

Presentation Script on “Toward the Enhancement of Corporate Value” by Mr. Tsunakawa on August 12, 2021 (English Translation)

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- This is Satoshi Tsunakawa. Today, I would like to provide an update on the current status of Toshiba’s endeavors to enhance corporate value.

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- First, I will talk about the newly structured Board after June 25, and the current activities taken by each committee.
- But before I start, I would like to mention that we have taken the results of the 182nd Ordinary General Meeting of Shareholders seriously, and that the directors and executives are working closely and rigorously for the benefit of all our stakeholders, and things are steadily moving forward. As Executive Officer, President and CEO, I feel it is important to maintain a stable business environment for all of our stakeholders, including customers and employees. The results for the first quarter were quite solid. Our CFO, Mr. Hirata, will provide further details after my presentation.
- The Strategic Review Committee (“SRC”) has begun work immediately after its official formation. The SRC, with the support of financial advisors and consultants, has received presentations from the executive team and been focusing on a full review of Toshiba’s businesses independently. Communications with external stakeholders, strategic and financial investors, market participants are on-going. The management team is in frequent and open dialogue with the SRC. We firmly believe that, the activities of this new committee will help us in developing a Mid-term plan which goes beyond our conventional planning process.
- The Nomination Committee has recently selected two executive search firms, which will assist the process of searching for additional candidates to be nominated to the Board, and also to consider internal and external candidates as potential successors for myself, the Interim Chairperson and the CEO. Searching for an external candidate to replace the Interim Chairperson is one of the priorities. The immediate focus has been to search for candidates who can join the Audit Committee, which needs strengthening following the outcome of the recent AGM. The Nomination Committee may also identify additional board candidates that have the expertise required to make meaningful contributions to the Board.
- The Audit Committee is comprised of three newly-appointed members, and it is carrying out its activities smoothly for the time being. Two members of the

Committee have sufficient experience in accounting, well-versed in audit committee work. In addition, the Audit Committee has selected members for the "Governance Enhancement Committee". We will explain the Governance Enhancement Committee in more detail in the next slide.

- The Compensation Committee is conducting a review of Toshiba's current policies for short-term and long-term compensation. We believe it is important to create a greater "ownership culture" to better align our performance objectives with shareholders' expectations.

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- Next, I will explain the establishment of the Governance Enhancement Committee for the root cause analysis.
- We have taken seriously the Investigators' conclusions as set out in the Investigation Report issued on June 10, 2021, and have announced that "we will take action to identify the root cause to clarify the responsibilities and to develop measures to prevent reoccurrence, including the participation of third parties." Based on this announcement, we have established the Governance Enhancement Committee.
- This Committee will base its analysis on the findings from the Investigation Report by the Investigators. It will analyze the root cause to clarify the responsibilities and to develop measures to prevent reoccurrence. In order to meet this goal, we have decided the best structure would be the one which combines third party experts and an Independent Director.
- There may be some additional investigation including interviews of relevant persons for the purpose of root cause analysis and clarifying responsibilities. But we emphasize that it is not our intention to reinvestigate the facts already found by the Investigators.

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- Here, I would like to update you on shareholder return.
- This is an update regarding the status of Toshiba's repurchase of its own shares, as approved by the Board of Directors, and announced on June 7, 2021. As per the announcement on August 2, 2021, this is the result up until the end of July. And as you can see, the repurchase has been progressing smoothly.
- In addition, as per the announcement made on July 21, 2021, a special dividend was paid on August 6, 2021 based on the record date of June 30, 2021. The

dividend per share was 110 yen.

- We assure you that we will continue to work hard to maintain stable shareholder returns and to enhance TSR.

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- Next, I will explain the status of our Mid-term plan.
- As explained to you on May 14, we are examining various changes in the business environment, and revising our strategy including a review of our business portfolio to maximize corporate value. To assess each business, we are using ROIC as one of the most important metrics and focusing on capital efficiency.
- To enhance shareholder value through the maximization of corporate value, we believe it is important to revisit Toshiba's core values --- that is, our purpose and core competencies. Using both quantitative and qualitative measures we will determine what business activities should be Toshiba's focus areas, and what is the optimal capital structure to support a specific business from the viewpoint of capital allocation, securing the sources of shareholder return, and growth potential of the subject business.
- By the time of the announcement of the mid-term plan in October, the focus areas should be clarified in consistency with Toshiba's strategy. We will seek to maximize corporate value by combining themes such as carbon neutral and social infrastructure resilience with digital data to solve emerging societal issues. When explaining our strategy, focus and defocus areas of business will be identified.
- In order to maximize corporate value and shareholder value, it is necessary to maintain and develop suitable relationships, obviously with our shareholders and also with other stakeholders such as customers, business partners, employees, and local communities. The management of Toshiba must be carried out taking into account the interests of all stakeholders to maximize value in the long term.
- We believe the listing status allows a stable equity structure suitable for enhancing long term value creation, and is advantageous for corporate value enhancement. However, we will not disregard other avenues, including privatization etc., as alternative options to enhance Toshiba's corporate value.
- The benefit of going private, in general, is to allow flexible execution of management strategies without being influenced by short-term considerations and pressure on performance. Moreover, costs related to maintain the listing status can be reduced.
- On the other hand, we believe there are various issues if we were to go private.

In particular, if we lose the listing status in Japan, this will undermine our credibility, ability to secure talent, appropriate investment into research and development, and our brand value. Thus, we believe that careful consideration is necessary to determine whether taking the company private will really be the most value-creating option for all stakeholders.

- Nonetheless, we remain open to various options to maximize corporate value and the Board and SRC are examining several possibilities without a predetermined conclusion.

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- And last but not least, I'd like to talk about creation of an "ownership culture"
- For the compensation policy for each Director and/or Executive Officers, in order to align business operation with the shareholder's perspective, 20% of the base salary is comprised of restricted stocks with transfer restrictions until retirement, and 60% of the performance linked compensation for executive officers are provided as restricted stocks.
- Apart from Executive Officers and Directors, restricted stocks are also provided as an incentive for Corporate Officers and executive candidates.
- Also, we provide a stock ownership program that allows many employees to hold shares of the Company. As of April this year, approximately 28,000 employees throughout the Toshiba Group have joined the program. We have been creating the ownership culture by providing incentive scheme to those employees participating in the ownership program.
- We would like more employees to become owners of Toshiba and will examine ways to improve employee retention and motivation in which this may be done.
- Finally, in addition to the creation of an "ownership culture", I am determined to promote positive reform, in order to change the corporate culture of the entire Toshiba Group, together with other Board members.

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- Committed to people, Committed to the Future.
- Thank you very much for listening.