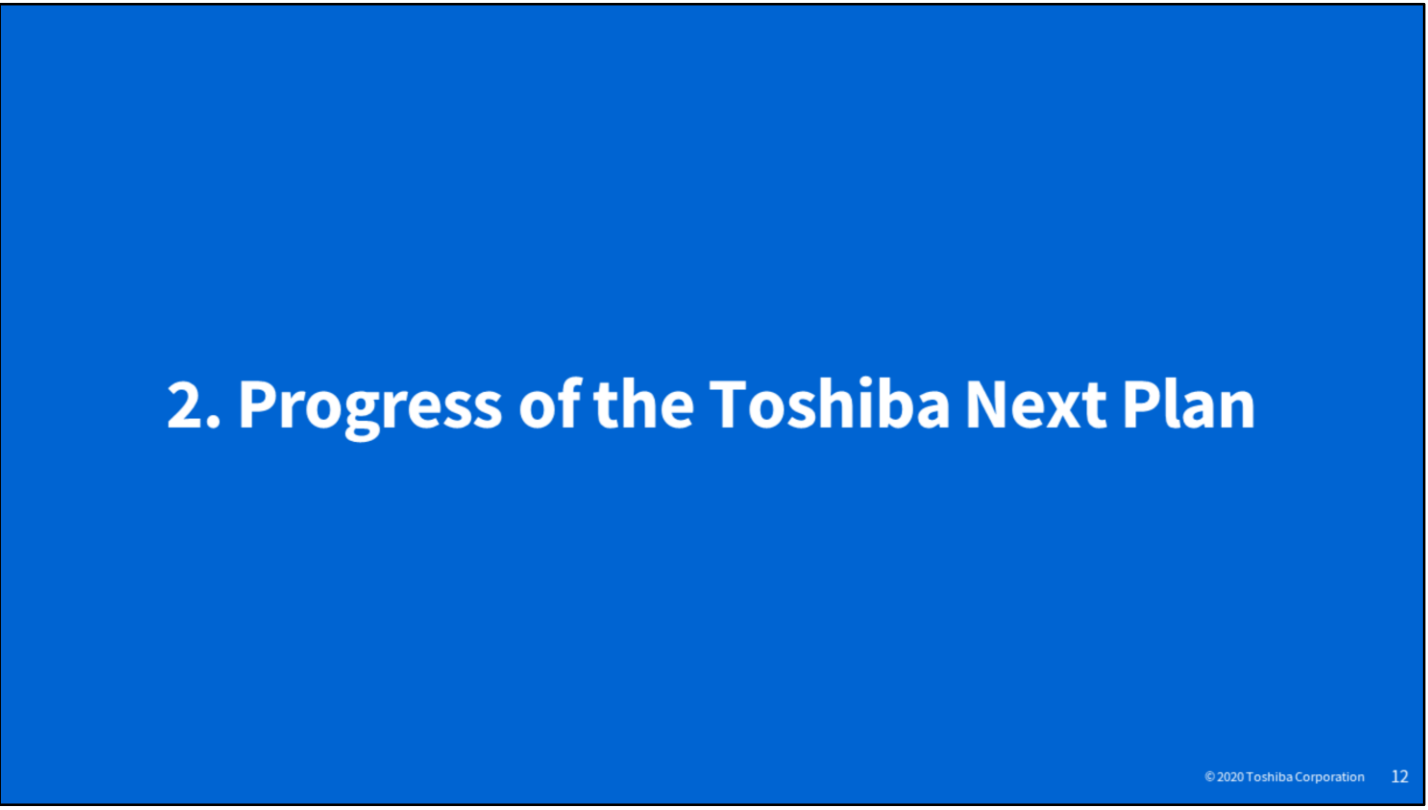
●Page 11 shows our analysis on forecasted Operating Income for the full fiscal year.

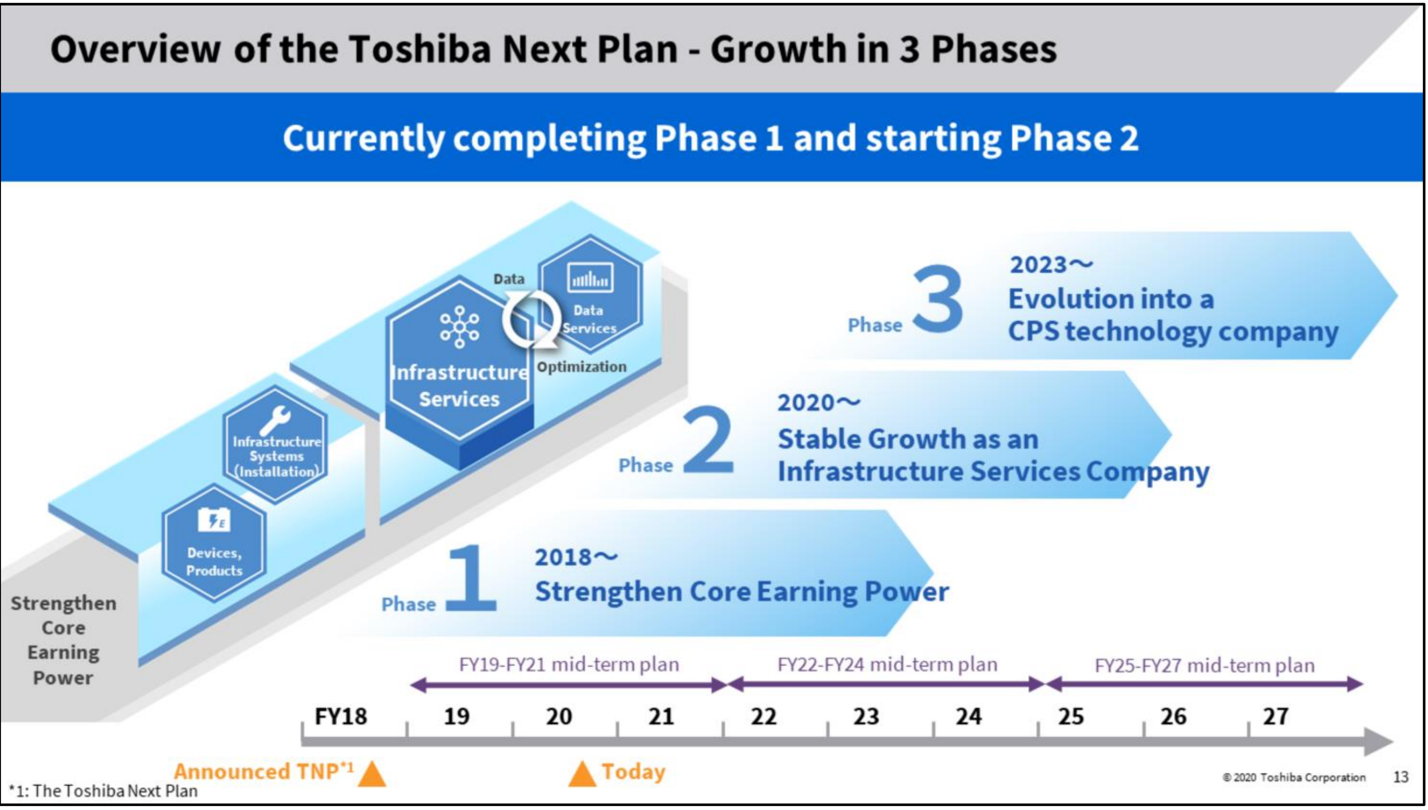
●We aim to increase Core Operating Income by 58.4 billion yen year-on-year, from 161.6 billion yen in fiscal year 2019 to 220 billion yen in fiscal year 2020.

●Based on our success in strengthening core earning power during the first half, we believe that there is a high probability of achieving this target.

●The expected full year impact of COVID-19 is 90 billion yen, implying that the expected impact during the second half will be limited to about 20 billion yen.



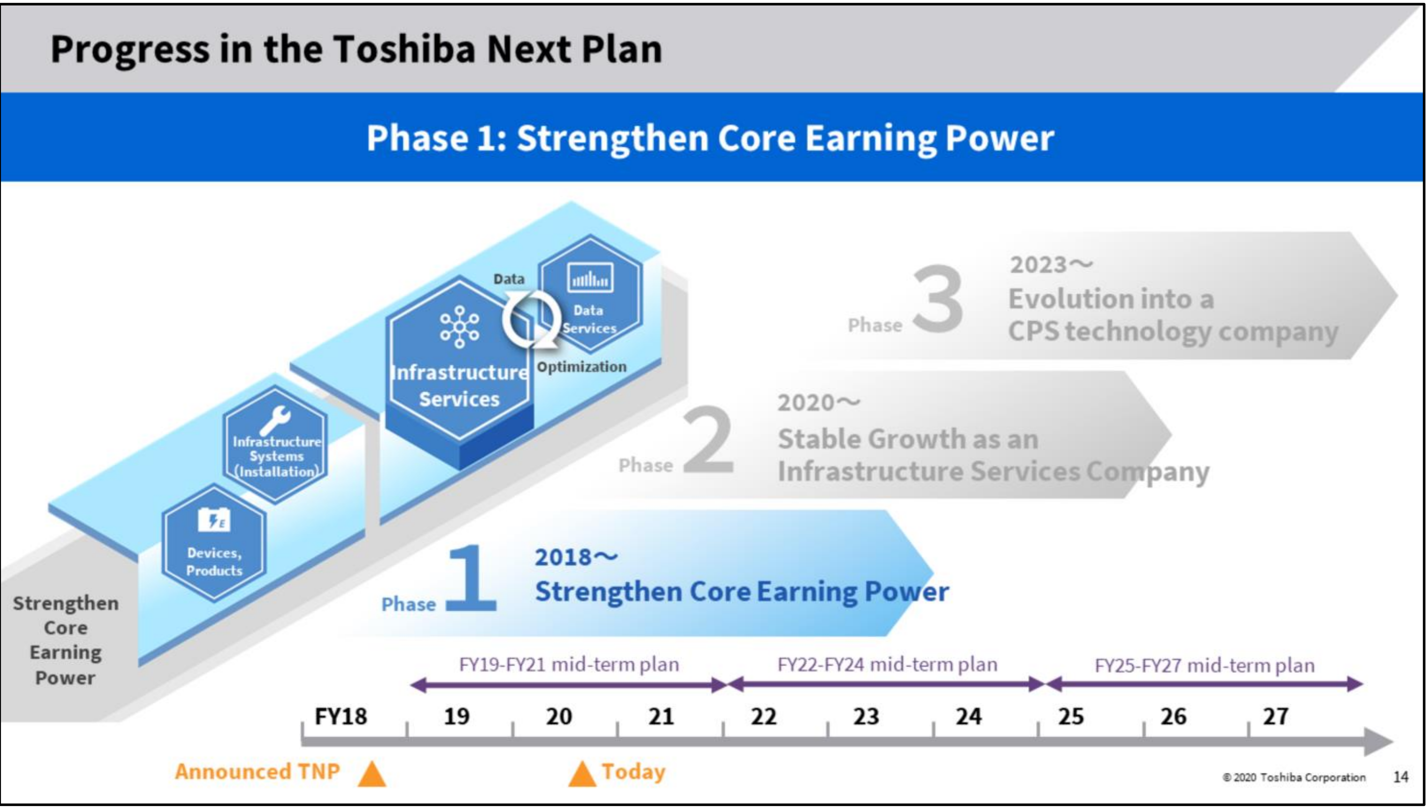
●Starting on page 12, I would like to discuss our progress in the Toshiba Next Plan.



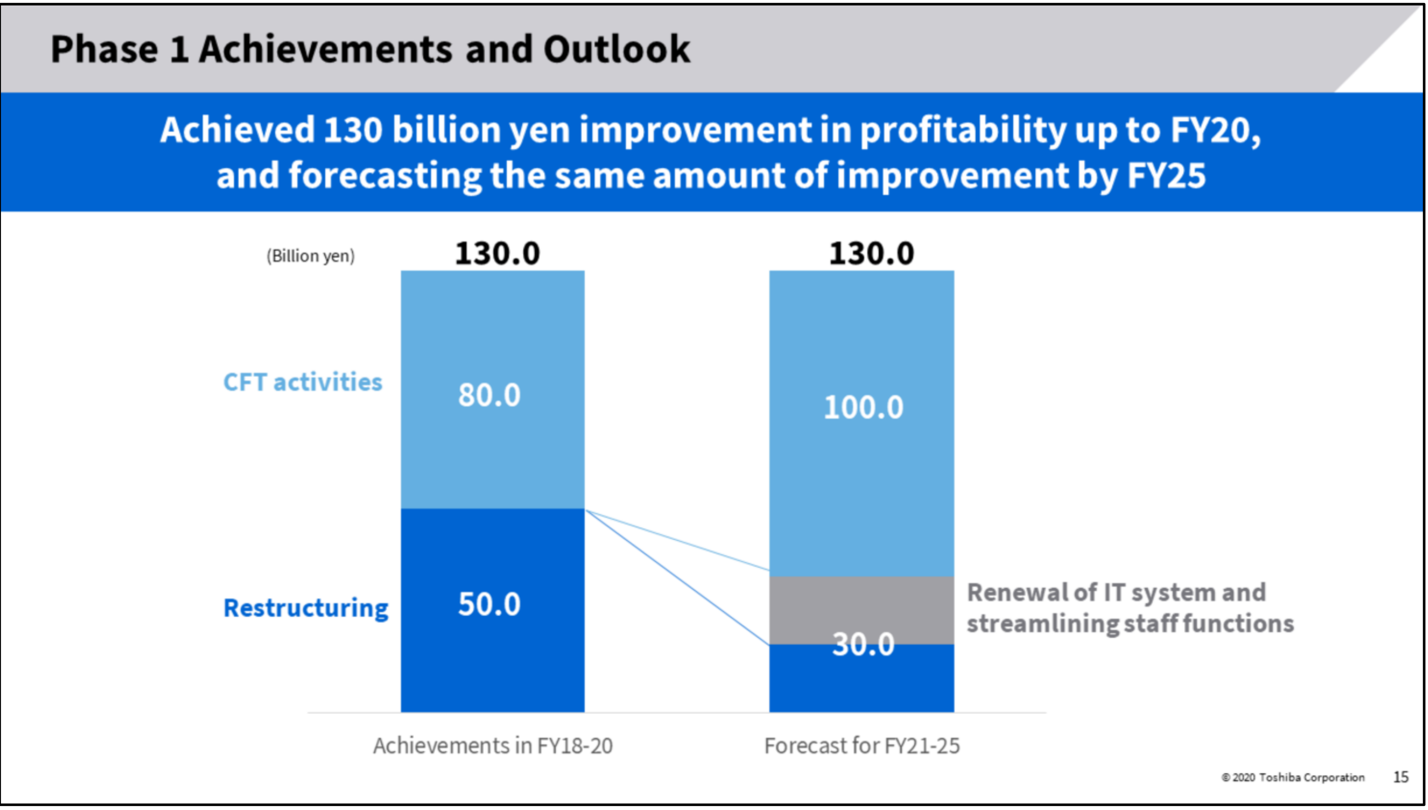
●Page 13 provides an overview of the Toshiba Next Plan, which is divided into 3 growth phases.

●The left hand side illustrates the steps to becoming an Infrastructure Services Company, which was presented in June.

●Today, I would like to focus on the right hand side, which provides a timeline for phases 2 and 3 as well as the points of focus in each phase.



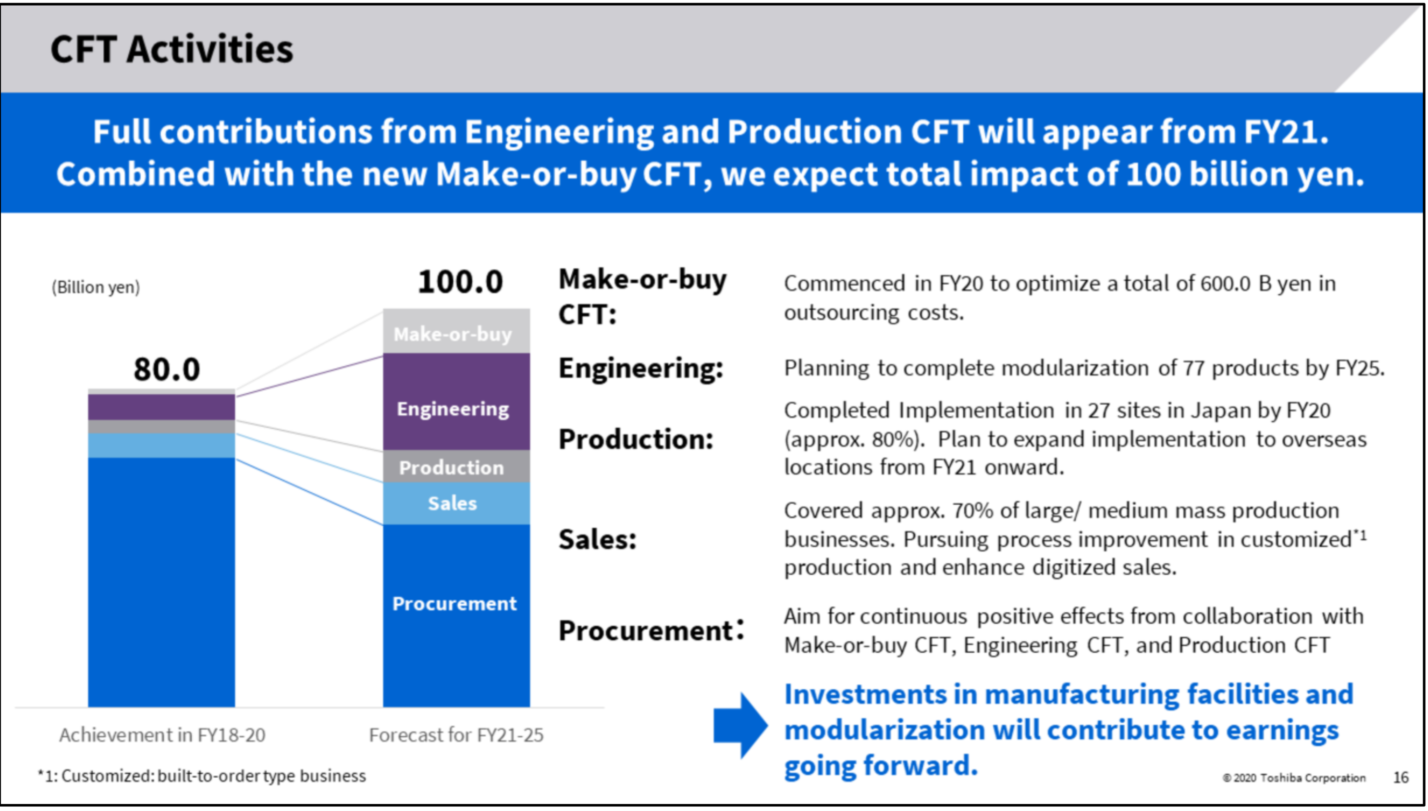
●I would like to start with phase 1, aimed at strengthening our core earning power.



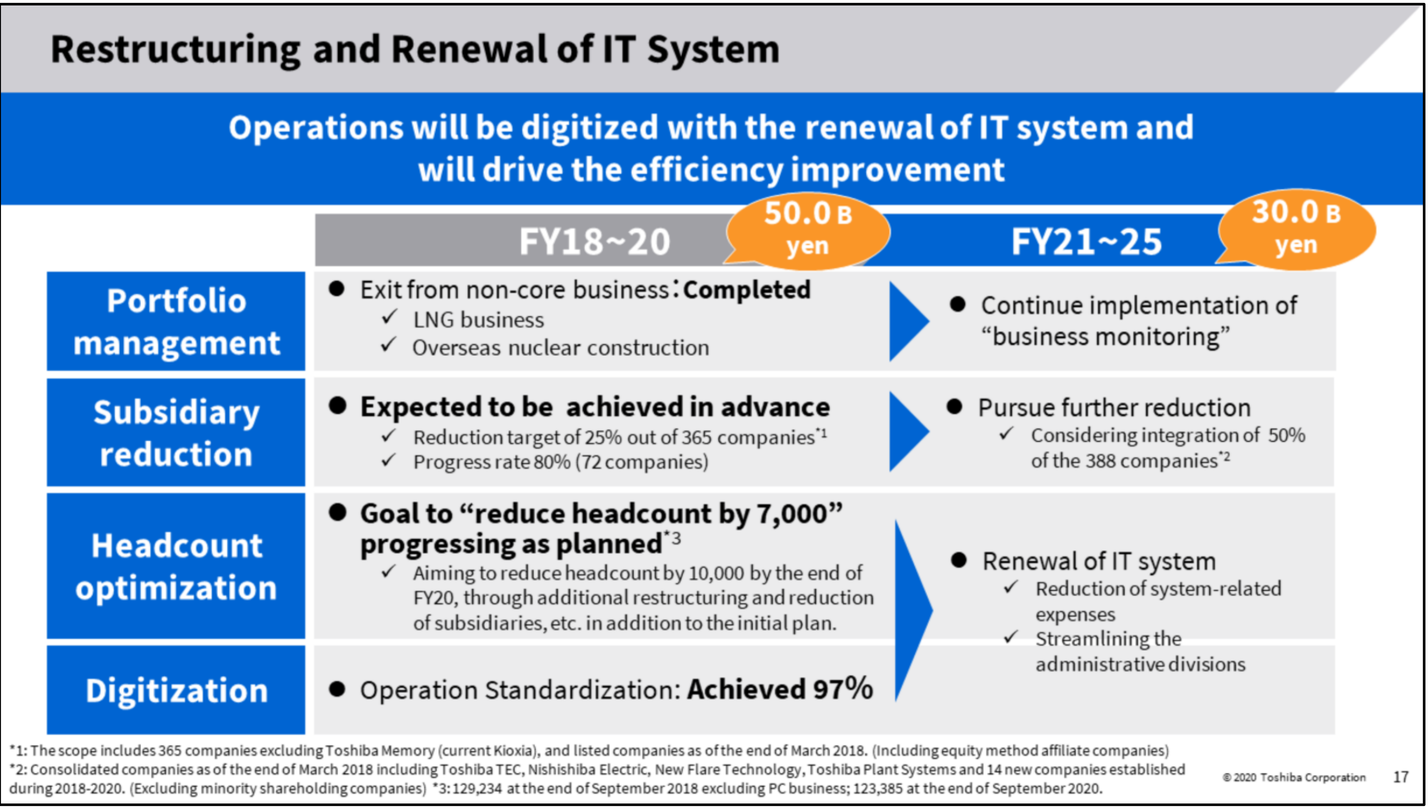
●Page 15 shows the result of phase 1 achieved to date and forecast for the future.

●Since the formulation of the Toshiba Next Plan in 2018 to the current fiscal year, we achieved a cumulative increase of 130 billion yen through CFT as well as restructuring efforts.

●We expect to achieve the same 130 billion yen increase over the next 5 fiscal years, as a result of continued CFT activities and fixed cost reductions through the renewal of IT systems and streamlining staff functions.



- Page 16 shows a summary of our CFT activities.
- Of the 130 billion yen improvement shown on the previous slide, 80 billion resulted from CFT activities, of which a majority resulted from procurement CFT.
- We believe that we can increase this figure to about 100 billion yen over the next 5 years. In particular, we believe significant savings can be achieved from make-or-buy CFT efforts to streamline the 600 billion yen in outsourcing costs and from engineering CFT involving design standardization and modularization.



●Page 17 shows our restructuring and IT renewal initiatives.

●We achieved earnings improvement of about 50 billion yen over the last 3 years.

●In addition to completing our withdrawal from non-core businesses, we have already achieved 80% of the target 25% reduction in subsidiaries, allowing us to anticipate that the target will be achieved ahead of the schedule. We are considering further reduction of subsidiaries. 50% of 388 subsidiaries are subject to integration.

●With respect to headcount optimization, we initially targeted a reduction of 7,000 over 5 years, mainly through natural attrition. However, we now expect to achieve a headcount reduction of about 10,000 by the end of this fiscal year, including those resulting from the reduction of subsidiaries and restructuring efforts.

●Digitalization initiatives are also progressing steadily, with 97% of standardization plan has already been made. Renewal of IT systems will not only allow us to reduce system-related expenses, but also to streamline our administrative divisions.

Status of the monitored businesses, towards FY21

	ROS 5% Criteria	Status
System LSI	×	● Withdrawal from System LSI business (support for existing products will continue) ● Implemented early retirement program, with an expected profit improvement of 15.0 B yen in FY21
HDD	○	● Expecting to achieve 6% core operating income in FY20 ● Closely watching potential negative impacts from COVID-19 and U.S.-China trade frictions
Thermal (Construction)	○	● Expanded the relative size of the service business; FY17: 33% → FY20: 47% ● Fixed cost reduction: -24% from FY17 to FY20 ● Expecting to achieve 5% core operating income in FY20
<Toshiba TEC> Printing	△ *1	● Achieving progress in the restructuring of the Printing business

*1: Effects of restructuring efforts will be confirmed and monitoring will be continued until all criteria are consistently met over time.

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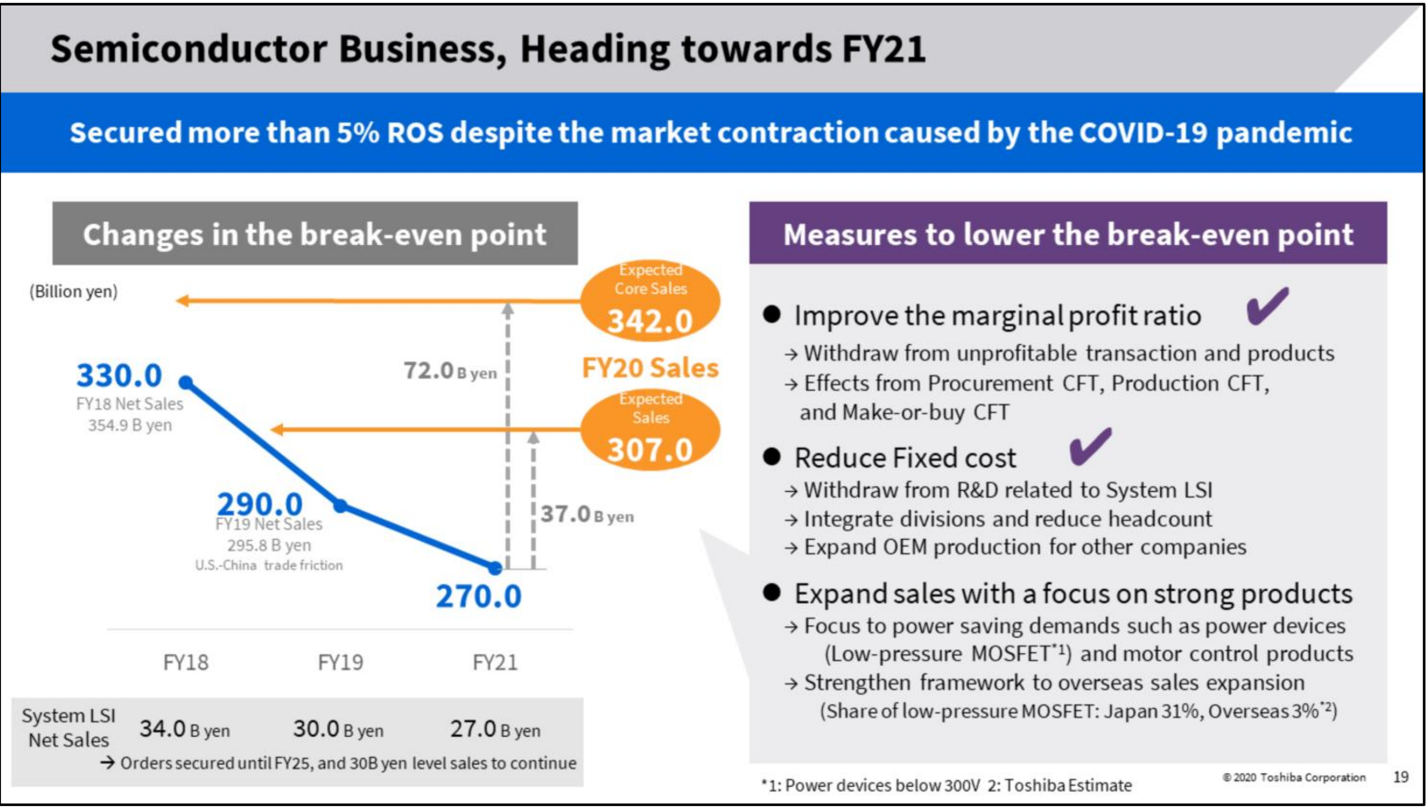
●Page 18 summarizes the status of our monitored businesses.

●As announced previously, we plan to withdraw from the System LSI business except for its customer support functions. Restructuring efforts including early retirement are underway. As a result, we expect to achieve profit improvement of about 15 billion yen in fiscal year 2021.

●We also expect to achieve 6% core ROS in the HDD business in the current fiscal year. On the other hand, we are closely monitoring the business for potential negative impact from COVID-19 as well as from US-China trade frictions.

●Increase in the service ratio and reduction in fixed costs are progressing steadily in the thermal power construction business, leading to a steady increase in earning power. We expect to achieve 5% core ROS during this fiscal year.

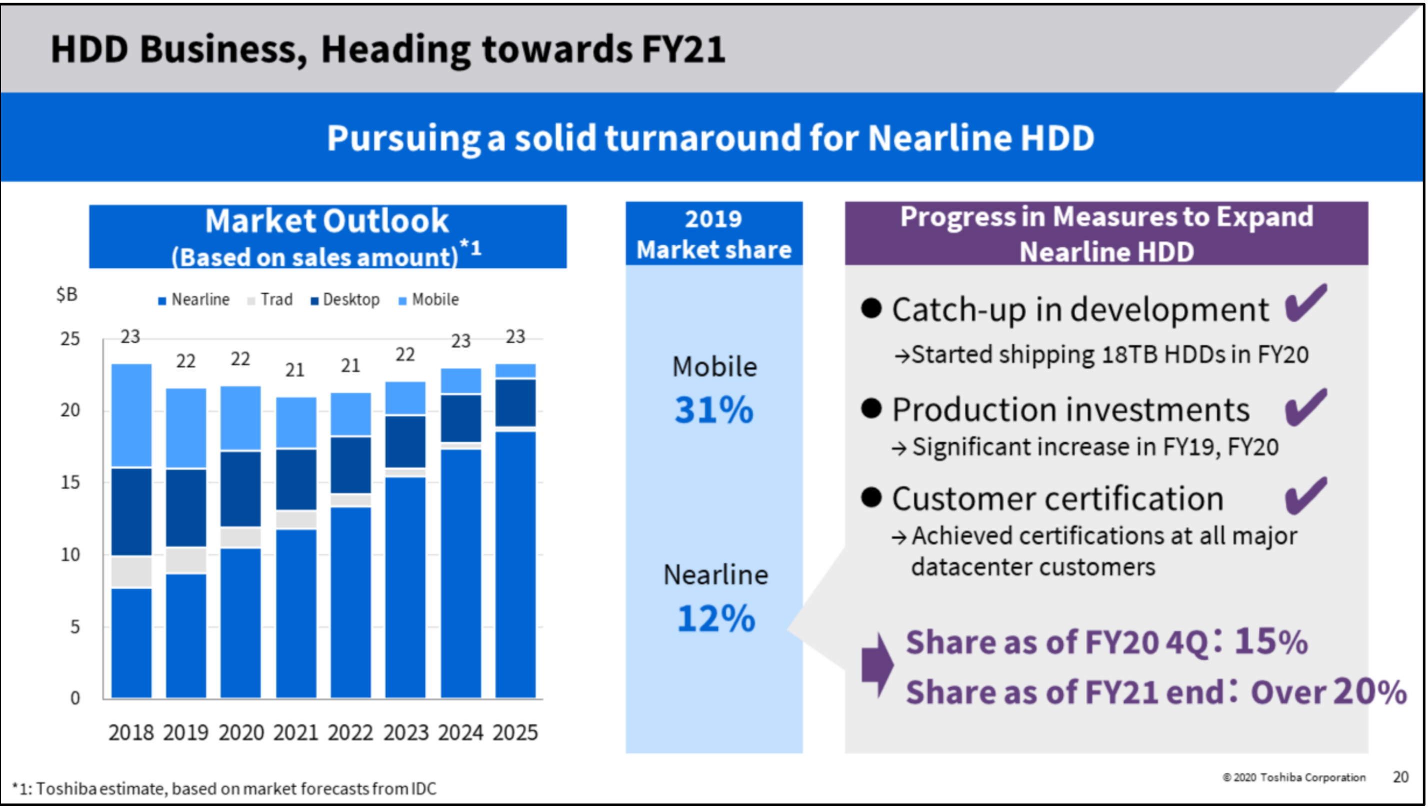
●Restructuring efforts are also underway in the Toshiba TEC Printing business. We will continue to monitor restructuring efforts while discussing necessary measures from a business portfolio strategy perspective for the Toshiba Group as a whole.



●Page 19 summarizes the status of our semiconductor business.

●After withdrawing from new development in System LSI, a substantial decrease in the break-even point has significantly enhanced the stability of the business.

●Even if there is a market contraction in the future like the one caused by COVID-19, and sales fall to about 300 billion yen level, the current structure would still allow for an operating margin well over 5%.

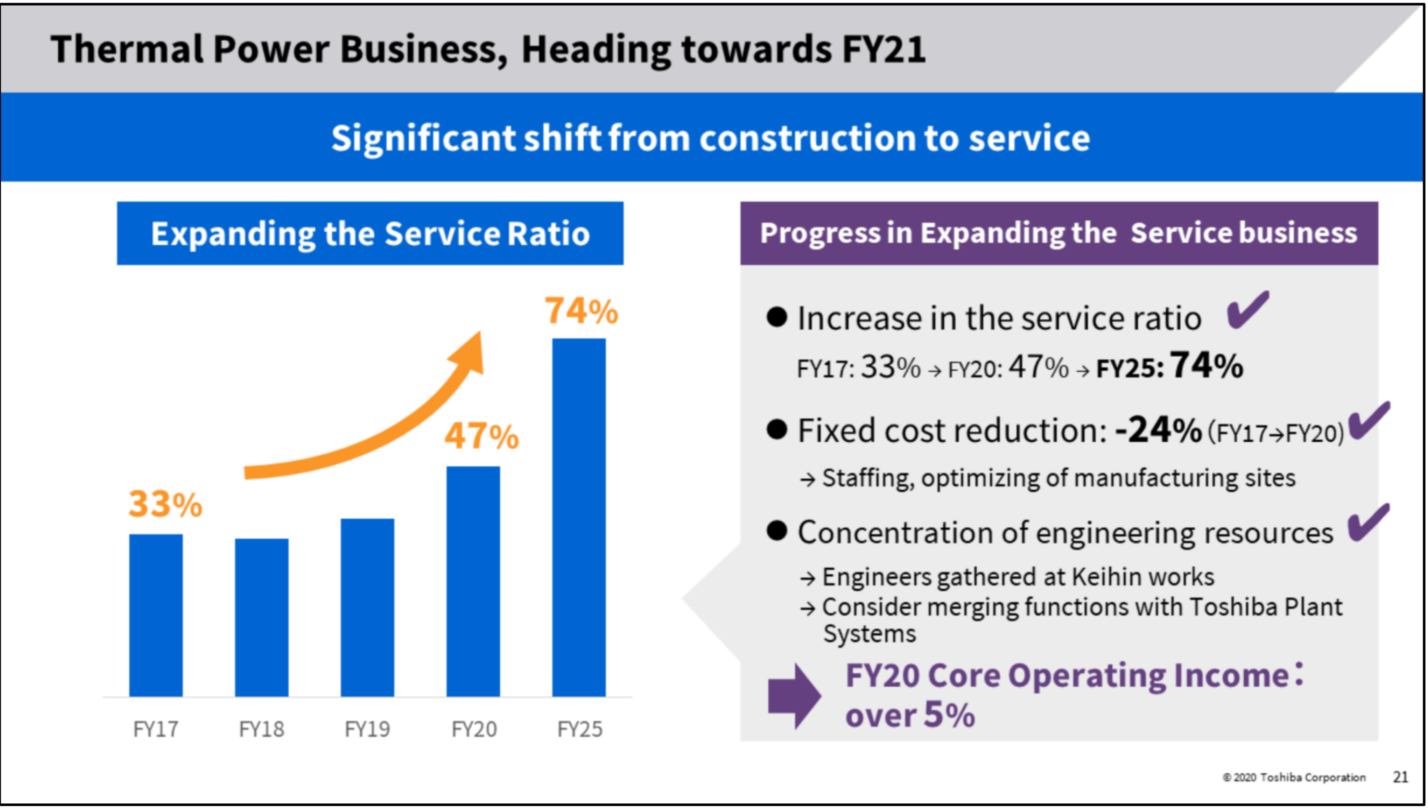


●Page 20 summarizes the status of the HDD business.

●Our business strategy will mainly focus on the transition from the shrinking mobile HDD business to the expanding nearline HDD business targeting data centers.

●From a technological standpoint, we will catch up to the competition with our 18TB HDD in the current fiscal year. The significant investments in manufacturing facilities were also completed up to this point.

●Customer certifications are also expected to be completed during the current fiscal year. As a result, we plan to increase our share to 15% by fiscal year end and to over 20% by the end of the next fiscal year



●Page 21 summarizes our thermal power business.

●We shifted resources from new constructions to the service businesses, leading to a steady increase of services within the revenue mix. We forecast that services will account for over 70% of sales in fiscal year 2025.

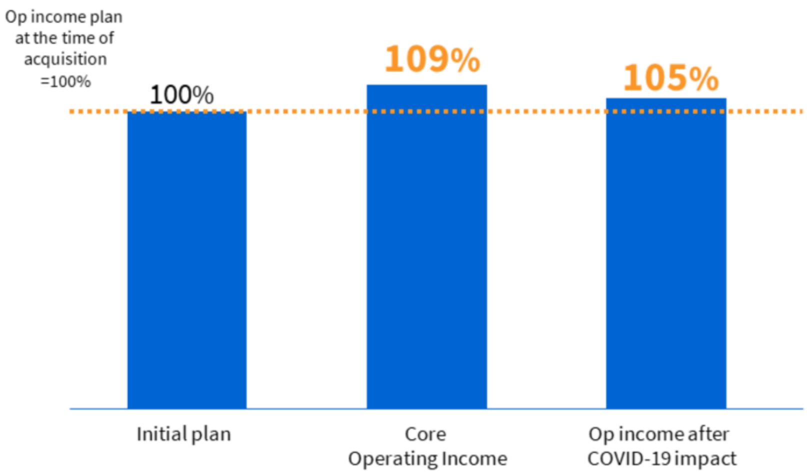
●Fixed costs are also decreased by 24% over the last 3 years, as a result of a review in staffing and optimization of manufacturing sites.

●We are also engaging in efforts to improve the operating efficiency by aggregating engineering resources. As a result, we expect core ROS to exceed 5% in the current fiscal year.

PMI*1 on privatized listed subsidiaries

Surpassing profit target at the time of acquisition, further accelerate synergy

Status of FY20 (3 Companies Total)



Activities to pursue synergy

Toshiba Plant Systems

- Fixed cost reduction by system integration etc.
- Function integration such as engineering

NuFlare Technology

- Accelerate development of new generation machine

Nishishiba Electric

- Enhance collaboration by extending sales channel and procurement

*1 PMI: Post Merger Integration

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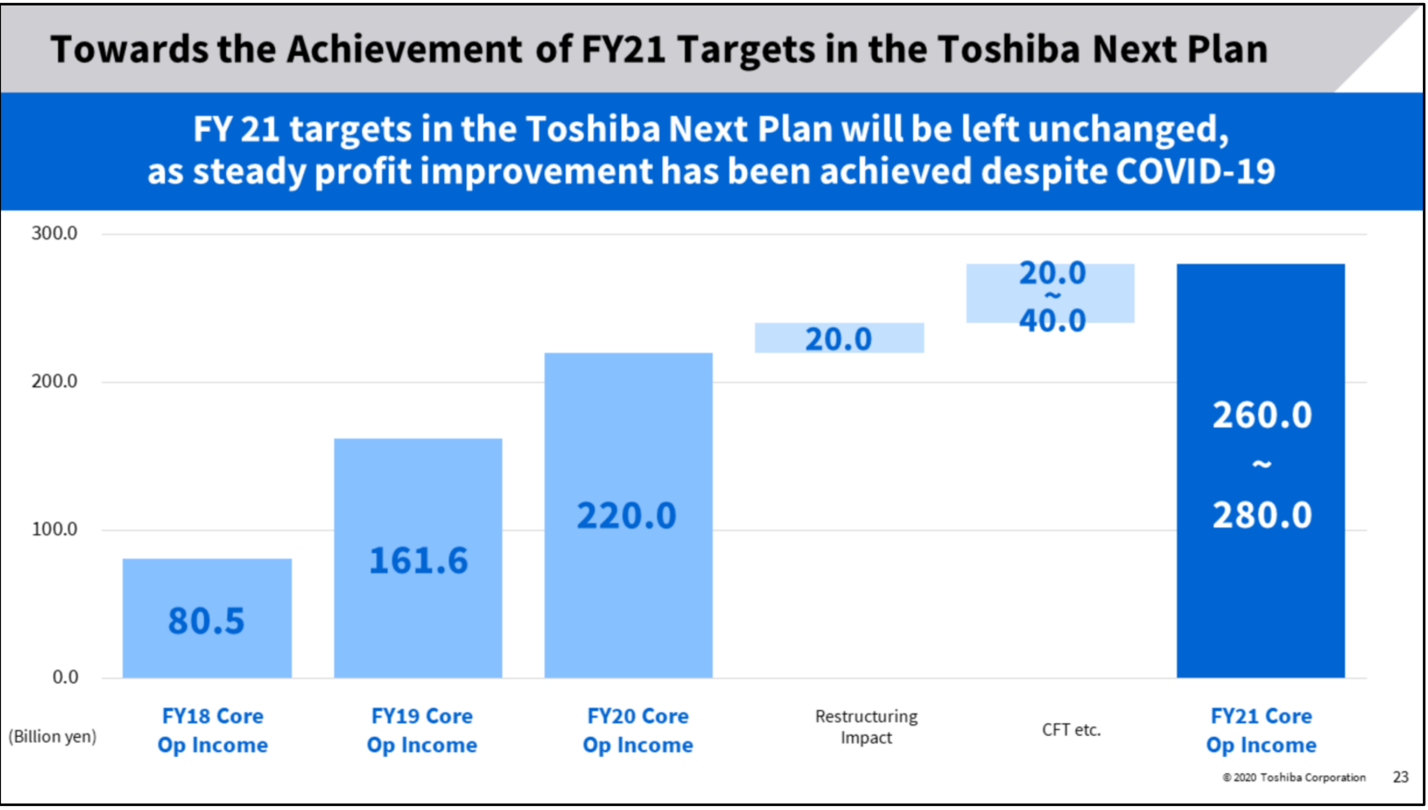
- Page 22 shows the post-merger integration situation for 3 subsidiaries, which are now wholly owned subsidiary of Toshiba.
- The performance of fiscal year 2020 is above the level that we had expected at the time of acquisition.
- We will enhance activities to maximize synergy to increase corporate value by improving EPS and ROE against our initial projection.

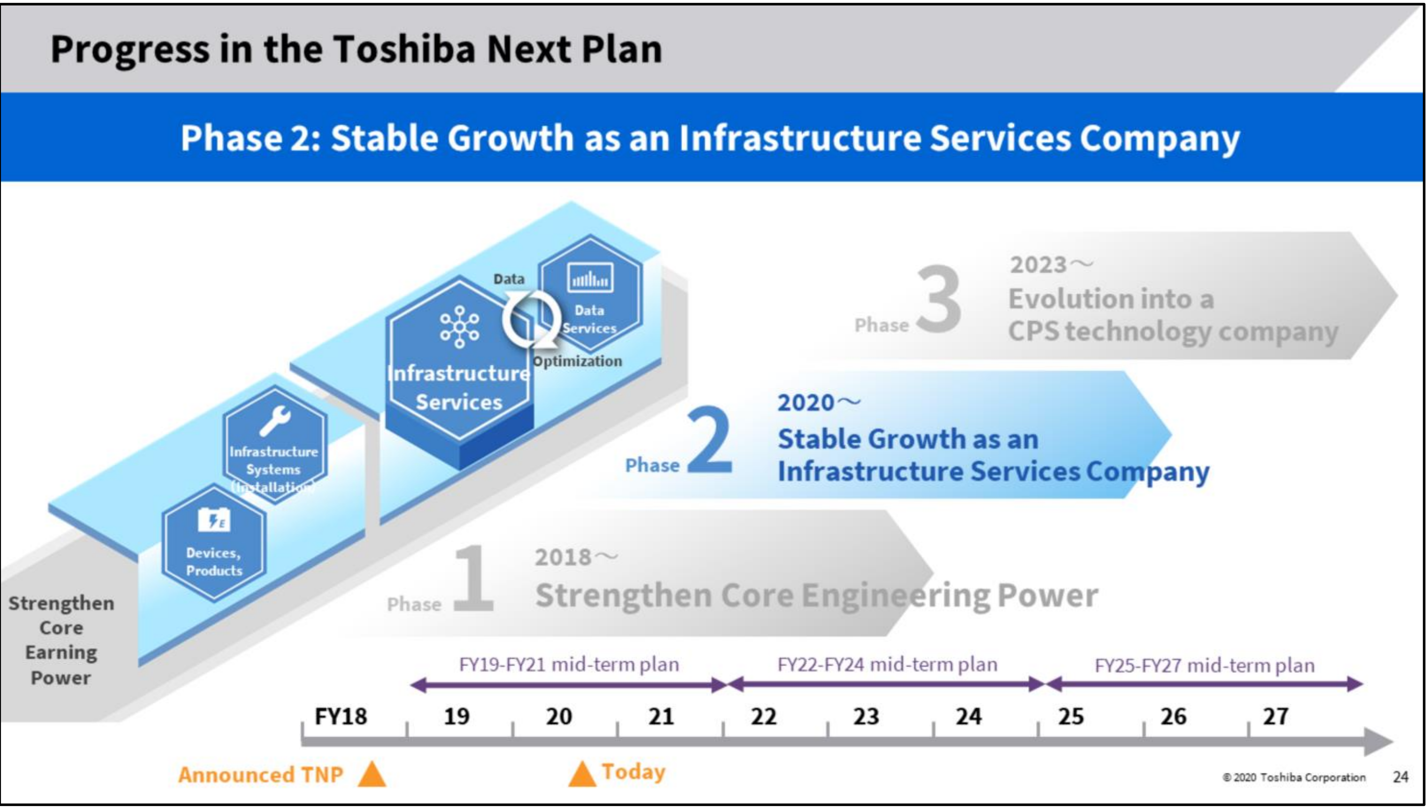


●Page 23 illustrates our targets for fiscal year 2021.

●Based on this year's Core Operating Income of 220 billion yen, we expect an additional 20 billion yen from the restructuring impacts and another 20-40 billion yen from increased core earning power based on CFT activities and other efforts.

●We, therefore, anticipate Core Operating Income of 260 to 280 billion yen.

●On the other hand, we will remain vigilant of risks such as the lingering of the COVID-19 pandemic and US-China trade frictions and take timely actions as judged necessary.



●Starting on page 24, I would like to discuss on the growth initiatives focused on Infrastructure Services which will be implemented beginning in the current fiscal year.

FY25 Mid-term Targets

FY25 Targets: Sales 4 trillion yen, ROS 10%, ROIC 12%, ROE 15%

	FY18 Results	FY19 Results	FY20 Forecast	FY25 Targets
Net Sales	3.7 T yen	3.4 T yen	3.1 T yen	**4.0 T yen**
Core Operating Income*1 (ROS%)	80.5 B yen (2.2%)	161.6 B yen (4.7%)	220.0 B yen (6.5%)	**400.0 B yen (10%)**
Operating Income (ROS%)	35.4 B yen (1.0%)	130.5 B yen (3.8%)	110.0 B yen (3.6%)	**400.0 B yen (10%)**
EBITDA*2	113.9 B yen	210.1 B yen	195.0 B yen	**530.0 B yen**
ROIC*3	1%	Negative	6%	**12%**
ROE	Negative	Negative	5%	**15%**

*1: Excluding restructuring charges and the impact of the COVID-19 from operating income
*2: EBITDA = Operating income + depreciation and amortization expenses *3: ROIC = Profit and loss before tax × (1 - tax rate) ÷ (net interest bearing debt + net asset)

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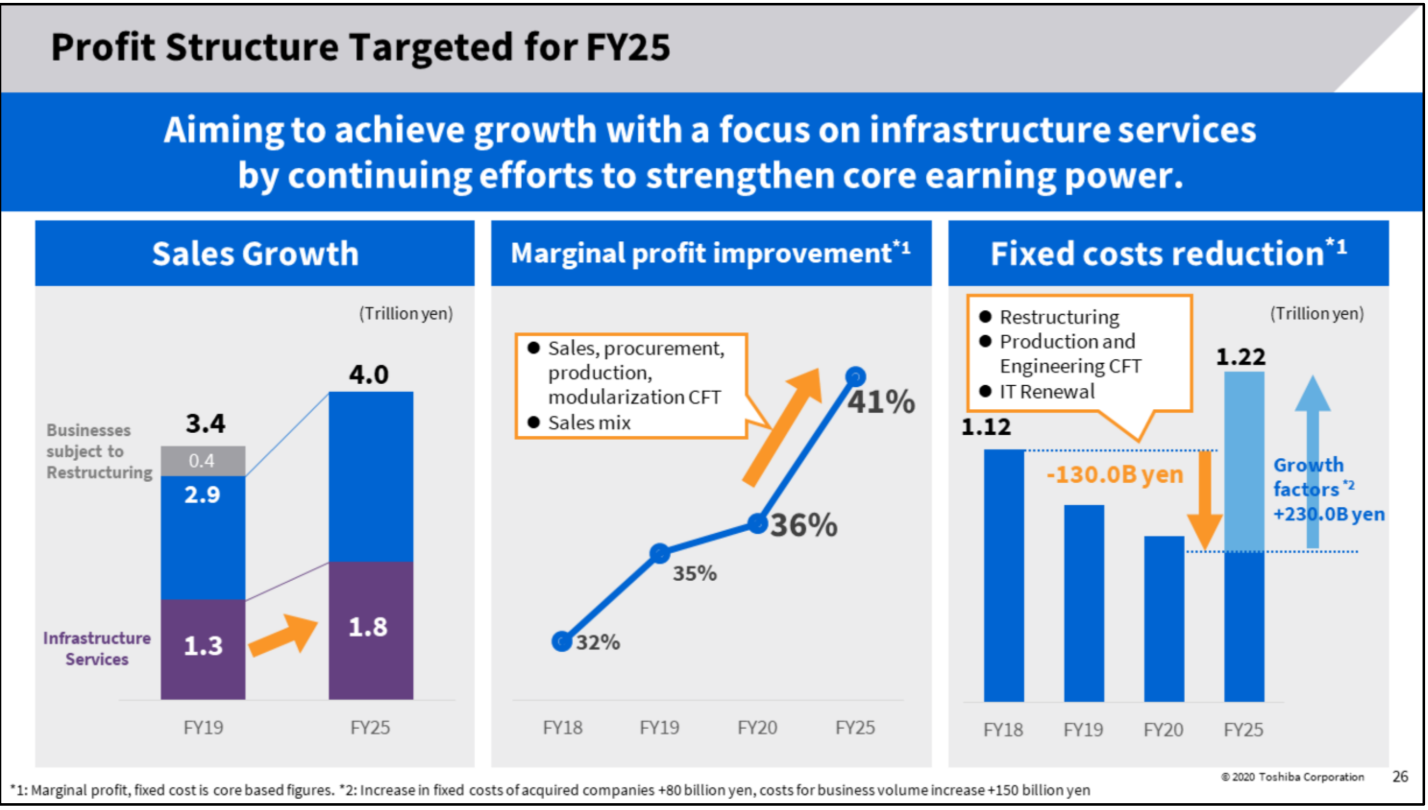
- Page 25 shows our medium-term targets for fiscal year 2025.
- We established these medium-term targets for fiscal year 2025 in order to discuss our future growth strategy.
- We target Net Sales of 4 trillion yen, Operating Income of 400 billion yen, and ROS of 10%.
- We established targets of 12% ROIC and 15% ROE in order to execute growth initiatives focused on capital efficiency.



- Page 26 illustrates our target earnings structure for fiscal year 2025.
- Infrastructure Services will be the revenue driver, which will grow from 1.3 trillion yen in fiscal year 2019 to 1.8 trillion yen in fiscal year 2025, and account for a majority of our sales growth.
- While marginal profit improved by 4% to 36% compared to 2 years ago, we plan to continue and step up our CFT activities, and would like to improve by 5% to achieve 41% marginal profit by fiscal year 2025.
- We aim to reduce fixed costs by 130 billion yen in fiscal year 2025, through restructuring, production and engineering CFTs, and the renewal of IT systems.

Forecast by New Segments

New Segment*1		FY18	FY19	FY20	Difference
Infrastructure Services	Sales *2	1.28T yen	1.29T yen	**1.29T yen**	0%
	Op Income*2	90.0 B yen	120.0B yen	**120.0B yen**	0B yen
	(ROS)	(7%)	(9%)	**(9%)**	(0%)
	ROIC*3	22%	27%	**26%**	-1%
Infrastructure Systems	Sales	0.75T yen	0.79T yen	**0.78T yen**	-1%
	Op Income	10.0B yen	30.0B yen	**50.0B yen**	+20.0B yen
	(ROS)	(2%)	(3%)	**(6%)**	(+3%)
	ROIC	9%	9%	**9%**	0%
Devices Products	Sales	1.18 T yen	0.97T yen	**1.03T yen**	+6%
	Op Income	30.0 B yen	40.0B yen	**80.0B yen**	+40.0 B yen
	(ROS)	(3%)	(4%)	**(8%)**	(+4%)
	ROIC	16%	8%	**9%**	+1%

*1: The new segments are based on simple reclassification of current segment by splitting some figures. This excludes a part of common fee, monitored businesses and one time costs. *2: Sales and operating income figures are core-based. *3: ROIC figures include COVID-19 impact and restructuring costs. Figures before FY19 is adjusted to compare with FY20, such as impact on pre-deposit, loss-making contracts, subcontract act. ROIC= Profit and loss before tax × (1 - tax rate) ÷ (net interest bearing debt + net asset)

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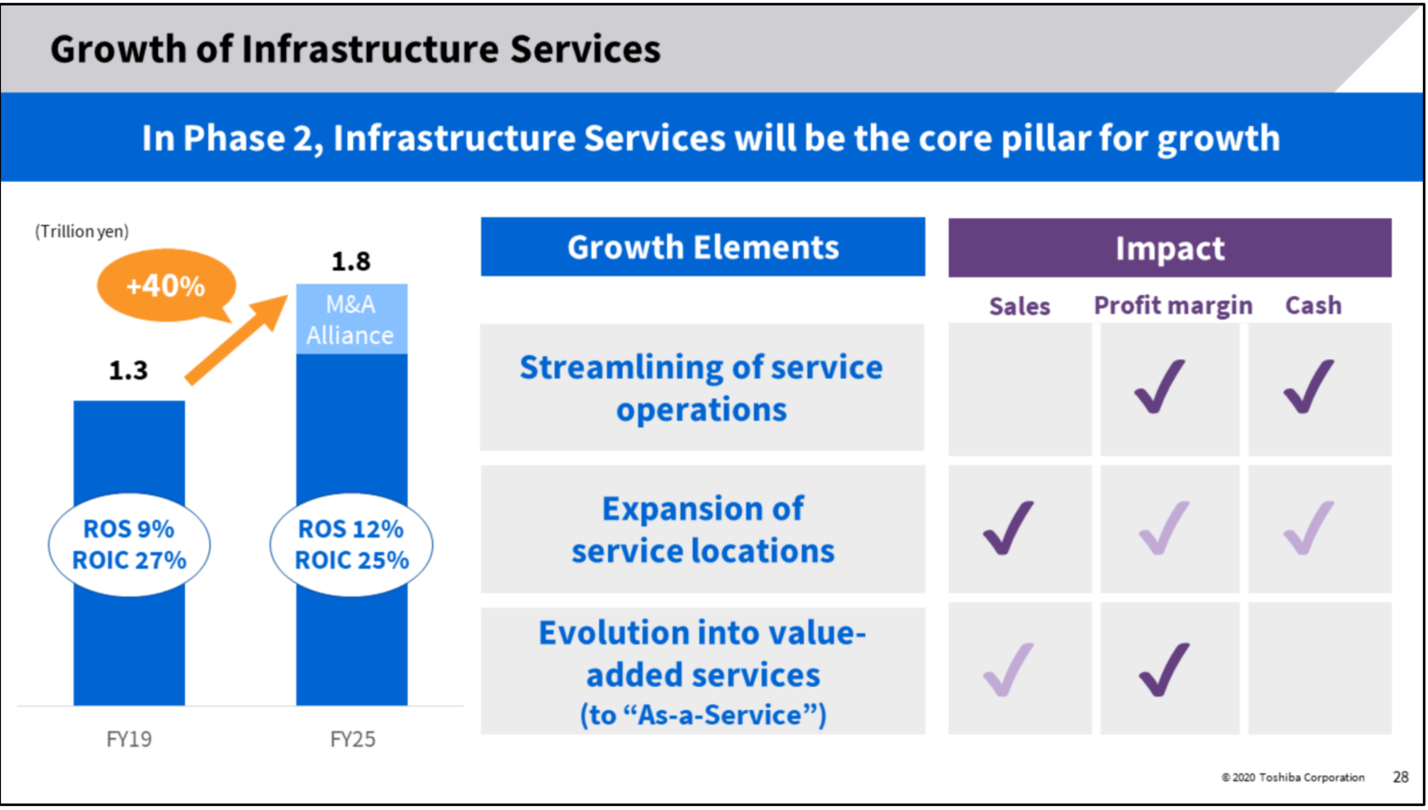
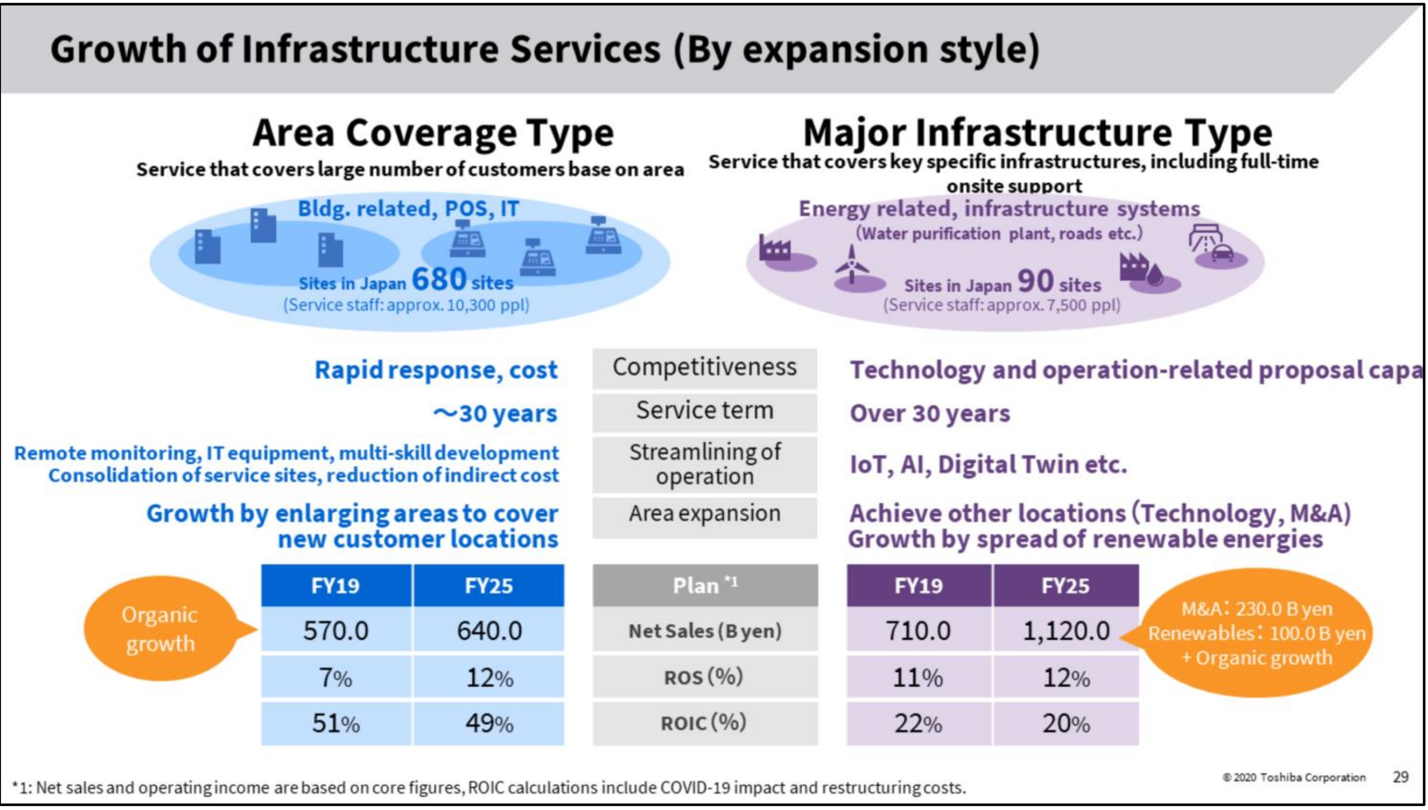
- On page 27, this shows recent results and current fiscal year forecasts of each new segment.
- Based on the category classifications explained in June, we held internal discussions and created categories based on which we can calculate ROIC. These categories will be utilized beginning in fiscal year 2021 and will be included in the next medium-term plan.
- High profitability and returns on the investment are being achieved in the Infrastructure Services, with sales of almost 1.3 trillion yen, operating margin of 9%, and ROIC of 26%.
- Infrastructure Systems reported the Sales of almost 800 billion yen, with profitability improving as a result of the strengthening of core earning power. Its ROIC of 9% also significantly exceeds its cost of capital.
- Device Products reported revenues of about 1 trillion yen, with profitability improving as a result of restructuring and other efforts. ROIC in this segment also exceeds the cost of capital.

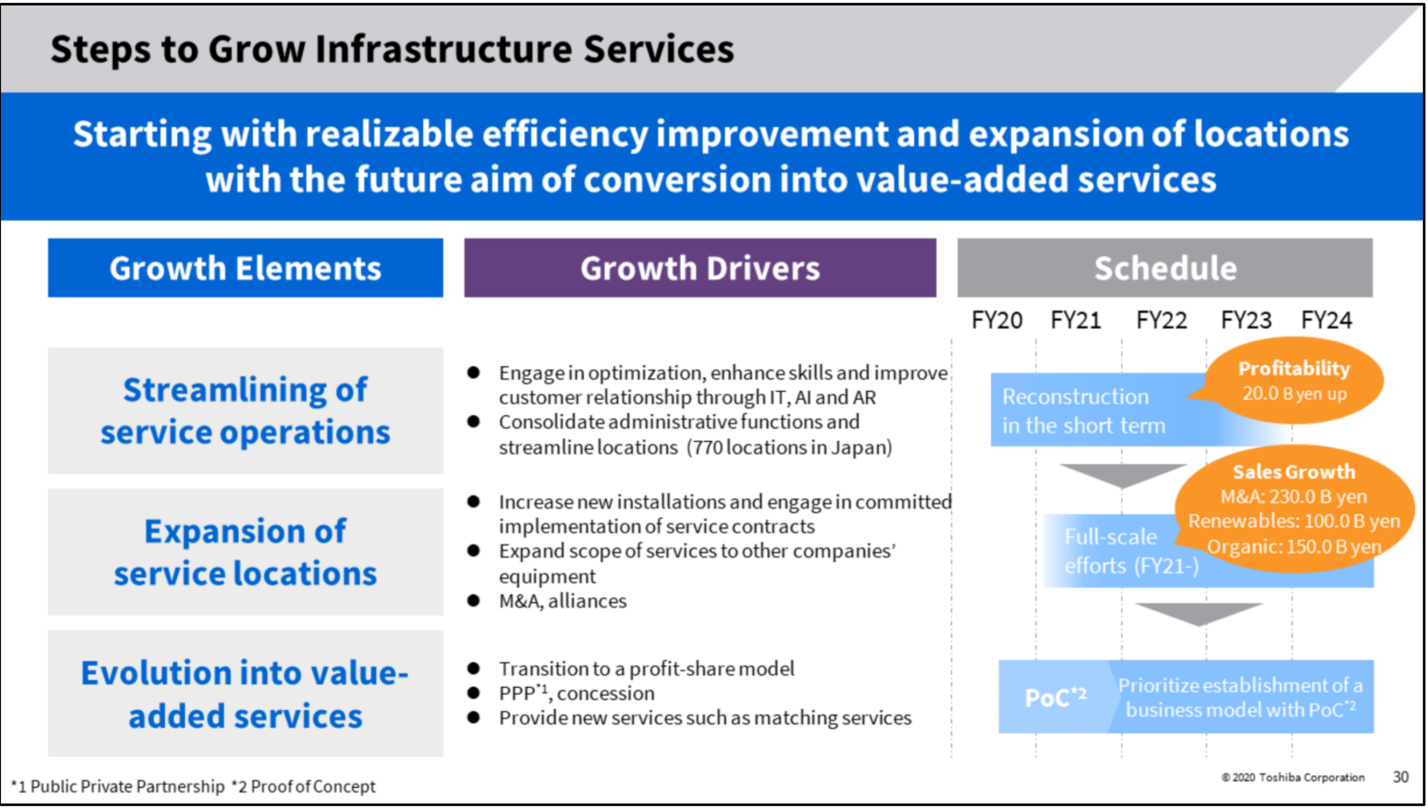


- Page 28 provides an overview of growth in Infrastructure Services.
- We plan to expand the Infrastructure Services segment from sales of 1.3 trillion yen and 9% ROS in fiscal year 2019 to sales of 1.8 trillion yen and 12% ROS in fiscal year 2025, implying sales expansion of 40% in addition to an increase in profitability.
- ROIC also exceeds 20%, leading us to expect high returns in investments including possible M&A transactions.
- The 3 growth elements for the segment are streamlining of service operations, expansion of service locations, and evolution into value-added services.
- The first element leads to increases in profit margins and capital efficiency, the second element leads to sales expansion, and the third element leads to an increase in profit margins.



- ●Growth of Infrastructure Services based on 2 expansion styles is illustrated on page 29.
- ●The left side involves services, which cover a large number of customers in a certain area, including building-related, POS, and IT. These services require a large number of locations and personnel, and rapid response and cost competitiveness are the keys to success.
- ●Of the Infrastructure Services' size expansion of almost 500 billion yen, we expect organic growth by this Area Coverage Type to account for about 70 billion yen. We will provide field engineers with IT equipment and multiple skill sets while integrating service locations and reducing administrative costs to achieve a significant ROS improvement in the Area Coverage Type business, from 7% to 12%. We are targeting ROIC of over 40%.
- ●The right side shows the Major Infrastructure Type of services, which cover key specific infrastructures such as power plants, water purification plants, and roads, and involve full-time onsite support. Technical capabilities relating to individual devices and systems as well as the ability to make operation-related proposals are the keys to success.
- ●We plan to expand sales by 410 billion yen by 2025. We expect 230 billion yen growth through M&A to acquire additional locations and 100 billion yen growth mainly through renewable energy-related efforts. We also plan to maintain double digit ROS

of 12%, and to achieve ROIC of about 20%.

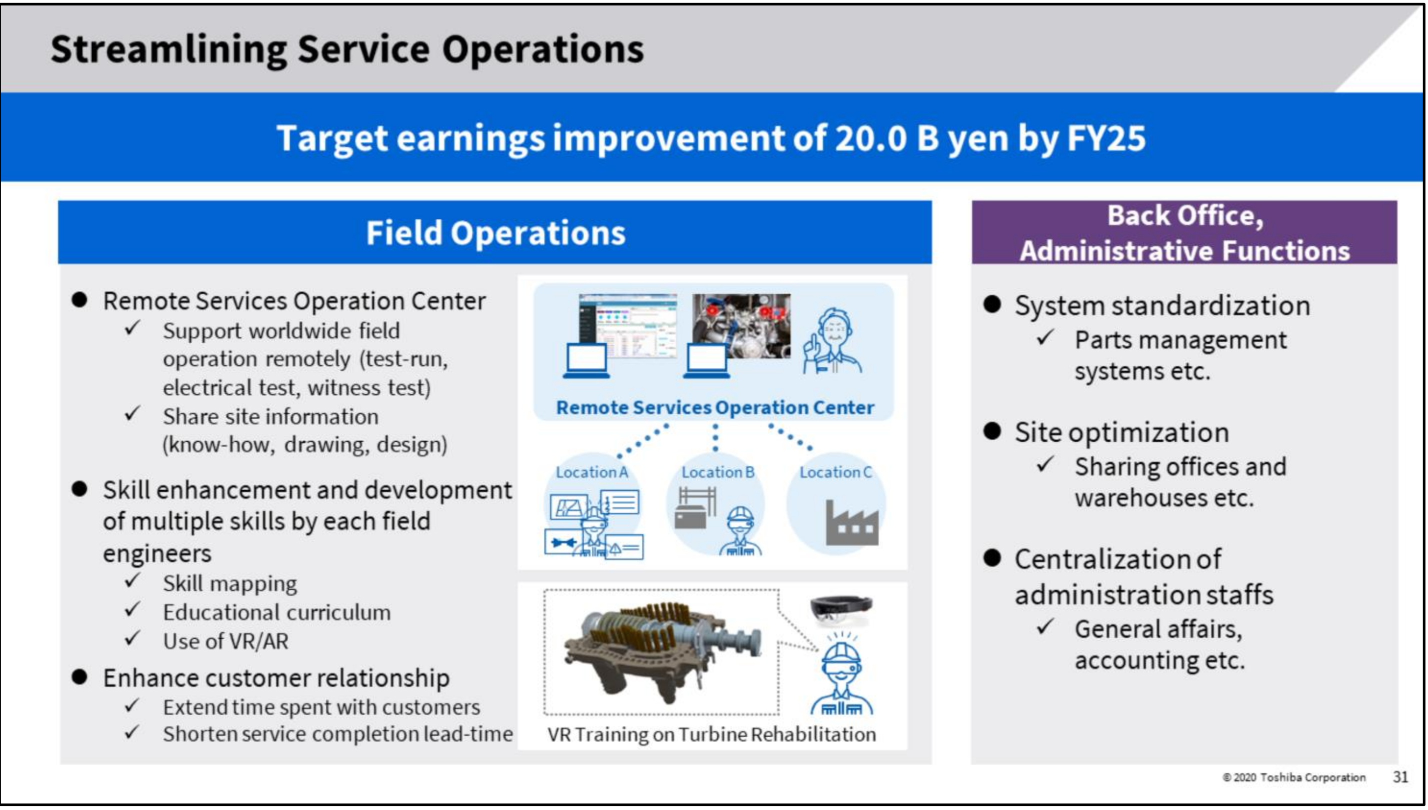


●Page 30 illustrates the steps for growth of Infrastructure Services.

●First is the streamlining of service operations, with key growth drivers being operationally optimized through IT and AI, consolidation of administrative functions, and streamlining of service locations. Study and some actions have already begun and we expect improvement in profitability of about 20 billion yen by 2025. This activity will be in full-scale next year.

●Second is the expansion of service locations. We aim to achieve size expansion in the order of 500 billion yen through new installations in existing businesses, committed execution of service contracts, expanding the scope of services to other companies' equipment, and M&A. This will also start to roll our from next year.

●Third is the evolution to value-added services, which consists of transition to a profit-share model, and development of other new services such as PPP and matching. We have already commenced proof of concept for several businesses and expect some to be launched as early as 2022.

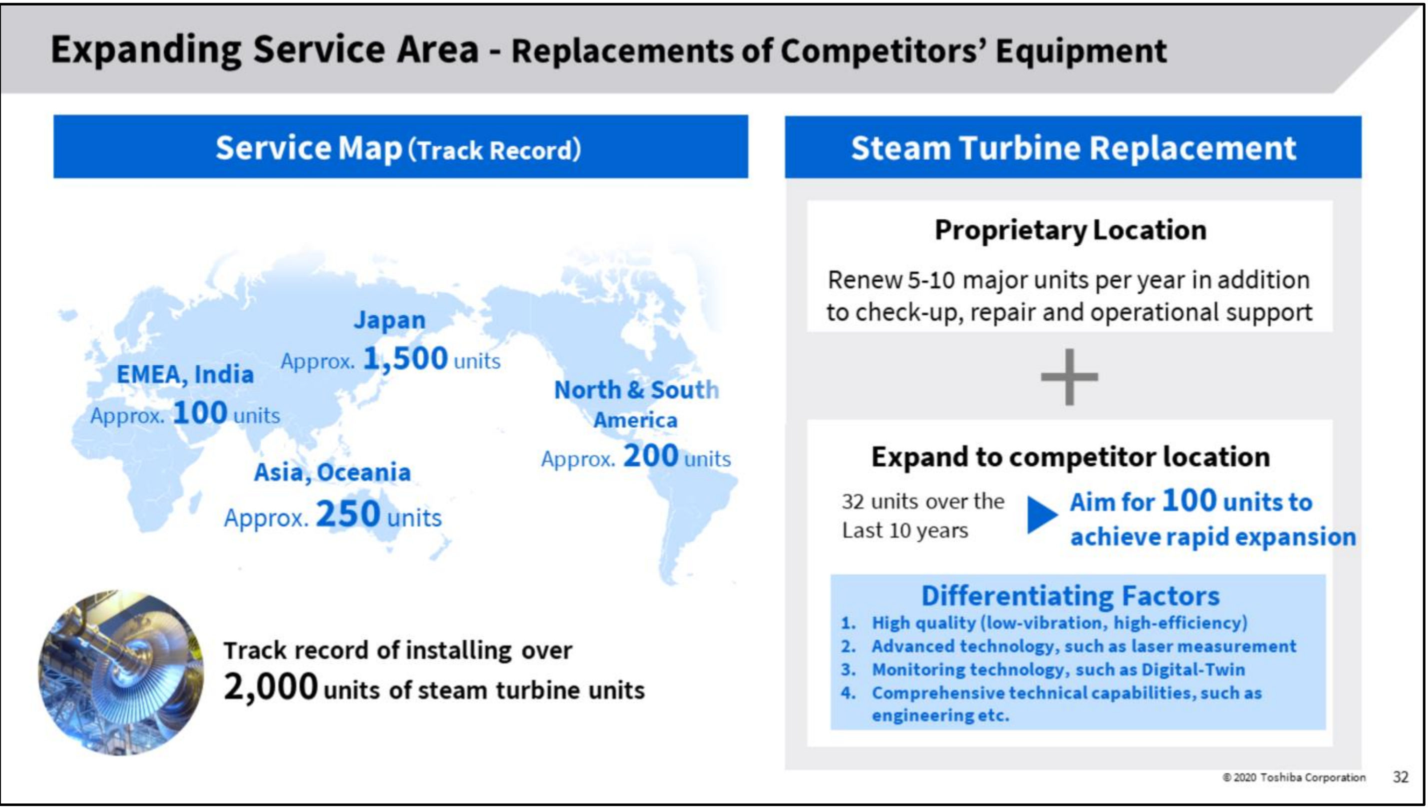


●Page 31 provides more detail on streamlining service operations.

●We will launch Remote Service Operation Center next year to support worldwide field operation remotely. Although travelling to overseas are restricted with having COVID-19 pandemic, we have had a case where we completed test-run and electrical tests remotely, and commenced operation successfully.

●We will proceed on skill enhancement and development of multiple skills of field engineers simultaneously through utilizing VR and AR for educational purposes.

●We will also streamline our back-office and administrative functions. We seek to improve operational efficiency and to reduce costs by standardizing systems and by integrating and optimizing offices.

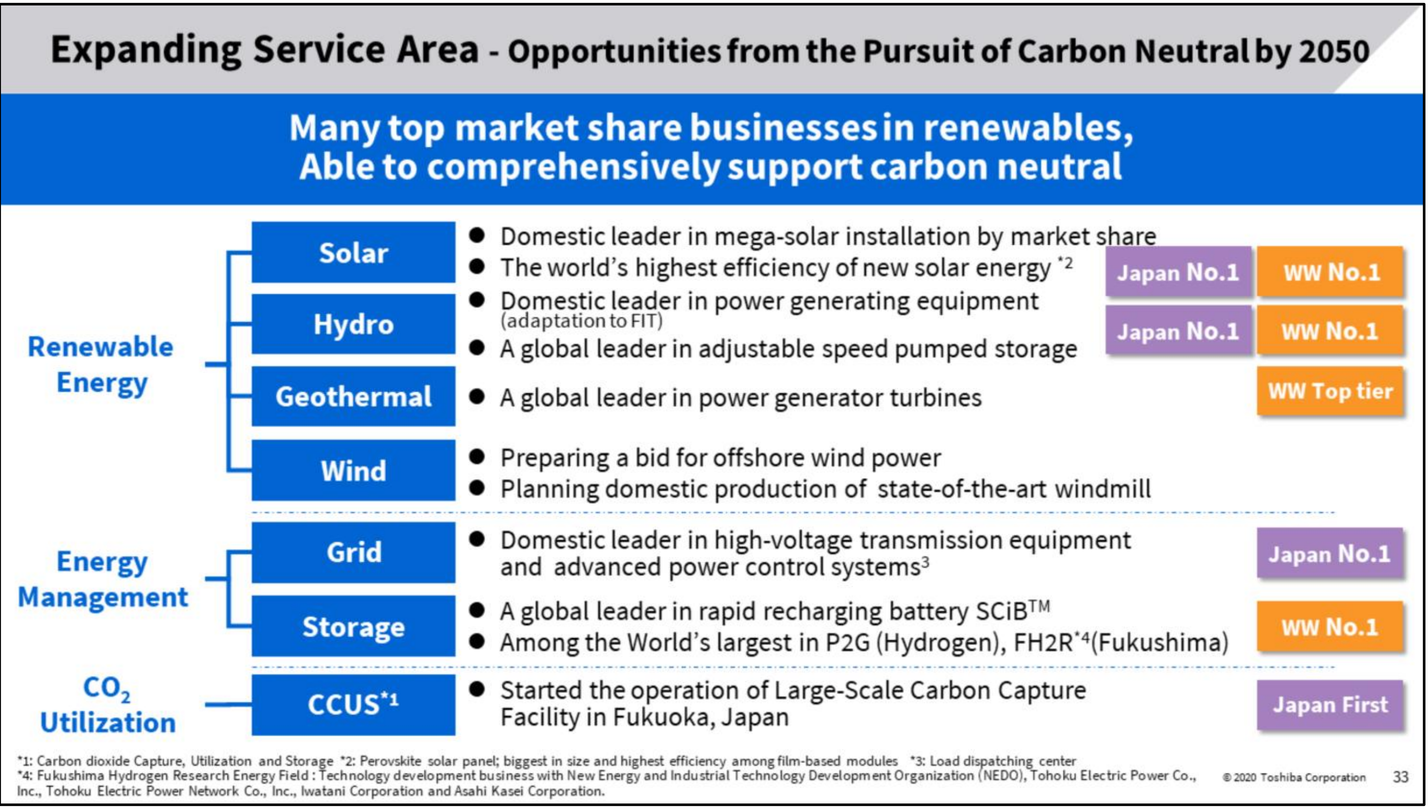


●Page 32 shows replacement of other companies' steam turbines as an example of expanding service sites.

●To date, we have delivered over 2,000 steam turbine units around the globe. In addition to inspection, repair, and operational support, there are annual replacement demand of 5-10 units.

●On the other hand, we have received orders to replace 32 units of other companies' turbines over the last 10 years. As we see rapid growth in opportunities, we will continue our activities targeting a total of 100 units.

●Clients often give us high evaluations regarding stability of quality, advanced technology such as laser measurement, and comprehensive engineering and technical capabilities. We will use these strengths as one of the means to expand our location.



●This is page 33. We believe that the business opportunities derived from realizing carbon neutral shall become a possible major pillar for service location expansion.

●Our company's position, in terms of renewable energy, we have top shares in domestic mega-solar and hydropower generating equipment, adjustable speed pumped storage globally, and in addition, we are a global leader in geothermal power generator turbines. We are also planning to build state-of-the-art windmills domestically to add wind power as a new area of focus.

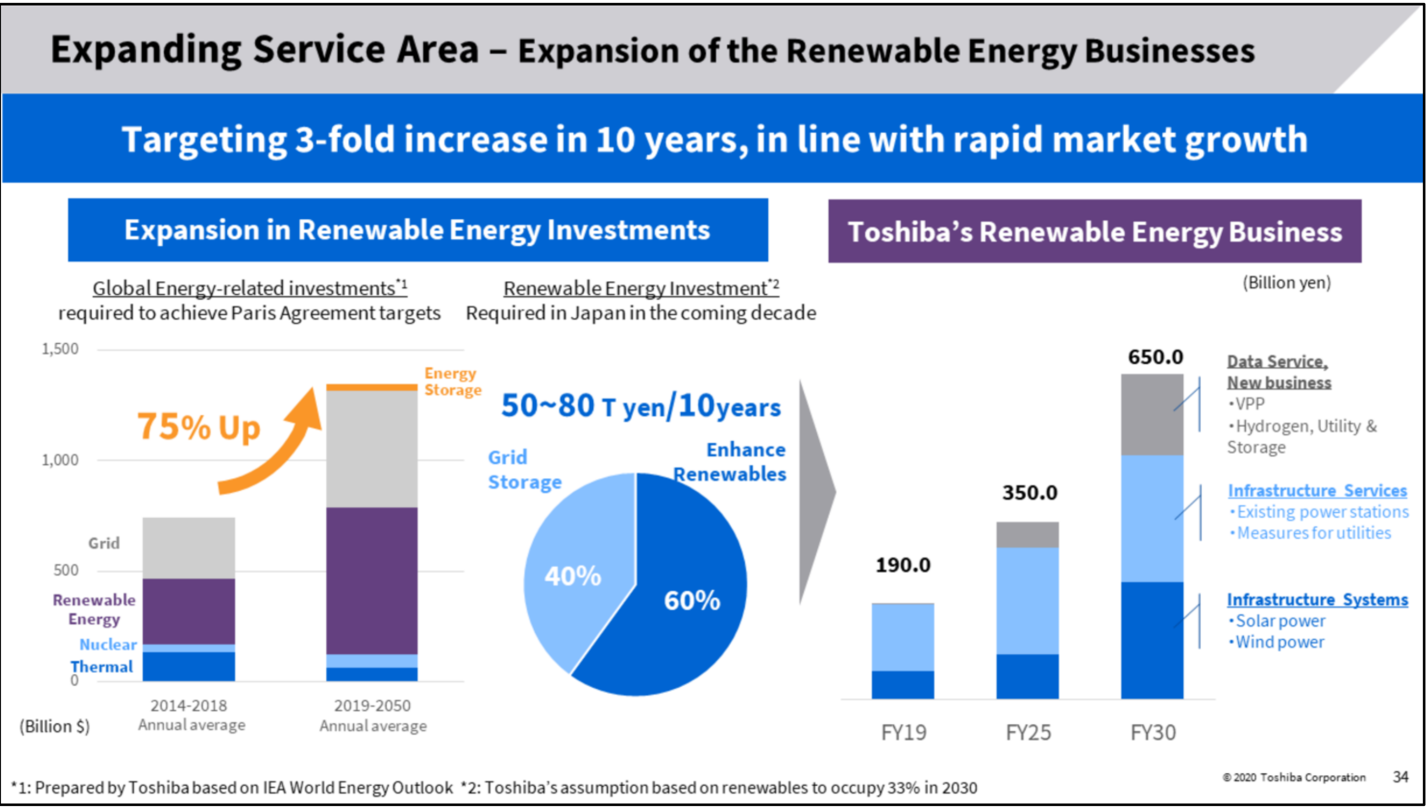
●With respect to energy management, we have top shares domestically for the high voltage transmission equipment and advanced power control systems. In addition, to prepare ourselves for the future energy storage demand, we are developing secondary batteries and participating in a world-class pilot program in Fukushima.

●With respect to CO_2 utilization, we commenced the operation of a large-scale Carbon Capture Facility in Omuta, Fukuoka. This is the first facility in Japan which can capture over 50% of CO_2 emitted from a thermal power plant.

【Supplementary information on market shares】

• Solar power EPC: EPC operators with capacity exceeding 2MW which launched operations by May 2019 (Source) RTS Corporation

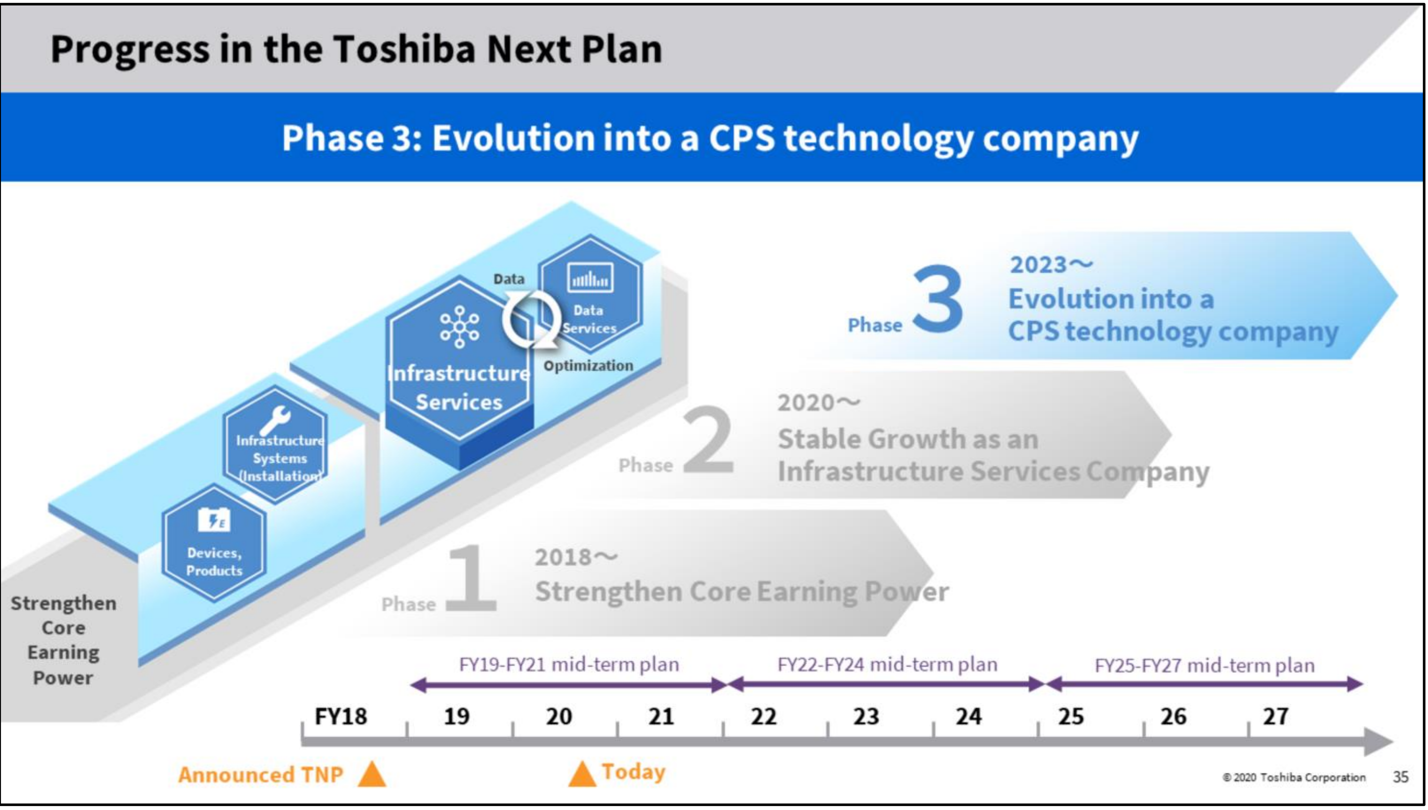
- Hydraulic power turbines: based on number of units (Source) Toshiba
- Adjustable speed pumped storage: based on number of plants (Source) Toshiba
- Geothermal turbines: based on facility capacity (Source) Toshiba
- Transmission equipment: Voltage of over 154kV (Source) Toshiba
- Advanced Power Control Systems: Load dispatching center system (Source) Toshiba



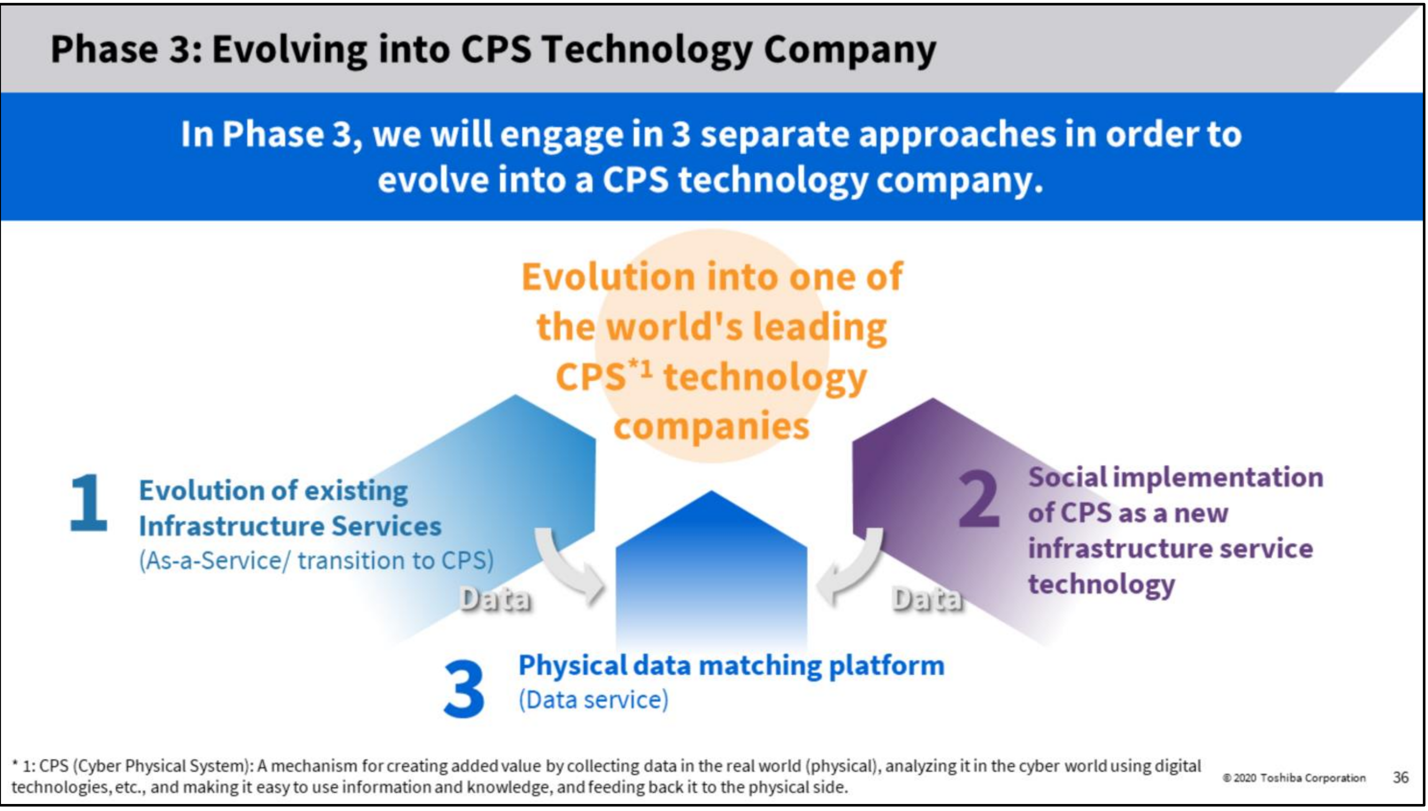
●Page 34 illustrates the expansion of the renewable energy business.

●Based on IEA calculations, global energy-related investments required to achieve targets established by the Paris Agreement will expand from 80 to 140 trillion yen per year. Investments of 50-80 trillion yen are believed to be necessary in Japan over the next 10 years.

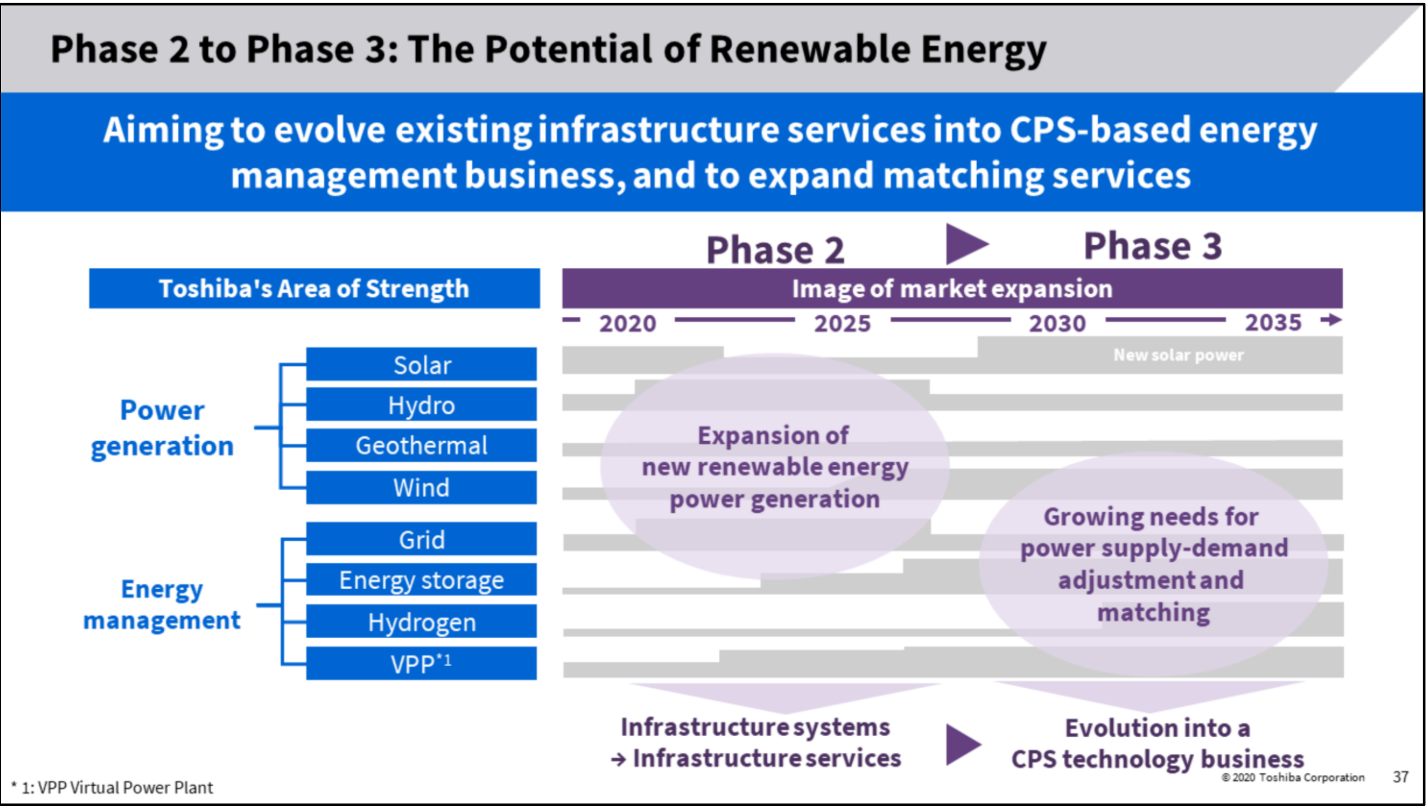
●In line with such rapid market growth, we would like to leverage our leading technologies discussed on the previous slide to aim for a 3-fold expansion in 10 years for our renewable energy business.



●Starting on page 35, I would like to discuss phase 3. We aim to evolve into a CPS technology company to pursue further growth. We expect full earnings contributions from this phase beginning in fiscal year 2023.



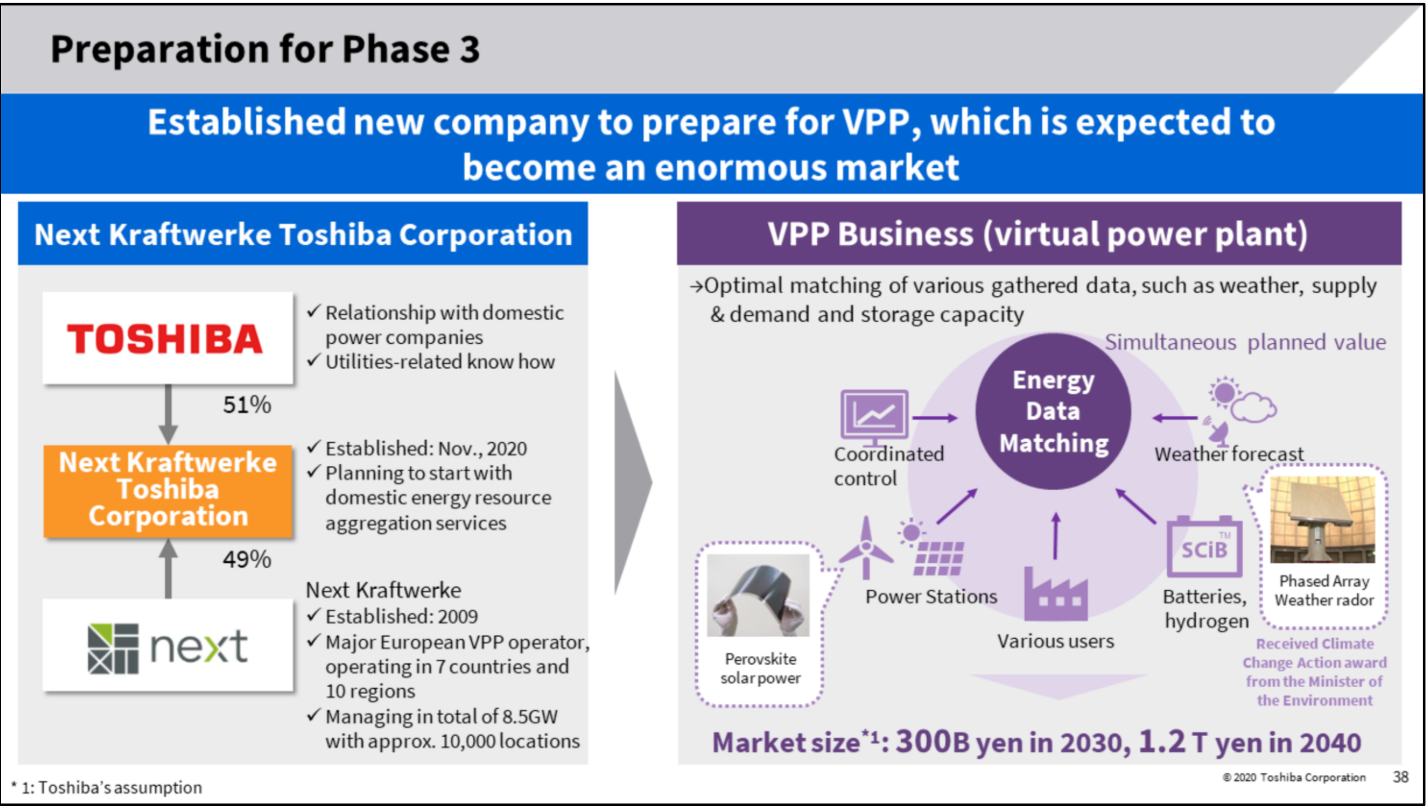
- ●Page 36 illustrates 3 approaches for evolving into a CPS technology company during phase 3.
- ●The first is through the evolution of existing infrastructure services. We will provide “as-a-service” and CPS services and create value-added through resulting data.
- ●The second is social implementation of new technology as new infrastructure services. Examples include quantum encrypted communications and precision medicine. These services will also lead to data creation going forward.
- ●Finally, the third is a matching platform for physical data. In addition to data created from the first 2 approaches, distribution data can be used as big data and transformed into a platform, leading to a data service which provides value to users.



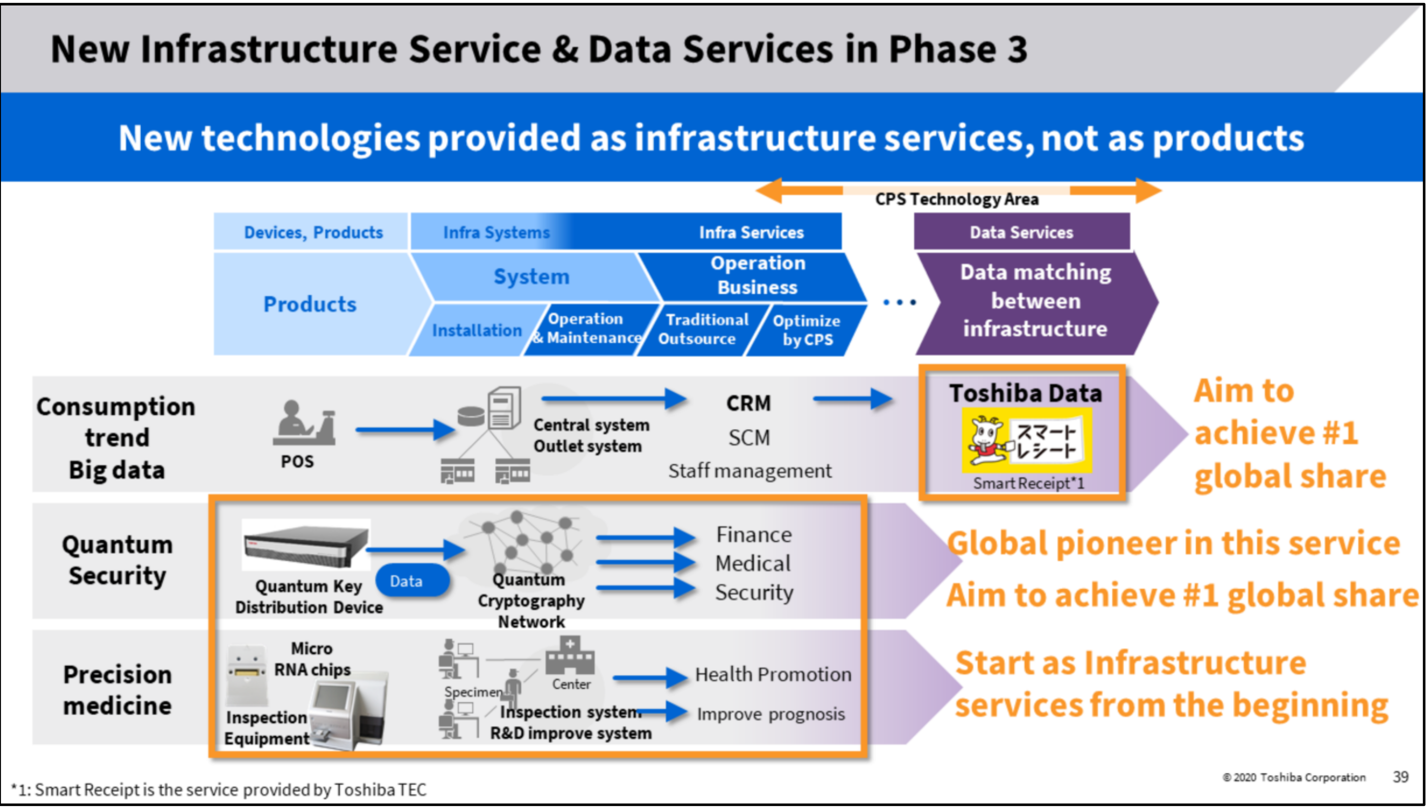
●On page 37, I would like to touch upon the evolution of existing infrastructure services by taking renewable energy as an example.

●I have already explained our strengths in renewable energy generation and energy management. New renewable energy investments will expand for the next 10 years. This falls under expansion of service locations resulting from delivering new infrastructure systems.

●In addition, we believe that there will be abundant excess power which is generated with renewable energy but is not consumed, beginning in around 2030. We, therefore, believe that there will be demand for managing and matching such excess power. We have competitive advantages in areas crucial to energy management, including grid stabilization, energy storage, hydrogen, and VPP.



- ●Page 38 illustrates our preparation towards establishing a VPP business, which can become an enormous market going forward.
- ●This month, we established a new company together with a major European renewable energy supply/demand management player Next Kraftwerke to commence domestic energy resource aggregation services.
- ●As shown in the chart on the right, data on weather, power supply and demand, grid network, and energy storage capacity can be collected and used for optimal energy data matching to provide services to generators, consumers, and aggregators to meet planned electricity supply demand balance, and to support best suitable trading operation in the balancing market.
- ●We expect enormous energy management demand, with a forecasted market size of 300 billion yen in 2030 and 1.2 trillion yen in 2040.



●Page 39 details new infrastructure services and data services.

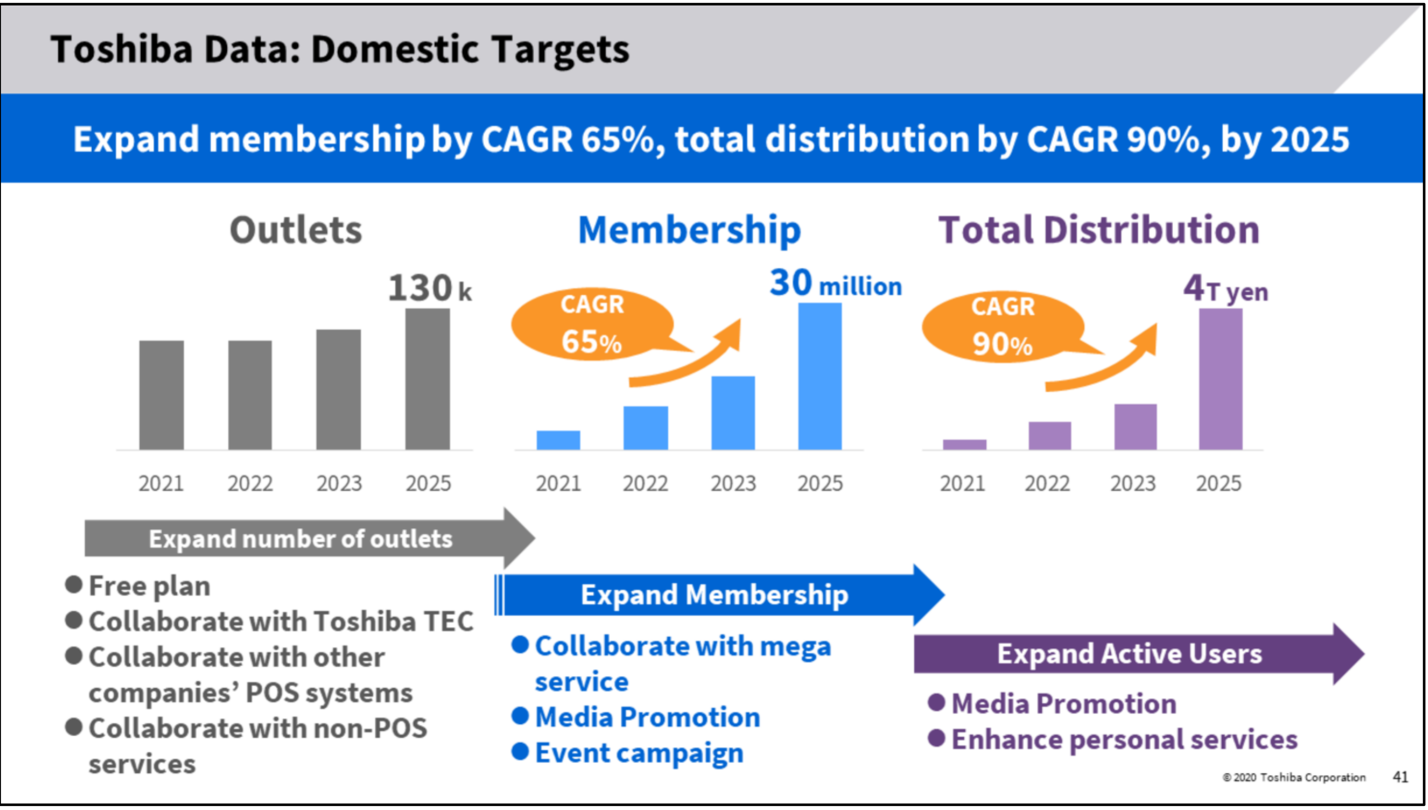
●The value chain is illustrated on this slide.

●Taking retail as an example, data entered on POS terminals are sent from outlet systems to central systems, used in various applications such as CRM and SCM. POS itself is a product but is also linked to business operations, with subsequent system construction and maintenance. We aim to strengthen as Infrastructure Services components involved, which include system maintenance and operations.

●The consumer trends data business using Smart Receipts conducted by Toshiba Data allows for matching with consumer trends data owned by other companies, creating new value. The CPS technology area represents a portion of the value-added services from data services to Infrastructure Services.

●Quantum security and precision medicine are new examples of social implementation of new technology in new infrastructure services. We aim to become the global pioneer in services supporting security and advanced medical infrastructures, instead of selling hardware.

●We will aim to become the global leader in each new infrastructure and data service.

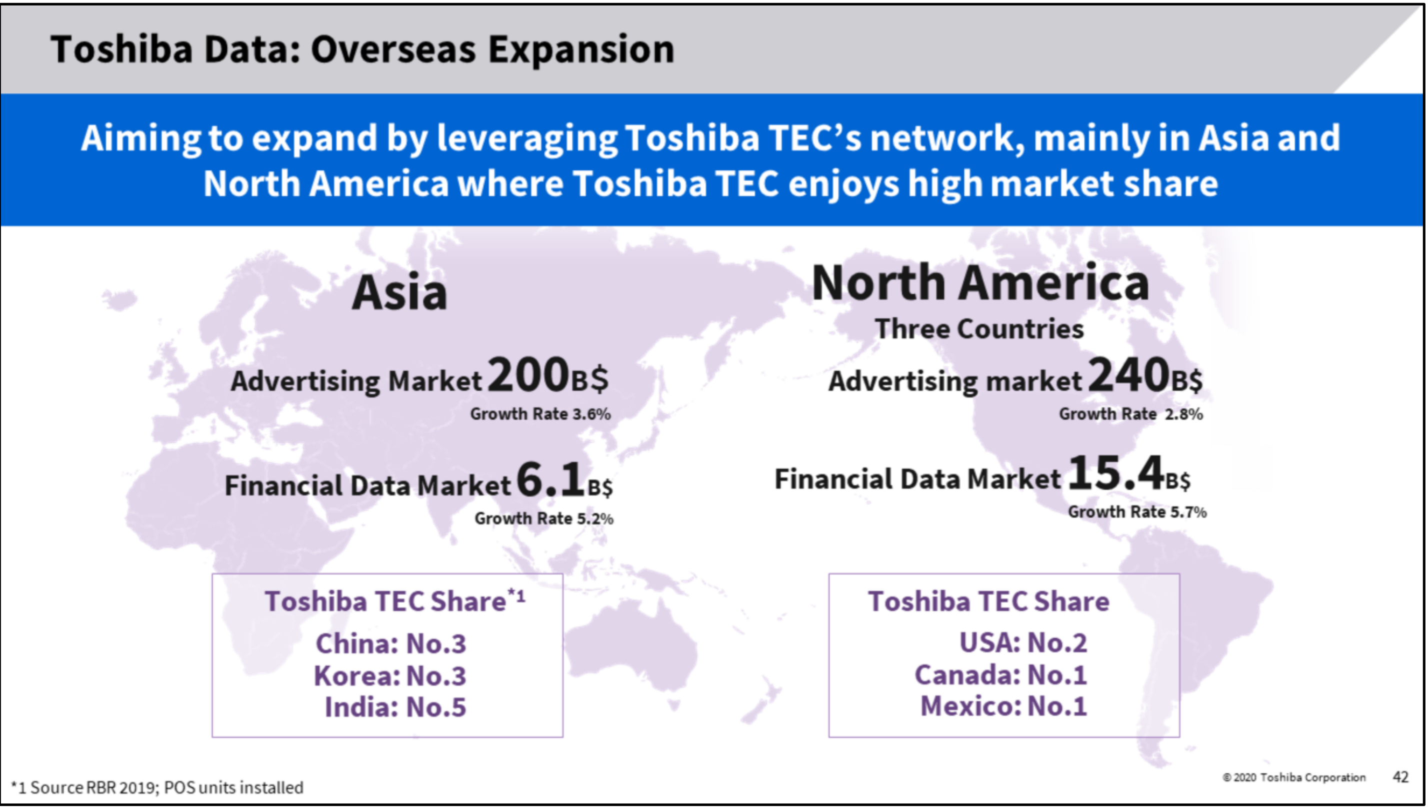


●Page 41 illustrates Toshiba Data's domestic targets.

●It is important to first increase affiliated stores. We are also considering coordination with Toshiba TEC as well as other companies' POS systems.

●We are targeting 30 million members in 2025, which implies an extremely high growth rate of 65% per year.

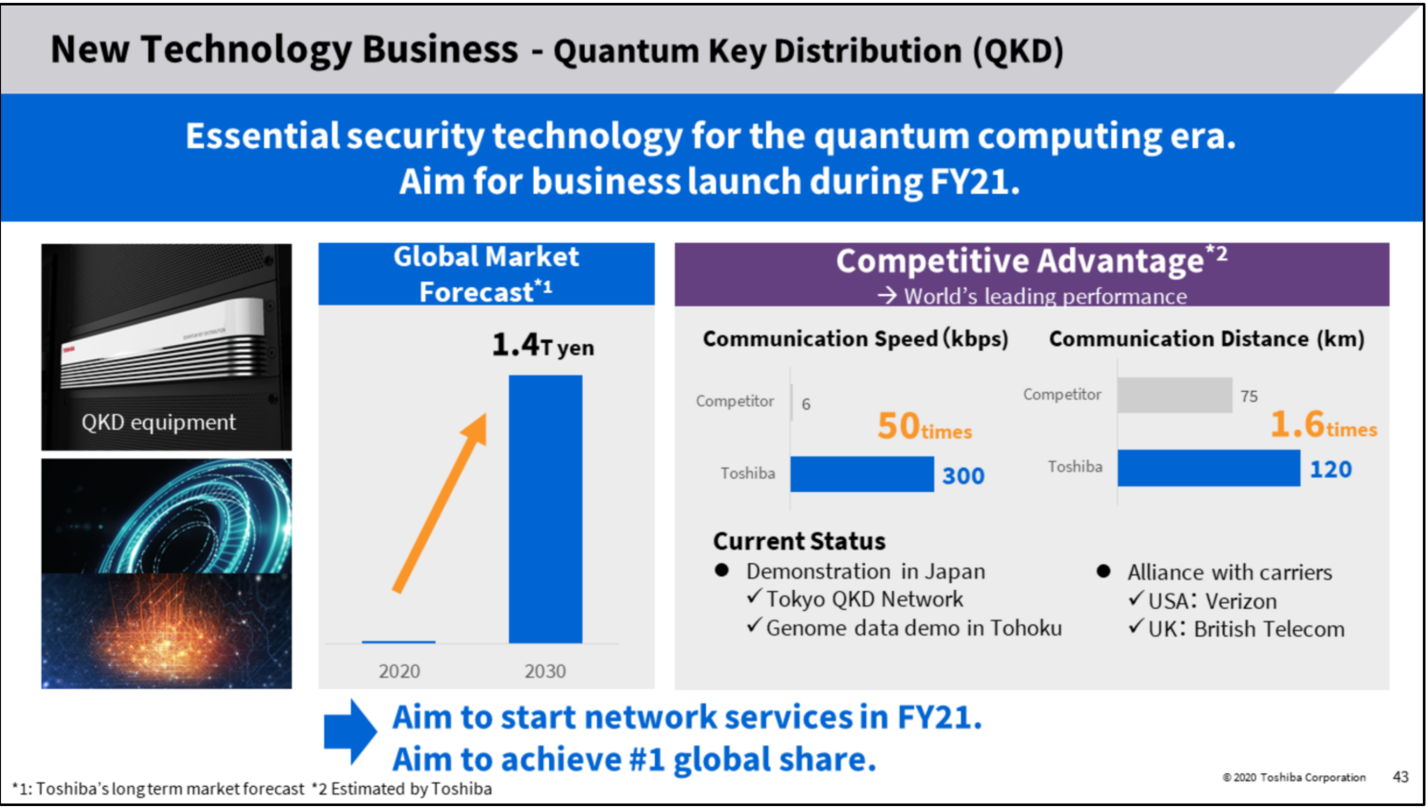
●The total distribution amount, which is important for corporate users, is also expected to grow at a fast pace of 90% per year to 4 trillion yen in 2025.



●Overseas development of data services is covered on page 42.

●There are enormous advertising markets in Asia and in North America, both of which are worth over 20 trillion yen, as well as the fast-growing financial data market.

●Toshiba TEC enjoys high overseas POS shares in these regions, being the #1 player in Mexico, the #2 player in the US, and the #3 player in China and South Korea. Toshiba TEC plans to develop distribution data matching services in Asia and in North America based on these sales and service networks.



●Page 43 describes the commercialization of quantum key distribution, a core component of the quantum security infrastructure.

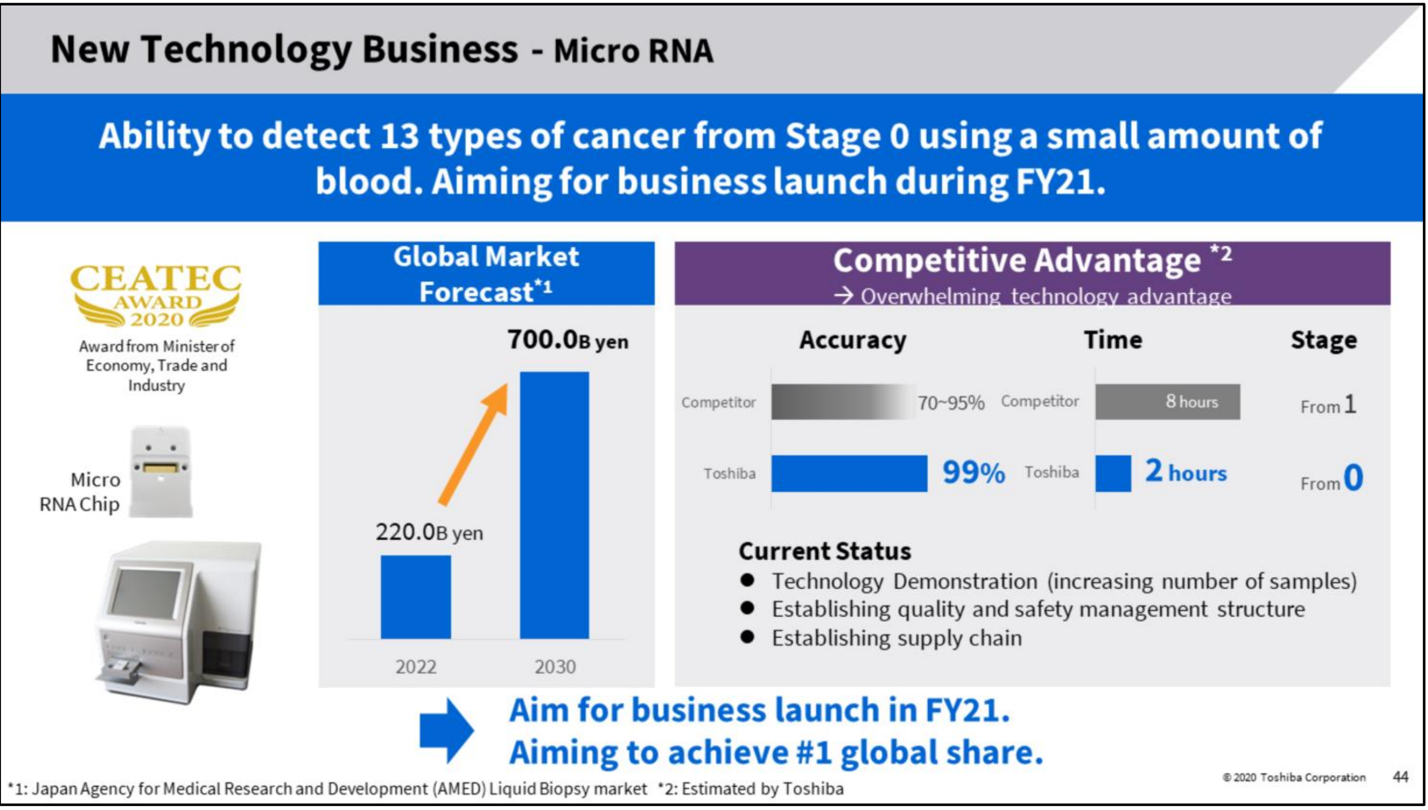
●In line with the enhanced performance of quantum computers, the security market has recently gained a strong attention.

●The market size is expected to expand to 1.4 trillion yen by 2030.

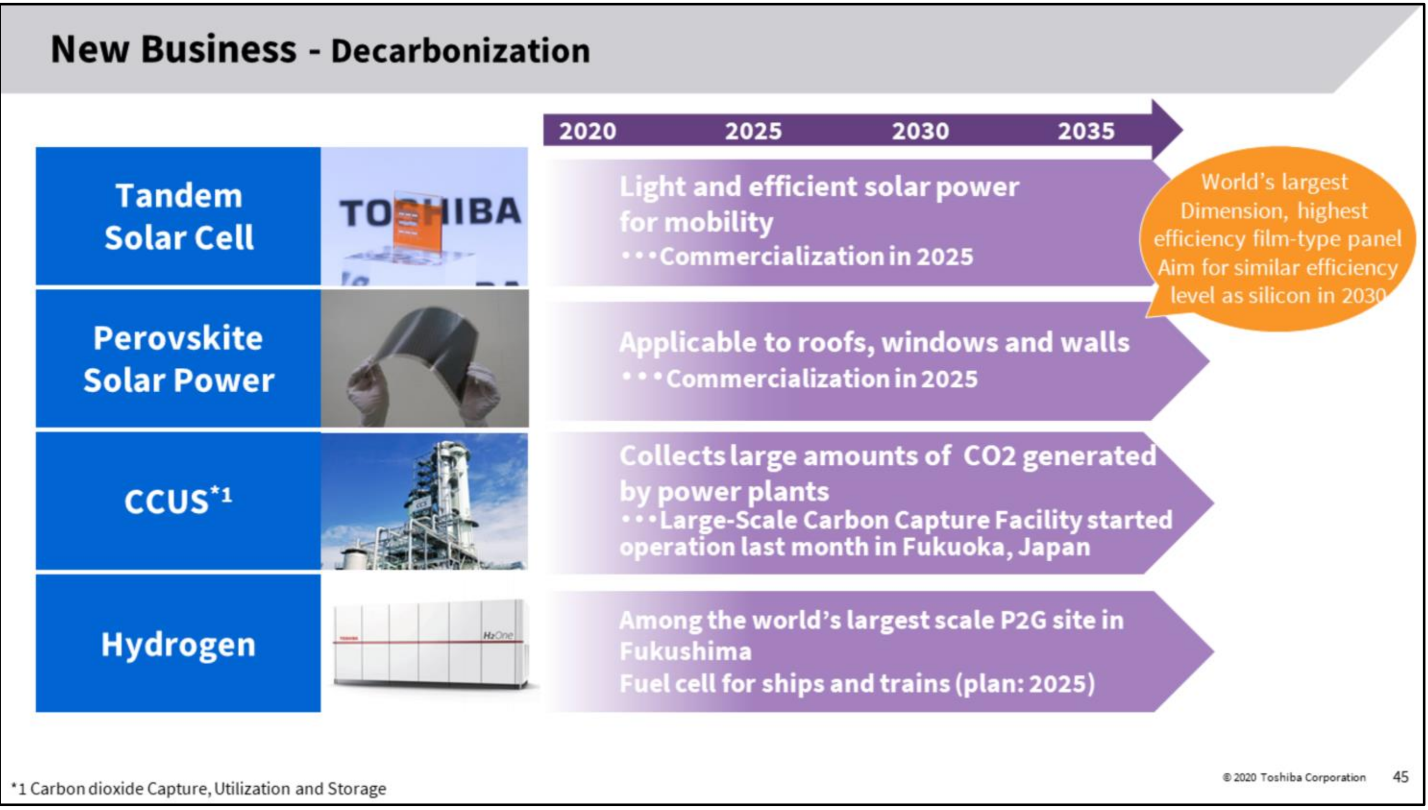
●The transmission speed is 50 times faster than that of our competitors' systems, and the communication distance is also 1.6 times that of our competitors.

●Pilot testing has already begun both domestically and overseas, with plans to launch services during fiscal year 2021.

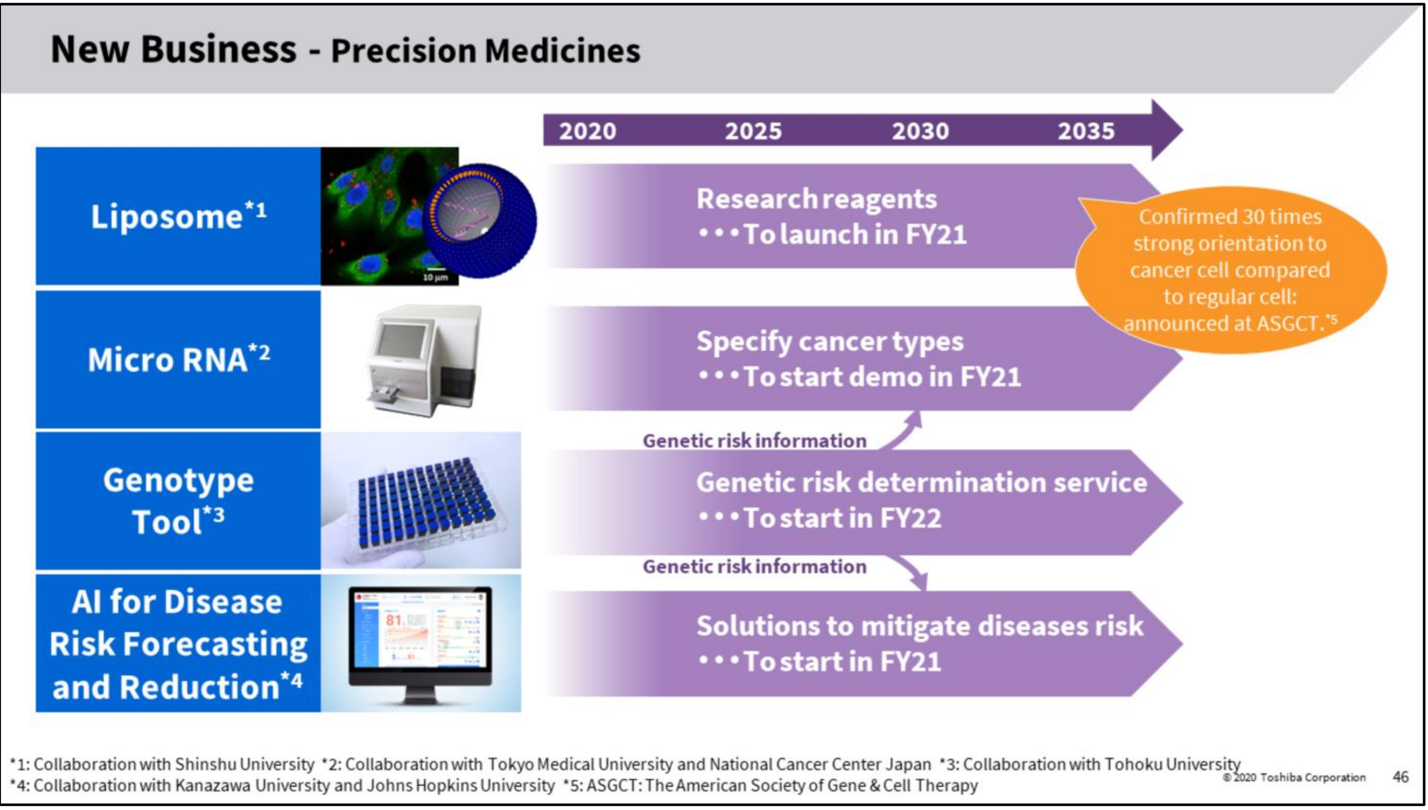
●We aim to become the global market leader based our overwhelming product performance.



- Page 44 describes micro RNA for cancer detection, which plays an important role within our advanced medicine infrastructure.
- The global market for liquid biopsy is expected to expand to 700 billion yen by 2030.
- The technology detects 13 types of cancer from Stage 0 using a very small amount of blood. We have an overwhelming competitive advantage with respect to detection accuracy, time, and stage.
- We aim to become a global leader after commercialization in fiscal year 2021.



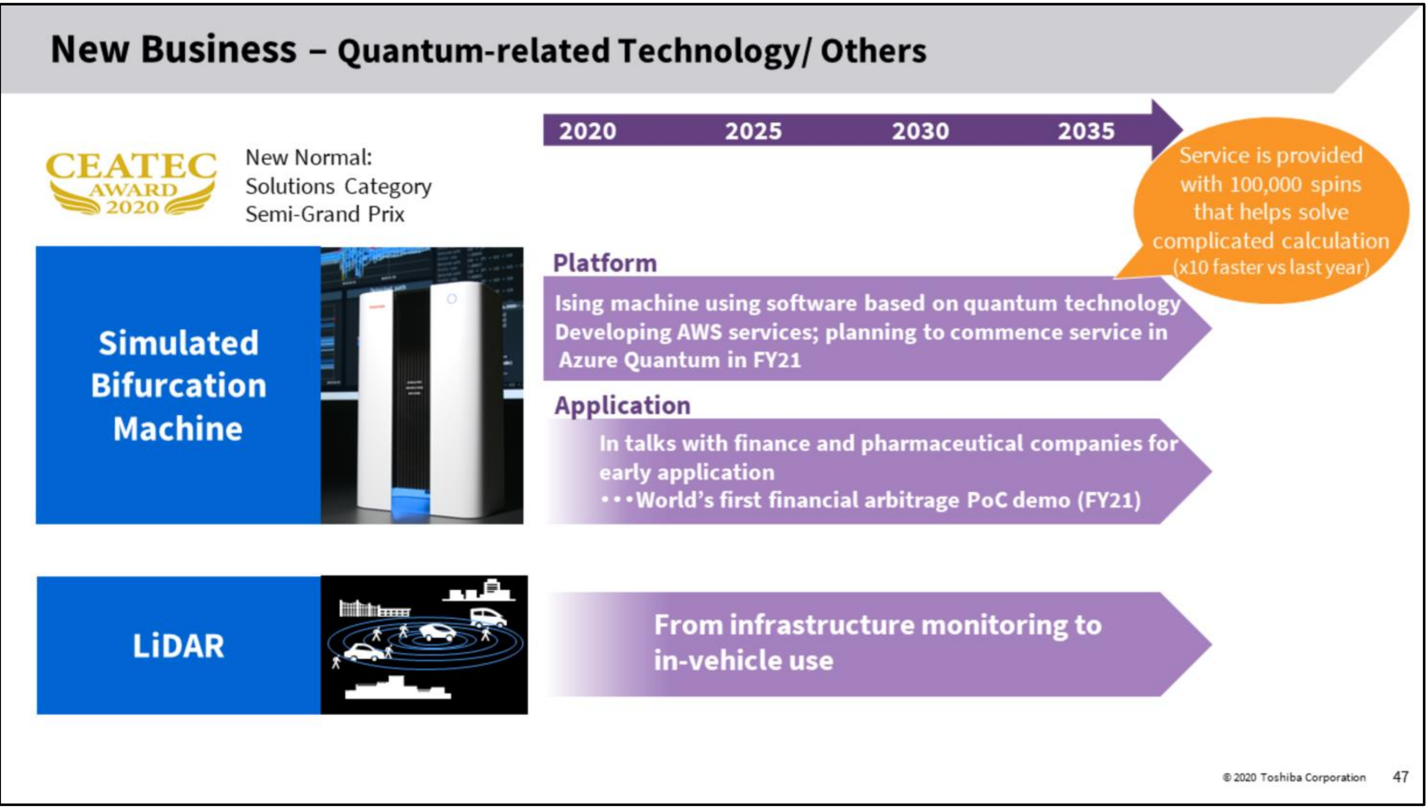
- Page 45 describes our new efforts aimed at commercializing operations relating to Decarbonization.
- We are developing next-generation solar power such as tandem solar and perovskite solar power. We aim to commercialize these products in around 2025. We have achieved the world's largest size in perovskite solar power, which are thin and can be applied to roofs and windows, and have also succeeded to reach the highest efficiency with respect to film types. We aim to achieve the efficiency level similar to that of crystal silicon by 2030.
- We are also developing CCUS and hydrogen energy, which are crucial for the decarbonization process.



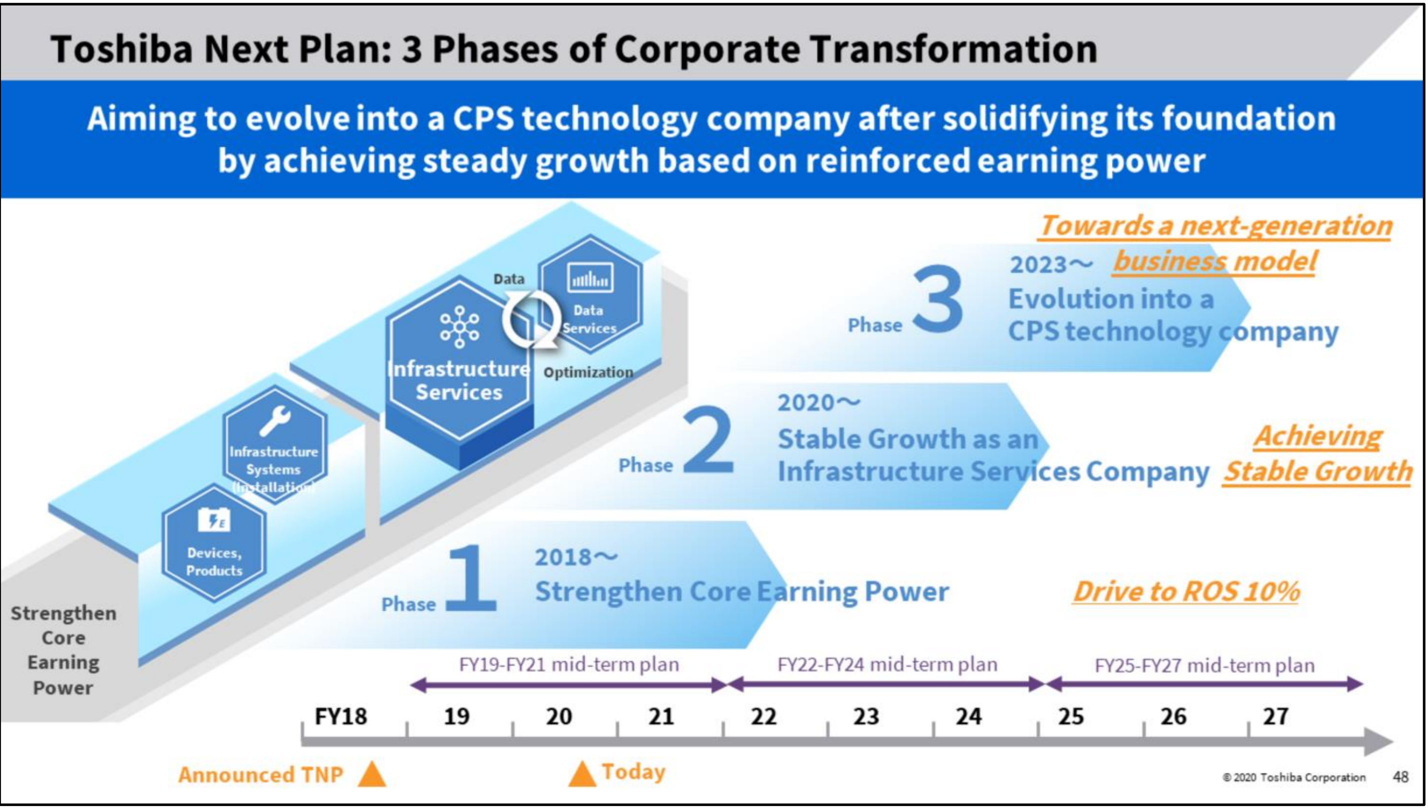
●Page 46 describes initiatives to commercialize precision medicine products.

●Liposomes carry therapeutic genes to cancer cells, with an orientation to cancer cells which is 30 times stronger than to normal cells. We will begin to provide liposomes as research agents beginning in fiscal year 2021.

●We will also launch genetic risk determination services using genomic information and solutions to mitigate forecasted risk of disease.



- Page 47 describes efforts to commercialize quantum-related technology and services.
- The simulated bifurcation machine is an ising machine, which finds the optimal solution while integrating massive amounts of data. We are providing services to solve complicated calculation with 100,000 spins. The platform side is already being used in Amazon Web Services (AWS), and a service to Azure Quantum will also begin in 2021.
- On the application side, the first proof of concept demonstration in financial arbitrage transactions is being planned for 2021. We are engaging in talks with financial institutions and pharmaceutical manufacturers to pursue rapid commercialization.



●This is page 48.

●Up to this point, I have explained the 3 phases of our corporate evolution.

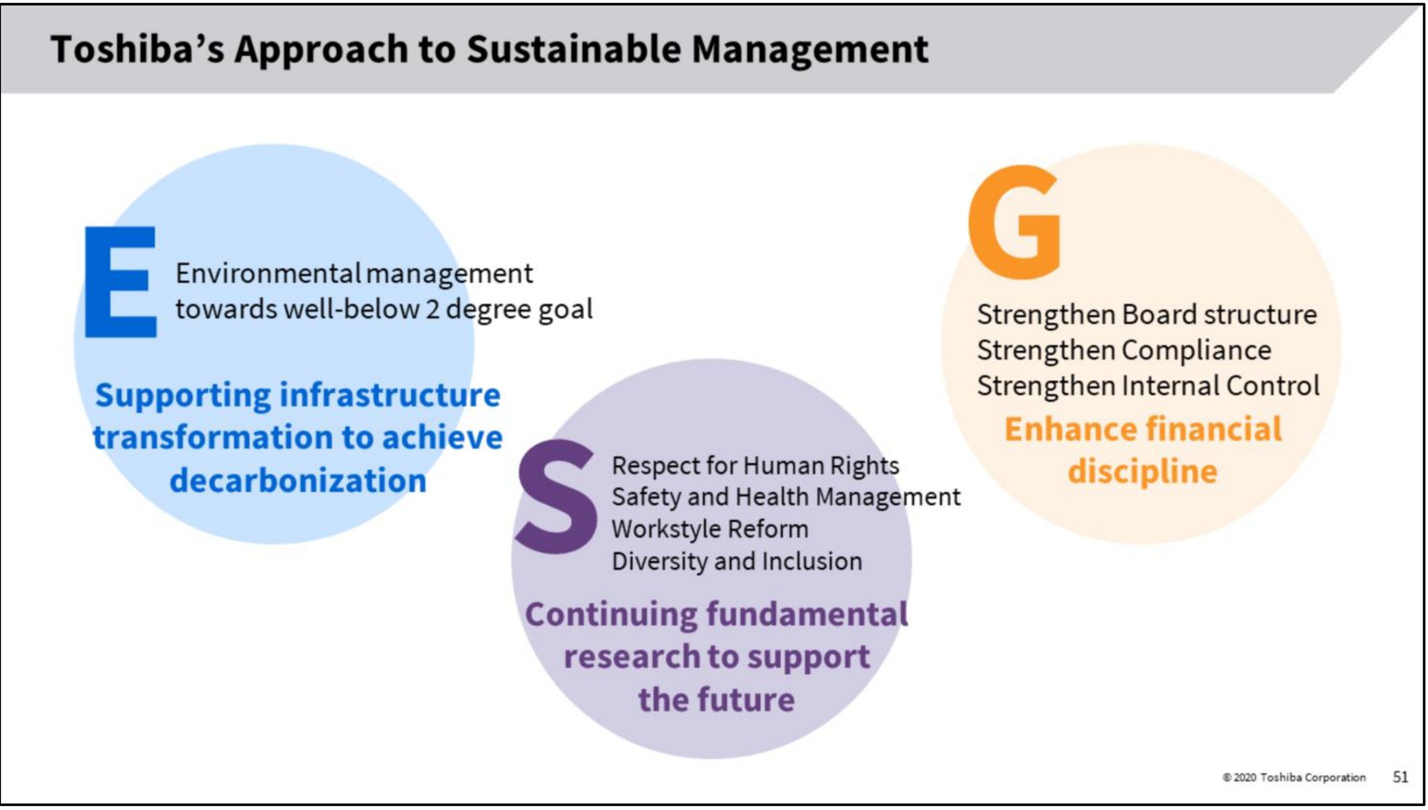
●In the current phase 1, we will further deepen our efforts to strengthen our core earning power to pursue 10% ROS.

●Phase 2 involves stable growth as an Infrastructure Services company, which we will pursue via initiatives in both Area Coverage and Major Infrastructure type expansion styles.

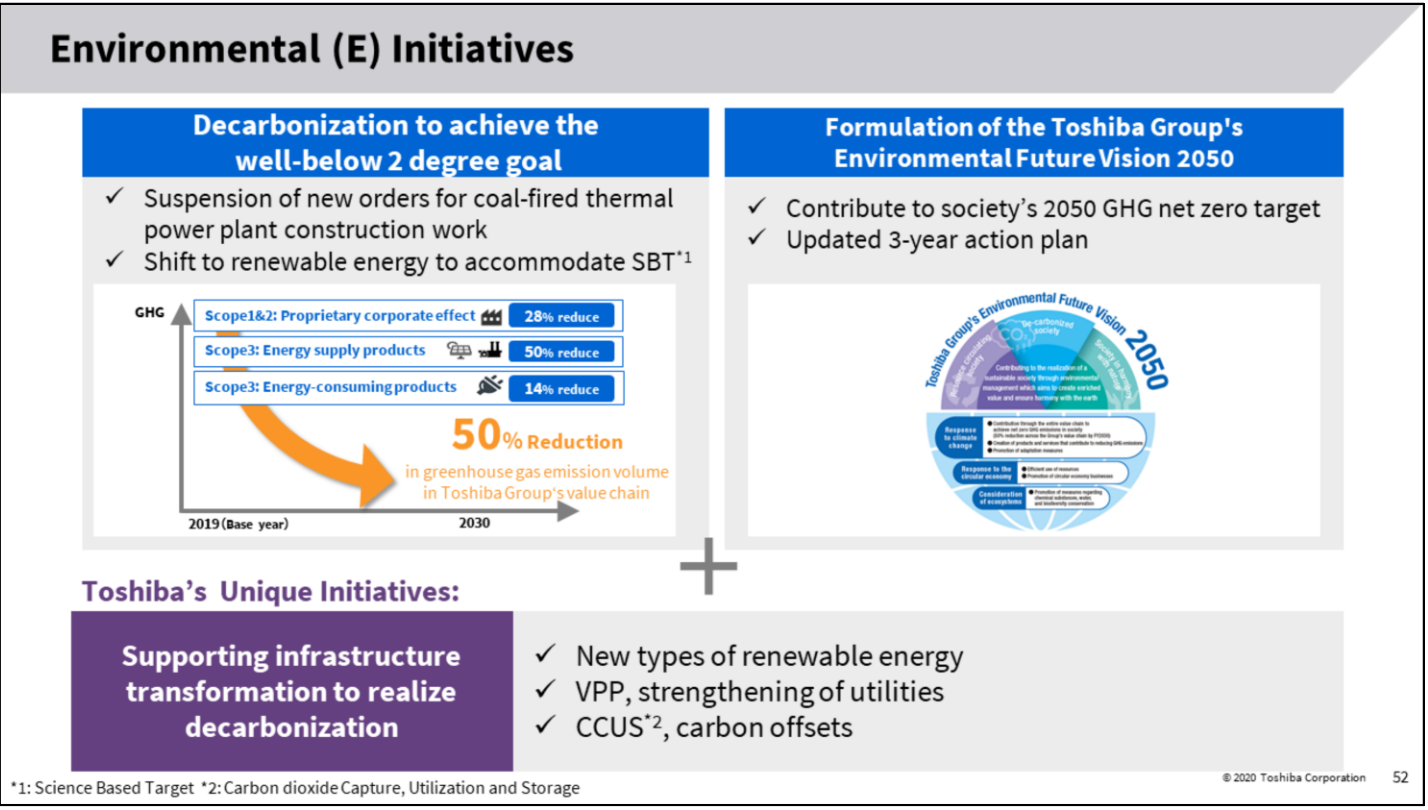
●In phase 3, we strive to evolve into a CPS technology company by establishing a next-generation model in Data Services in addition to Infrastructure Services as a service and a transition to CPS.

- I would like to move on to our ESG enhancement policy, starting on page 49.

- Toshiba Group's ESG efforts are summarized on page 50.
- Toshiba Group's basic commitment is "Committed to People, Committed to the Future." We have an unwavering policy of aiming to contribute to the resolution of social challenges such as SDGs through our businesses.
- As stated earlier, in terms of business activities, we will continue fundamental research to support the future in addition to making transition to renewable energy and remaining to support labor and energy conservation.
- With respect to corporate operations, we are focused on promoting environmental management, sustainability, and also compliance.



- Page 51 describes our approach to ESG.
- While we focused particularly on strengthening governance (G) in the past, we are similarly reinforcing our initiatives relating to environment (E) and social (S).
- Sustainability management to achieve a dynamic, sustainable society will be discussed in detail starting the next page.



●Page 52 illustrates our environment (E) initiatives.

●Decarbonization efforts aimed at the target of well-below 2 degrees involve ceasing to accept new orders for coal-fired thermal power plant construction work and to reduce GHG emitted by proprietary products by 2030.

●We also formulated the "Toshiba Group's Environmental Future Vision 2050" in order to contribute to the realization of a GHG net zero society by 2050.

●In addition, we will support transitions in infrastructure aimed at decarbonization as a unique measure. Specifically, we will provide new renewable energy for power generation, VPP, grid enhancement, and CCUS.

Social (S) Initiatives

Respect Human Rights	✓ Nurturing a corporate culture to respect human rights ✓ Respect for human rights throughout supply chain
Health Safety Management	✓ Measures to prevent COVID-19 infection and standardization of work from home ✓ Mental health in the new normal era
Workstyle Reform Human Resource Development	✓ Liberalization of the workplace and workstyles (promoting telecommuting), enhancing productivity ✓ Self-disciplined career development, and provision of learning opportunities
Diversity & Inclusion	✓ Promote diversity (Women, physically challenged, foreign nationals, senior citizens, LGBT etc.) ✓ Balancing work and family (reflecting liberalization of the workplace)

Toshiba's Unique Initiatives: +

Continuing basic research to support the future	✓ Precision medicine, quantum technology applications ✓ Superconducting, high function material etc.

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- ●Page 53 describes our social (S) efforts.
- ●The Toshiba Group respects human rights as a key issue and engages in efforts to respect the rights of all persons with any involvement in the business.
- ●As new lifestyles, workstyles and behavior changes are called for in response to the changing environment resulting from COVID-19, we make the safety of all stakeholders as a top priority and engage in efforts to fulfill our social responsibility.
- ●With respect to our employees, we aim to create new value-added by enhancing the productivity of each through safety and health, workstyle reforms, human resource development, and diversity and inclusion.
- ●As a unique measure, Toshiba also continues to engage in fundamental research for the future. We will continue to invest resources in fundamental research, which may not directly lead to short-term profits, but may provide humankind with more affluent future in the long-term.

Governance (G) Initiatives

Stronger Board Structure	✓ 10 of the 12 directors are independent outside directors ✓ Participation of a non-Japanese director in Nomination and Compensation Committees
Compliance Advisory Meeting	✓ Invited external experts to the kick-off meeting in August ✓ Planning to wrap up proposal by the end of FY20
Efforts to strengthen Internal Controls	✓ Reduction of group companies ✓ Strengthen internal control in work process (procurement transaction, man-hour management, etc.)
Ongoing Educational Activities	✓ Executive seminars, employee meetings ✓ Promoting awareness and use of the whistle blow system

Toshiba's Unique Initiatives: +

Enhance Financial Discipline	✓ Investment discipline including ROIC/IRR basis ✓ Disclosure on capital allocation policy

 54

●Page 54 describes our governance (G) initiatives.

●In the past, we have focused on strengthening the board structure, compliance including the establishment of a compliance advisory meeting, internal audit, and ongoing educational activities.

●We will continue and step up these activities while focusing on financial discipline as a key governance theme.

●Specifically, we are committed to financial discipline from an investor's perspective, including ROIC and IRR, as well as to enhancing transparency in our capital allocation.

●We also would like to engage ourselves in financial management to win the trust of our shareholders and investors.

●Finally, I would like to go over our financial management policies starting on page 55.

Approach to Growth Investments

Established internal ROIC/IRR criteria for strategic investments
Stricter process for selecting investments

Financial Management Policy	✓ Dividend payout ratio, appropriate level of capital, debt-equity ratio →Maintain policies announced in November 2019 and June 2020
Financial Leverage	✓ Expand leverage up to 30% debt-equity ratio and 100% net-debt/EBITDA by FY25 ✓ Reduce cost of capital and utilize cash for strategic investments.
Strategic Investment	✓ Strategic investments include M&As which meet the ROIC and IRR investment criteria. ✓ Returns to shareholders will also be considered as a form of strategic investment if there is excess cash.

 56

●Page 56 describes our approach to growth investments.

●Our basic financial management policy remains unchanged from our previous announcements.

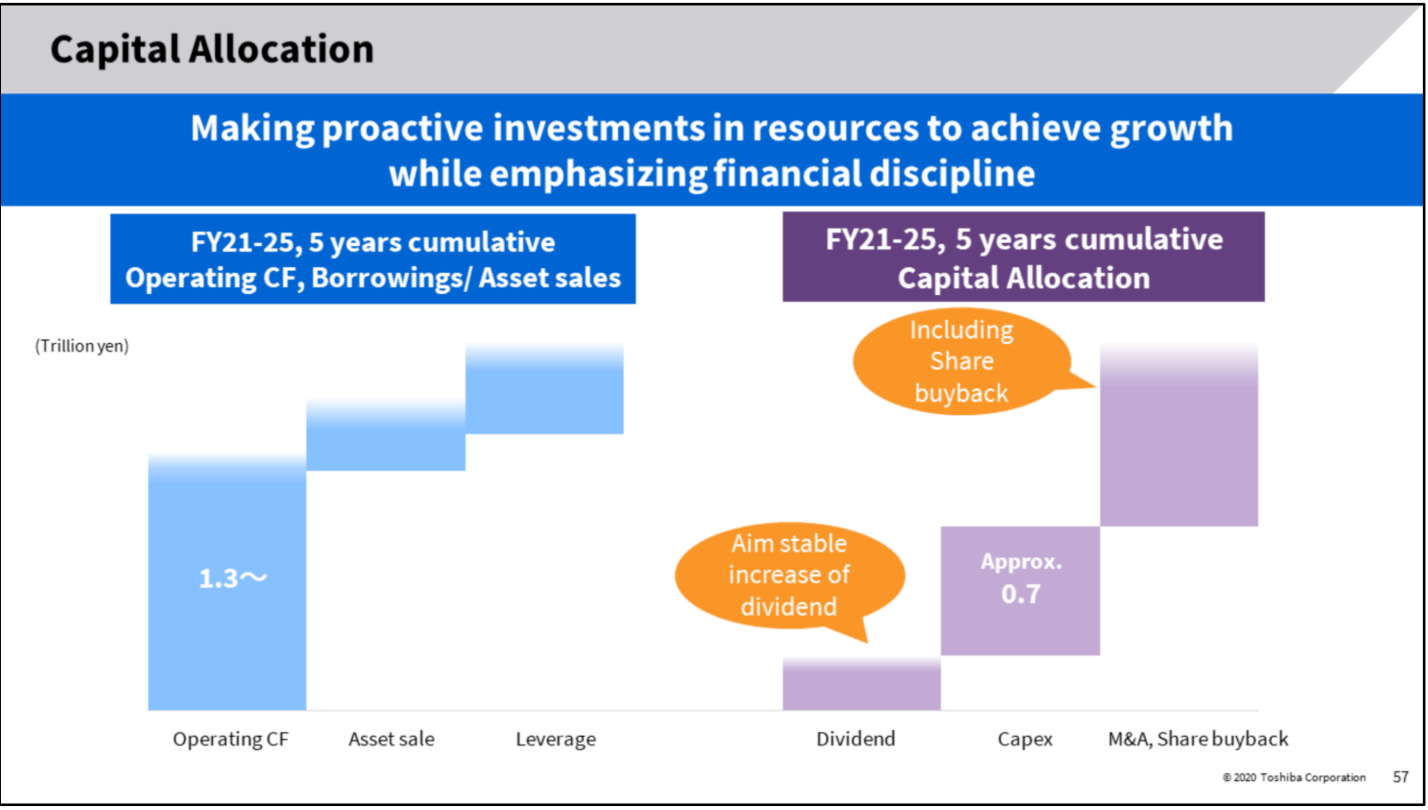
●We also maintain our basic policy to achieve an annual consolidated dividend payout ratio of at least 30% during the Toshiba Next Plan.

●The adequate capital level is not a fixed figure; it is reviewed based on risk assets, contingent liabilities, our portfolio and business plan and is also subject to periodic board review.

●We also believe it is important to apply appropriate leverage to lower cost of capital as the focus of growth changes over time. We target a net debt-equity ratio of 30% and a net debt/EBITDA ratio of 100%

●Pursuant to this policy, we will increase borrowings by fiscal year 2025 and use proceeds to fund strategic investments.

●While we anticipate strategic investments to take the form of M&A transactions which meet our ROIC and IRR criteria, we will consider returning excess funds to our shareholders.



- Page 57 illustrates our approach to capital allocation for the 5 years from fiscal year 2021 to fiscal year 2025.
- We forecast Operating Cash Flows of 1.3 trillion yen. The left graph also illustrates further cash accumulation through asset sales and increased leverage.
- The graph on the right side starts with dividends, which we plan to increase steadily based on our basic policy of maintaining an average consolidated dividend payout ratio of at least 30%.
- We anticipate capital expenditures of 700 billion yen in order to execute our growth strategy.
- As explained so far, the remaining capital will be used to strengthen infrastructure services through growth investments including M&A. We will consider returning funds in excess of adequate capital to our shareholders, possibly in the form of a share buyback.

Shareholder Returns and Dividend Policy

Kioxia Shares	✓ Once monetization event is completed, Toshiba, in principle, intends to return a majority portion of the net proceeds to shareholders,
Dividend Forecast for FY20	✓ Interim Dividend: 10 yen ✓ Year-end Dividend (forecast): 30 yen ✓ Full year Dividend (forecast): 40 yen (20 yen increase)
Future Dividend Policy	✓ Target stable increase of dividend by executing the Toshiba Next Plan

 58

- Shareholder returns and our dividend policy is discussed on page 58.
- As announced in June, we have no strategic intention to remain in the Memory business. Therefore, Toshiba intends to realize the value of its investment in Kioxia and continues to evaluate alternative means of monetizing its stake. Once such a monetization event is completed, Toshiba, in principle, intends to return a majority portion of the net proceeds to shareholders.
- For the dividend forecast at the end of this fiscal year, based on our outlook, we were able to confirm the adequacy of our shareholders' equity and stability of our financials. The dividend forecast for fiscal year end is to be 30 yen per share, which represents a year-on-year increase of 20 yen.
- We will continue to pursue stable dividend growth by steadily executing the Toshiba Next Plan going forward.

Committed to People,
Committed to the Future.

TOSHIBA