(This Business Report is an English summary of the original Japanese report. The Japanese original is official and this summary is for your convenience only. Toshiba does not guarantee the accuracy of this summary.)

Business Report

From April 1, 2020 to March 31, 2021

1. Business Environment and Results of the Group

(1) Operation and Results of the Group

During FY2020 (April 2020-March 2021), the global economy saw a rapid deterioration with the spread of the coronavirus (COVID-19). While the U.S. economy has subsequently steadily recovered, and China has also shown signs of recovery, the Eurozone economy has remained weak. In Japan, the pandemic has suppressed consumer spending, but capital investment has been improving and exports have increased.

In FY2021 (April 2021-March 2022), the U.S. is expected to continue to recover steadily and China is also expected to continue gradual recovery while in the Eurozone is expected feel the continued impact of COVID-19. The situation is also severe in Asia, with considerable risk in India due to a renewed outbreak of COVID-19 infections. Japan expects continues improvement from measures to prevent infection and improved overseas economies, but constant attention to downside risk is essential.

Under these circumstances, sales of Energy System Solutions decreased due to differences in the size of construction projects for thermal power stations, power transmission and distribution systems, and sales of renewable energy (solar power) projects. Infrastructure Systems Solutions decreased due to the impact of Covid-19 of infectious diseases. Sales of Building Solutions also decreased due to the impact of infectious diseases. Sales of Retail and Printing Solutions also decreased due to the impact of Covid-19 of infectious diseases. Sales of Digital Solutions also decreased due to the impact of sales of infectious diseases and sales of affiliated companies, and sales of some of the operations of subsidiaries under the Staff Division were excluded from consolidation.Total sales decreased by ¥335.5 billion to ¥3.0544 trillion. Operating income (loss) decreased by ¥26.1 trillion year on year to ¥104.4 billion. Despite an increase in income in Infrastructure Systems & Solutions and Digital Solutions, and an improvement in other, operating income in Energy Systems & Solutions, Building Solutions, Retail & Printing Solutions, and Device & Storage Solutions decreased. Income (loss) from continuing operations before income taxes increased by ¥201.0 billion year on year to ¥153.5 billion, mainly due to the impact of the recording of a loss on the transfer of the LNG business in the same period of the previous fiscal year and an increase in equity in earnings of affiliates of KIOXIA HOLDINGS. Net income (loss) improved by ¥228.6 billion year on year to ¥114.0 billion.

The Company paid a dividend (interim), to shareholders registered as of September 30, 2020, of 10 yen per share to shareholders in December 2020 and a dividend (year-end) to shareholders registered as of March 31, 2021, of 70 yen per share to shareholders in June 2021. As result of such dividend, total amount of dividend per share is 80 yen.

Performance by Segment

Net sales and operating income (loss) by segment are as follows:

(Yen in billions)

	Net Sales	Operating Income

			(Loss)	
		Change*		Change*
Energy Systems & Solutions	493.2	△75.6	10.8	△21.0
Infrastructure Systems & Solutions	670.9	△64.1	49.1	1.4
Building Solutions	545.2	△24.9	23.7	△5.4
Retail & Printing Solutions	410.6	△79.8	2.0	△12.5
Electronic Devices & Storage Solutions	711.3	△34.3	12.5	△0.9
Digital Solutions	221.7	△30.7	19.9	3.1
Others	245.6	△75.9	△21.5	8.3
Eliminations	△244.1	49.8	7.9	0.9
Total	3,054.4	△335.5	104.4	△26.1

(* Change from the year-earlier period)

Energy Systems & Solutions

Main Businesses	As of March 31, 2021
Nuclear power generation systems, Solar Photovoltaic systems, Thermal power generation systems, Transmission & Distribution systems, Hydroelectric power generation systems	

Business Overview

The Energy Systems & Solutions segment saw lower sales of 493.2 billion yen, 75.6 billion yen decrease from the previous year. Although Nuclear Power Systems recorded higher sales due to the impact of progress of projects to enhance safety measures, Thermal & Hydro Power Systems saw lower sales, reflecting the impact of the difference in scope of thermal power construction projects and COVID-19, and Transmission & Distribution Systems saw lower sales, reflecting the impact of the difference in scope of transmission & distribution systems and renewable energy (solar) projects in addition to COVID-19.

The segment as a whole saw lower operating income of 10.8 billion yen, 21.0 billion yen decrease from the previous year. Although Nuclear Power Systems saw higher operating income due to recording higher sales and Thermal & Hydro Power Systems saw higher operating income due to the impact of a decrease in unprofitable projects, Transmission & Distribution Systems was impacted by unprofitable projects and lower sales, and because the segment as a whole deteriorated due to the impact of COVID-19.

Topics

(1) Toshiba Heavy-Ion Therapy System Is Awarded by Seoul National University Hospital in Korea

Toshiba Energy Systems & Solutions Corporation, in collaboration as a consortium with DK Medical Solutions, a Korean leading global medical company, has been awarded a contract to supply a heavy-ion therapy system to Seoul National University Hospital. This is the second contract the Toshiba Group has been awarded overseas and completion is slated for 2024.
The heavy-ion therapy system is a radiation treatment system that accelerates carbon ions up to 70% of the speed of light and irradiates cancerous tissues with carbon ions as heavy ion beams from outside the body. Adding a heavy-ion therapy system allows hospitals to increase treatment options for cancer patients and to provide more effective treatment according to the location of the cancer.
The awarded system is configured with one treatment room with a rotating gantry that allows the heavy ion beam irradiation nozzle to circle around the patient’s body without necessitating inclination of the treatment bed, in addition to another treatment room with a fixed nozzle for the beam. The system’s rotating gantry utilizes advanced high-speed scanning irradiation technology that is the result of the Toshiba Group’s cutting edge technology, while the use of superconducting magnets achieves a compact and lightweight design.
Going forward, the Toshiba Group aims to further spread heavy-ion therapy systems and actively solicit orders both inside and outside Japan in order to contribute to achieving high-quality cancer treatment.

(2) Toshiba Starts Operation of Large-Scale Carbon Capture Facility

At Group company SIGMA POWER Ariake Corporation’s Mikawa Power Plant (Omuta City, Fukuoka Prefecture), Toshiba Energy Systems & Solutions Corporation (Toshiba ESS) has started operating a large-scale carbon capture test facility for capturing CO_2 emitted from the power plant. This project is being carried out by multiple entities, including Toshiba ESS, as part of the “Demonstration of Sustainable CCS (Carbon dioxide Capture and Storage)

Technology Project," sponsored by Japan's Ministry of the Environment (MOE).
The Mikawa Power Plant is a biomass-fired power plant whose primary fuel source is palm kernel shells that absorb CO_2 through photosynthesis as they grow. In addition to the power plant being deemed carbon-neutral due to the net result of emissions and absorption, it becomes a "negative emission" power plant by capturing its own CO_2 and removing previously discharged CO_2 that has accumulated in the atmosphere. Through the trial phase of this facility, Toshiba ESS will evaluate the facility's CO_2 capturing technology, in addition to its performance, cost, environmental impact, and integrated operability with the power plant.
The new facility that has been put into operation is the world's first large-scale BECCS (Bio-Energy with Carbon Capture Storage) compatible system capturing CO_2 from a biomass power plant. Results of operations up to March 2021 showed capture of more than 600 tons of CO_2 per day. It is the first implementation in Japan of a system able to capture 50% or more of CO_2 emissions from a thermal power plant.
By developing technologies aimed at deploying CCUS (Carbon dioxide Capture, Utilization and Storage) technology in society by 2030, which is advocated by Ministry of the Environment, the Toshiba Group will contribute to preventing global warming.

(3) Contract with First Solar for the Yatsubo and Ikeda Solar Power Plants

Toshiba Energy Systems & Solutions Corporation (Toshiba ESS) has been contracted by First Solar Japan (a subsidiary of First Solar, Inc., a U.S. company engaging in solar panel manufacturing and sales) to construct two solar projects, the Yatsubo Solar Power Plant and Ikeda Solar Power Plant, in the Nasu area of Tochigi Prefecture. Both power plants will be operated by First Solar Japan and construction has already gotten underway.
Toshiba ESS will handle the full construction of the Yatsubo Solar Power Plant. Toshiba ESS will construct the transformer equipment, electrical works, and rack setup for the Ikeda Solar Power Plant, while Asunaro Aoki Construction Co., Ltd. will manage the reclamation. Both power plants are scheduled to start operating in April 2023, adding a total of 60 megawatts (MW) of solar energy capacity.
Both power plants will use chemical-compound thin-film solar cell panels developed by First Solar, Inc. The panels have excellent thermal characteristics that provide less drop in output on overcast days. Additionally, Toshiba ESS can ensure power generation tailored to sunlight volume through a high-quality and well-designed approach to power plant construction. In addition, by using a monitoring system linked to First Solar's system, Toshiba ESS can accurately monitor plant operations and carry out appropriate routine maintenance.
The Toshiba Group provides power generation systems and solutions through a wide variety of different renewable energies, from solar power and hydroelectricity to geothermal and wind-generated power. Going forward, the Group will continue to work on a diverse range of clean energy projects such as the construction of industrial-use solar power plants, helping to create a sustainable society.

Infrastructure Systems & Solutions

Main Businesses	As of March 31, 2021
Water supply and sewage systems, Power distribution systems, Road systems, Communication & broadcast systems, Telecommunication systems, Security & automation systems, Railway systems, Motor & drive systems	

Business Overview

The Infrastructure Systems & Solutions segment saw lower sales of 670.9 billion yen, 64.1 billion yen decrease from the previous year as Public Infrastructure and Railways and Industrial Systems both recorded lower sales due to the impact of a decrease in scale, mainly for the Social Systems business and the Industrial Systems business, respectively, because of the impact of COVID-19.
The segment as a whole saw higher operating income of 49.1 billion yen, 1.4 billion yen increase from the previous year due to a decrease in fixed costs, etc.

Topics

(1) Order for a Parcel Unloading Robot

An orthogonal parcel unloading robot (de-palletizer) developed by Toshiba Infrastructure Systems & Solutions Corporation (Toshiba ISS) has been installed at the SENKO Co., Ltd. Kazo PD Center and commenced operations on its sorting line in February 2021.
The de-palletizer grasps items from above and on the side to disperse pressure on the item. Using a proprietary Toshiba ISS method, it also pulls the item onto an internal conveyor belt so that it is able to gently unload items while preventing accidental opening of packages, ruptures of package bottoms, and package drops. Also, high-precision automatic recognition technology and planning/control technology enable high-speed processing of 600 items per hour. The robot's compact design is a small footprint, space saving feature. The robot is able to replace manual laborers unloading heavy boxes up to 30 kg, which greatly contributes to higher efficiency at logistics sites.
In the future, the Toshiba Group aims not only to expand sales of logistics robots, but also to leverage data gathered from robots to let companies visualize work tasks and improve operations at logistics centers.

(2) Tie-up with a U.S. Start-up Counter-Drone Company

With an eye toward expanding security solutions business using radio waves, Toshiba Infrastructure Systems & Solutions Corporation (Toshiba ISS) signed a strategic business alliance with Fortem Technologies, Inc., a U.S. company in the counter-drone security field targeting illegal incursions by drones and the like. In addition to the alliance, Toshiba invested US$15 million (approx. 1.6 billion yen) in Fortem.
Fortem is a counter-drone security company that provides markets with advanced counter-drone products, notably highly accurate small drone detection radars that are easily installed and autonomous drones that can deploy highly unique nets to capture rogue drones.
At present, the Toshiba Group has already commercialized a drone detection system that can determine the incoming direction and altitude of a drone by receiving radio waves emitted by the drone in flight and we are also proceeding to strengthen our counter-drone security business through other related product development. With this alliance as our starting point, we will simultaneously strive for more effective and multifaceted counter-drone solutions and services, while also working to expand sales in Japan as well as Asia, the U.S., Europe, the Middle East, and other promising overseas markets.

As an infrastructure services company, the Toshiba Group will continue contributing to ensuring safe social infrastructure by making timely responses to growing demands to prevent damage from rogue drones and drone incursions that are rapidly increasing at airports and other critical facilities in countries around the world.

(3) Order for Construction of an Indian Water Treatment Plant

Toshiba Water Solutions Private Limited (TWS), an Indian subsidiary of Toshiba, jointly received an order with SUEZ India Pvt. Ltd., an Indian subsidiary of France's Suez S.A., from the Bangalore(Note) Water Supply and Sewerage Board (BWSSB) for the design and construction of the T.K. Halli Water Treatment Plant servicing the Bengaluru metropolitan area in India's Karnataka state. This project is part of the yen-loan-financed Bengaluru Water Supply and Sewerage Project (Phase 3) funded by the Japan International Cooperation Agency (JICA).

The Bengaluru metropolitan area in southern India's Karnataka state is called the Silicon Valley of India and its population is increasing and the urban area is expanding accompanying rapid industrial development; however, facility construction has been unable to keep pace with increasing water demand and the region is facing the challenge of alleviating chronic water shortages. JICA's yen-loan-financed project is a plan to build water and sewage facilities across the metropolitan area, including suburban districts under rapid development. The plan is expected to contribute to further industrial vitalization and improvements in the residential hygiene environment for residents.

TWS has amassed a track record and expertise in the design, procurement, construction, operation, and maintenance of public water and sewage plants and industrial-use water treatment facilities through projects inside and outside India. By combining this with Toshiba Group's monitoring control, energy-saving, and similar solutions technologies, we will contribute to establishing sustainable public water circulation systems, while creating environmentally advanced communities.

TWS has amassed a track record and expertise in engineering, procurement, construction, operation, and maintenance of public water supply and sewage treatment plants and industrial water treatment facilities through projects inside and outside India. By combining this with the Toshiba Group's solutions that utilize technologies that monitor control, save energy, etc., we will contribute to establishing sustainable public water circulation systems, while creating environmentally advanced communities.

(Note) Although the city of Bangalore was renamed Bengaluru in 2006, BWSSB has continued using Bangalore in its name.

Building Solutions

Main Businesses	As of March 31, 2021
Elevators, Commercial air-conditioner, Light fixtures, Compressors, Industrial light parts	

Business Overview

The Building Solutions segment saw lower sales of 545.2 billion yen, 24.9 billion yen decrease from the previous year, as a result of lower sales in Elevators, Lighting and Air Conditioning due to the impact of COVID-19.

The segment as a whole saw lower operating income of 23.7 billion yen, 5.4 billion yen decrease from the previous year. Although Lighting and the overseas market for Elevators improved, the Japanese market for Elevators and Air Conditioning saw lower operating income.

Topics

(1) Launching an Ultraviolet Lighting System with Care222® Technology that Offers Virus Suppression and Disinfection Even in Spaces where People Are Present

In January 2021, Toshiba Lighting & Technology Corporation (TLT) launched the UVee universal downlight type, an ultraviolet lighting system equipped with Care222® technology that offers virus suppression and disinfection but is safe to use even in spaces where people are present.

The product was jointly developed with Ushio Inc., who developed Care222®, which offers virus suppression and disinfection and is able to cut UV wavelengths of 230 nm and above (the wavelengths that are harmful to humans) by combining a special filter with an ultraviolet lamp, whose peak wavelength is 222 nm. Care222®, which is from Ushio, is incorporated into the light source module supplied to TLT, which handles the comprehensive processes of designing, manufacturing, and quality control of the commercial product.

The product was jointly developed with Ushio Inc., which is able to cut UV wavelengths of 230 nm and above (the wavelengths that are harmful to humans) by combining a special filter with an ultraviolet lamp developed by Ushio, whose peak wavelength is 222 nm. This solution, called Care222®, offers virus suppression and disinfection and is incorporated into the light source module supplied to TLT, which handles the comprehensive processes of designing, manufacturing, and quality checking of the commercial product.

The product leverages the virus suppression and disinfection features inherent in ultraviolet lights, yet can be used in areas where people are present, which is not the case for conventional 254-nm UV lamps. Installation examples are expected to include offices and schools, as well as commercial and public facilities where unspecified large numbers of people congregate.

TLT and Ushio Inc. will continue enhancing the lineup of products equipped with Care222® and will strive to prevent COVID-19 infections, which have shown signs of renewed waves of infection.

(Note) Care222 is a registered trademark of the U.S. company Ushio America, Inc., a subsidiary of Ushio Inc.

(2) New SPACEL Product Launch with Greater Antibacterial/Antiviral Features

Toshiba Elevator and Building Systems Corporation (TELC) has enhanced the antibacterial and antiviral features of its SPACEL machine-room-less elevators, which avoid the need for a rooftop machine room by incorporating the traction machine and control mechanisms inside the elevator shaft in a compact design. The new SPACEL models, launched in February 2021,

are an enhanced lineup that follows the latest construction trends and includes novel design features.
The new products can be equipped with antibacterial and antiviral finishes as well as touchless buttons inside the cars as countermeasures against COVID-19. In addition, ion generators are standard features and ventilation functions can be enhanced.
In terms of design, there is a new line-up of new-design ceilings and control panels, while the large LCD of the control panel can display four languages during emergencies and give a visual image of travel time. These additions strive for an elevator space that offers greater comfort from the user’s perspective.
Furthermore, we improved packing materials and developed a new weld-free construction method, which contributes to a better construction site environment.
TELC is committed, through its business activities, to contributing toward achieving a more sustainable society (SDGs) and will continue emphasizing the dual objectives of reduced environmental burden plus safety, security, and comfort.

Retail & Printing Solutions

Main Businesses	As of March 31, 2021
POS systems, Multi-function peripherals	

Business Overview

The Retail & Printing Solutions segment saw lower sales of 410.6 billion yen, 79.8 billion yen decrease from the previous year, as a result of both the Retail business and Printing business having generated lower sales due to the impact of COVID-19.
The segment as a whole saw lower operating income of 2.0 billion yen, 12.5 billion yen decrease from the previous year, as both the Retail business and Printing business saw lower operating income due to the impact of COVID-19.

Topics

Commencing the T-Receipt Service and Contributing to Lower COVID-19 Infection Risk through Electronic Receipts

Toshiba TEC Corporation collaborated with Tpoint Japan Co., Ltd. in the electronic receipt service field and began an e-receipt service called T-Receipt by Smart Receipt (T-Receipt). Toshiba TEC’s Smart Receipt® function provides an electronic version of printed receipt data when consumers checkout during a purchase. Tpoint Japan’s Mobile T Card is a feature that lets consumers accrue and use T-Points by showing the bar code on their smartphone at checkout in the same way they would with a T Card. T-Receipt is an electronic receipt service that combines these two functions. When consumers show their Mobile T Card at checkout, they receive an electronic receipt from the store and can immediately check the details of their purchase on their smartphone’s T-Point app.
These T-Receipts have been adopted at Ryubo Store supermarkets, which are operated by Ryubo Store Co., Ltd. in Okinawa Prefecture, at Makeman home improvement stores, which are operated by Makeman Co., Ltd. in Okinawa Prefecture, and Gourmet Cafes and Fashion Plazas, which are operated by Yasusaki Co., Ltd. in mainly Fukui Prefecture.* Toshiba will continue expanding the T-Receipt service to other T-Point vendors going forward.
Adopting T-Receipt, Smart Receipt®, and other e-receipt options avoids the need for handing paper receipts to customers, which lessens contact points between retail store staff and consumers and contributes to lower COVID-19 infection risks. Toshiba TEC waived the Smart Receipt® monthly usage fee starting June 1, 2020 in order to support adoption at retail stores. We will continue to promote the utilization of Smart Receipt® and other services as we deliver added value to stores and consumers, while also contributing to lower COVID-19 infection risk through fewer points of contact.
*Some stores have not adopted T-Receipt.

Electronic Devices & Storage Solutions

Main Business	As of March 31, 2021
Power devices, Analog ICs, Small-signal devices, HDDs, Optoelectronic devices, Semiconductor manufacturing equipment, In-vehicle digital & logic, Parts materials, Microcomputers	

Business Overview

The Electronic Devices & Storage Solutions segment saw lower sales of 711.3 billion yen, 34.3 billion yen decrease from the previous year. Although Semiconductors saw higher sales as a result of resolving the delay of semiconductor manufacturing equipment from the previous year, HDDs & Others saw lower sales due to the impact of COVID-19.

The segment as a whole saw lower operating income of 12.5 billion yen, 0.9 billion yen decrease from the previous year. Although Semiconductors saw higher operating income due to recording higher sales of semiconductor manufacturing equipment, HDDs & Others saw lower operating income due to the impact of recording lower sales.

Topics

(1) Expanding Production Capacity for Power Devices with a 300-millimeter Wafer Fabrication Facility

Toshiba Electronic Devices & Storage Corporation (TDSC) decided to add a 300-millimeter-diameter wafer fabrication facility inside Kaga Toshiba Electronics Corporation in order to expand production capacity for power devices.

As thin and disk-shaped semiconductor substrates, wafers of larger diameters allow the production of more semiconductors. The 300-mm wafer production line will be constructed inside Kaga Toshiba Electronics' existing clean room for 200-mm wafers and will expand production capacity for power devices. Production on the new line is scheduled to start in the first half of FY2023.

Semiconductor power devices, whose role is to supply and manage power, are essential components for boosting the energy-saving features of all types of electrical equipment. Given the growth in e-vehicles and factory automation, demand for power devices is projected to continue expanding.

The Toshiba Group will further expand its power device business by building a production framework that can meet the growth of the power device market, and as a result, contribute to achieving an energy efficient society.

(2) Future Focus Areas in the System LSI Business

As part of the Toshiba Group's policy to build a business portfolio of sustainable financial strength and resilience to impacts from economic fluctuations, we decided to restructure our System LSI business in September 2020.

For analog ICs and microcontroller units (MCUs), we will focus on products for motor control application, which have strong synergies with discrete semiconductors and are expected to see continued future market expansion, and we will continue our sales expansion efforts and customer support, as well as new product development. However, we will halt new development on advanced system LSIs (SoC) and focus only on existing business, including the Visconti™ family of image recognition processors.

By further clarifying our focus business areas and by building an efficient business operation framework, we aim to establish a highly profitable business structure and achieve our targets in the Toshiba Next Plan.

Digital Solutions

Main Businesses	As of March 31, 2021
IT solutions services	

Business Overview

The Digital Solutions segment as a whole saw lower sales of 221.7 billion yen, 30.7 billion yen decrease from the previous year due to the impact of COVID-19, and the impact of the sale of an affiliate's business.

The segment as a whole saw higher operating income of 19.9 billion yen, 3.1 billion yen increase from the previous year due to higher operating income as a result of improvements because of reduced fixed costs and improvement of the marginal income ratio.

Topics

(1) Launching an AI Service that Predicts Lifestyle Disease Risk Six Years in the Future

Toshiba and Toshiba Digital Solutions Corporation launched a disease-risk prediction AI service in July 2020 that analyzes health checkup results and predicts lifestyle disease risks up to six years in the future.

Since lifestyle diseases lead to issues including increased healthcare costs and lower productivity for companies, we have seen rising needs in recent years to assess the risk of onset of lifestyle diseases, with an eye on their prevention.

The Toshiba Group applied AI and big data analysis technology accumulated in industrial fields, in combination with healthcare data mining technology developed in collaboration with universities inside and outside Japan, and worked with Sompo Holdings, Inc. to jointly develop disease-risk prediction AI technology. This AI has achieved a 90% or greater accuracy level in predicting the risk of diabetes onset up to six years in the future.

The disease-risk prediction AI service now offered by Toshiba uses a year of health checkup data to produce predictive results over a six-year time horizon for the risks of six lifestyle diseases: diabetes, hypertension, obesity, dyslipidemia, hepatic dysfunction, and renal dysfunction. The service was made available by Sompo Himawari Life Insurance Inc. as a feature of Linkx Kenko Try, which was launched in July 2020.

Going forward, in addition to its disease-risk prediction AI, the Toshiba Group will move forward in applying AI to preventing the aggravation of diabetic nephropathy, cardiac disease, and other ailments as we develop solutions for encouraging behavioral modifications such as dietary changes and exercise habit improvements.

(2) Signing a Strategic Alliance with WingArc1st Inc.

Toshiba Digital Solutions Corporation signed a strategic alliance with WingArc1st Inc. in November 2020, in addition to an agreement with existing WingArc1st shareholders allowing the acquisition, on December 25, 2020, of 15% of WingArc1st's outstanding common shares, excluding treasury stock. The alliance will strengthen collaboration in the digital solutions business, which delivers solutions leveraging IoT, AI, and other cutting-edge digital technologies that are part of our conventional initiatives. In addition, the alliance will support joint efforts toward leveraging digital data to create new data services in fields including personnel solutions and smart factories, which improve plant efficiency and productivity.

Others

Main Businesses	As of March 31, 2021
Battery Systems	

Business Overview

The Others segment as a whole saw lower sales of 245.6 billion yen, 75.9 billion yen decrease from the previous year due to lower sales resulting from the externalization and deconsolidation of some operations of subsidiaries under the corporate staff division and the impact of COVID-19. The segment as a whole saw improved operating loss of 21.5 billion yen, an improvement of 8.3 billion yen from the previous year.

Topics

Transfer of the Toshiba Group's Logistics Business

The Company signed a share purchase agreement on May 26, 2020 with SBS Holdings, Inc. (SBSHD) for the transfer to SBSHD of 66.6% of the issued shares of Toshiba Logistics Corporation (TLOG), which had handled the Toshiba Group's logistics services. After this, the transfer was completed on November 2, 2020, after all necessary procedures were finalized.

TLOG was established as a spin-off company functioning in logistics, primarily for the Group's home appliances in October 1974, and subsequently expanded its main businesses as operations from the Group were transferred to it one after the other, from the shipment of heavy items for electric power equipment, etc. to the shipment of components for medical equipment, semiconductors, etc., in addition to packing operations and import/export-related operations. TLOG's global network of companies outside Japan extends to 14 companies in nine countries, covering China, Asia, Europe, and North America.

TLOG leverages its strength stemming from being founded by a manufacturing company and functions as a third-party logistics (3PL) business comprehensively taking on logistics tasks and providing companies with optimized logistics management and operations. In addition, as a fourth-party logistics (4PL) company, which also handles the planning and promoting of clients' logistics strategies, TLOG provides Toshiba Group companies and various other companies with comprehensive logistics solutions from warehouse management to cargo handling, transportation, and more.

SBS Group's 3PL business serves customers in a broad range of businesses, while the group also has extensive know-how in distribution center development. This share acquisition brings to SBS Group TLOG's 4PL business know-how, as well as broaden its service line-up and strengthen its overseas network. This helps establishing a firmer support structure for the group's logistics supply chain.

TLOG aims for further development as a comprehensive logistics company based on the competitiveness of business as a 4PL company while utilizing the resources and know-how of the SBS Group, and will handle the Group's logistics services and contribute to business by providing logistics services that are even more efficient and advanced.

Toshiba Group’s cutting edge technology

1. Working to solve social issues

As an aggressive countermeasure against global warming, we are seeing efforts to achieve a carbon-free society and promote the transition to renewable energies globally.
Furthermore, the need for infrastructure resiliency, such as for power supply and water supply and sewage systems, is increasing as Japan has faced natural disasters of a scale not experienced until now due to torrential rains, typhoons, etc. over the past few years.
The World Health Organization (WHO) has sounded the alarm on the current COVID-19 outbreak, which still has a growing number of infections, as a once in a century pandemic and health crisis. The pandemic’s impact may be long term and there are demands for a transition to new lifestyles.
Furthermore, it is necessary to improve healthcare in response to the decreasing birthrate and aging population as well as the increase of healthy life expectancy, and utilize state-of-the-art technologies, such as quantum technologies. The Toshiba Group’s policy is to strive to solve the aforementioned social issues faced by the world. In order to achieve this, we will leverage the technologies and know-how accumulated over many years of experience in the infrastructure and energy businesses, and proceed to commercialize new technology, such as precision medicine and applied quantum technology.

2. Toshiba Group’s cutting edge technology

(1) Decarbonization

The Toshiba Group possesses a broad and abundant range of technology related to “generating,” “transmitting,” “storing,” and “smartly using” energy along the total energy chain.
The generation capacity of renewable energy fluctuates with the natural environment, including time of day, weather, and seasons. In order to move toward making renewable energy the mainstay source of electric power, and to stably supply power, we will continue making contributions by building virtual power plants (VPP) that use AI and improve predictive precision, while also utilizing hydrogen and the electric power system technology that we have fostered over many years. Additionally, we are proceeding to develop a variety of advanced technologies for a carbon-free society, including new types of solar cells (such as tandem solar cells that boost overall power conversion efficiency by expanding the range of absorbable sunlight wavelengths through layering different types of solar cells, and lightweight, bendable-film perovskite solar cells), aqueous lithium-ion rechargeable batteries whose electrolytic solution was changed from flammable organic solvent to incombustible aqueous solution for greater safety, and “Power to Chemicals” technology that effectively utilizes CO_2 as a resource by using an electrochemical reaction to convert it into a valuable material.

(2) Infrastructure resiliency

We will continue developing multi-parameter phased array weather radar (MP-PAWR), which allows fast and highly precise predictions of sudden torrential rainstorms and their rainfall volume. Also, we can forecast disasters by gathering information such as measurement data from weather radars, and coordinating that data with weather and marine simulators (including those for floods, tsunamis, and other various inland water-related and marine phenomena). We will provide, among other measures, infrastructure services that prepare against major disasters by sending this information to infrastructure systems.

(3) Responding to a “new normal”
Toshiba Group’s Meister series of solutions for the manufacturing industry aggregate the Group’s manufacturing knowledge and know-how, as well as various technologies for digitizing the manufacturing floor. Using this series, we will build resilient and digitized supply chains and promote remote-compatibility and automation to contribute to plant operations that respond to this “new normal”.

(4) Precision medicine
In the field of precision medicine, we will advance development of projects including microRNA detection technology that detects 13 types of cancer in a short amount of time by measuring a small sample of blood, tumor-tropic biodegradable liposome technology that can carry and deliver therapeutic genes specifically to cancer cells, and disease-risk predictive AI that leverages individual clinical diagnostic data to forecast future disease risks.

(5) Applied quantum technology
In the field of applied quantum technology, we will continue developing quantum key distribution technologies that protect data communication infrastructure from cyber-attacks and similar threats and enable safe data usage by accurately detecting eavesdropping of encryption keys used to safeguard important confidential data. Furthermore, we will proceed with development of projects such as simulated bifurcation machines that, by quickly solving large combinatorial optimization problems, are expected to contribute to solving a wide range of social issues in fields such as drug discovery and finance.

Toshiba Group's SDGs Initiatives

(1) Toshiba Group and the SDGs

The cornerstone text of the Basic Commitment of Toshiba Group is "Committed to People, Committed to the Future." This underlines Toshiba Group's timeless commitment to contributing to the development of society through its business activities and is consistent with the United Nations Sustainable Development Goals (SDGs) that aim to realize a sustainable society. We will combine the creative power and technological expertise we have built up over the years to tackle social issues that are becoming increasingly complex and serious with the aim of launching a new future.

(2) Contributions to achievement of the SDGs through corporate activities

The Group identified the goals of the SDGs which it can contribute to through corporate activities, and published them in the Toshiba Next Plan for 2018 and the Toshiba Next Plan Progress Reports for 2019 and 2020.The Toshiba Group states it will step up initiatives for business activities and measures that have a positive impact on the goals and continue to work toward minimizing impacts using its technological capabilities with regard to business activities and measures that have a negative impact on the goals.

(3) Addressing climate change

Among the various social issues addressed by the SDGs, the impacts of climate change on society are becoming more serious every year, threatening the safety and security of daily life for future generations. Within this context, swift and aggressive action is being demanded from companies.

The Group sees our response to climate change as one of its highest priority management issues and aims, by FY2030, to reduce greenhouse gas emissions throughout its value chain by 50% compared to the FY2019 level, as we strive to contribute to realizing society with net zero greenhouse gas emissions by 2050.

(Notes)

1. The Company states the matters concerning the business results of the Group based on the consolidated financial statements pursuant to the provisions of Article 120, paragraph (2) of the Ordinance for Enforcement of the Companies Act.
2. Toshiba's consolidated financial statements are based on U.S. generally accepted accounting principles ("GAAP") pursuant to the provisions of Article 120-3 of the Ordinance on Accounting of Companies. Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses, and impairment loss on goodwill from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Legal settlement costs etc. are not included in it.
3. The Group indicated a "net income (loss) attributable to shareholders of the Company" under the U.S. GAAP as the net income (loss).
4. The Nuclear Power Generation business in Westinghouse Group and the Memory business are classified as discontinued operations in accordance with ASC 205-20 "Presentation of Financial Statements - Discontinued Operations." The results of these businesses have been excluded from net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Net income of the Group is calculated by reflecting results of these businesses to income (loss) from continuing operations, before income taxes and noncontrolling interests. In addition, these businesses are also classified as discontinued operations for the Group's consolidated balance sheets and are indicated separately. Results of the past fiscal year have been revised to reflect these changes.
5. The Group adopted ASU No. 2017-07 "Compensation Retirement Benefits Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" effective from the first quarter of the fiscal year ended March 31, 2019. Results of the prior years have been revised to reflect these changes.
6. Descriptions such as "World's first," "Japan's first" and" World's highest" are based on data surveyed by the Group as of the time of announcement and release, unless otherwise noted.

(2) Management Policies of the Toshiba Group Moving Forward (Issues to be Addressed)

◎Regarding improving shareholder value

◎Enhancement of Shareholder Value
We currently believe that being a public traded company in TSE 1 and NSE 1 provides a stable equity structure suitable for enhancing long term value creation, and by taking advantage of the listed status will lead to corporate value enhancement. However, we will not disregard various proposals, including those to take the Company private, as alternative options to enhance Toshiba's corporate value. While we recognize that there are various hurdles to take the Company private, we will seriously consider and evaluate any credible offers objectively viewed, a bona-fide and concrete offer of acquisition. We believe that the process and content of such a proposal must satisfy our many stakeholders, including shareholders.

We recognize that it is the utmost responsibility for the Board of Directors to act in the best interests of the Company and our shareholders.

To further enhance corporate governance, the Board resolved to establish "Strategic Review Committee." The Committee will be composed solely of independent directors, with its mission to support the Board in its decision making independently, in order to enhance the Company's corporate value for its shareholders and other stakeholders.

◎Toshiba Next Plan
In November 2018, the Company formulated the Toshiba Next Plan, the overall business plan that aims to transform Toshiba for the upcoming five years, which has been implemented since FY2019. The details of the plan are as follows. (below reflects all changes that were made to parts of the Toshiba Next Plan as of today)

1. Overview and Vision
The Group aims for stable growth as Infrastructure Service Company and evolve into a cyber-physical system ("CPS") (Note 1) technology company by combining the knowledge and capabilities accumulated over years of experience in a wide range business, ranging from infrastructure to electronic devices, with its strength in information processing, digital and AI technologies. The Group has developed the Toshiba Next Plan to establish the direction and measures that will transform its business to realize future growth.

The Group intends to continue contributing to the development of society by providing services and solutions that can help to solve issues facing the world today.
(Note 1) CPS means a system to collect data from the physical world to be analyzed and processed using digital technology. CPS creates value through a constant feedback loop between cyber and physical worlds.

2. Outline of the Toshiba Next Plan
(1) Objectives
The basic objective of the Toshiba Next Plan is to enhance shareholder value by maximizing corporate value and generating value for its customers, business partners, and employees. For this purpose, the Group will continue implementing measures to improve core earning power and will also secure investment for growth. We will maximize corporate value and expand TSR (Note 2) through profitable growth.
(Note 2) TSR stands for Total Shareholders Return and refers to the overall yield and return

on an investment, including capital gains and dividends, received by shareholders.

(2) Business Portfolio and Action Plans

The Company will thoroughly manage its existing business portfolio by checking the competitiveness of each business and its markets. In businesses where expansion is anticipated, the Company will cultivate organic growth with appropriate investments. Action plans for restructuring its business portfolios are in place to improve margins in currently under-performing businesses. Progress will be monitored regularly and firmly.

(3) Policy on Shareholder Returns

The Company intends to maintain average consolidated dividend payout ratio of at least 30% (Note 3) as a base to realize stable and continuous increase. Shareholder's equity in excess of the appropriate level of capital will be used to provide shareholder returns, including share buyback. Appropriate level of capital will be periodically reviewed by the Board of Directors. While Toshiba will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation, it is Toshiba's intention in principle, to return the majority of the net proceeds from any KIOXIA Holdings Corporation divestiture to shareholders. Furthermore, if the external environment stabilizes, enabling capital markets and the global pandemic to be more predictable, Toshiba expects to be in a position to undertake more proactive portfolio streamlining and divestitures, including the assessment of highly accretive M&A opportunities to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of Toshiba.

(Note 3) For the time being, equity in earnings or losses of KIOXIA Holdings Corporation is excluded from the Company's policy on shareholder returns.

(4) Development of New Growth Fields

The Company sees opportunities in changes in the environment brought about by destructive innovation amid such mega-trends as growing urban infrastructure needs, expanding mobility of people and goods, automation through advanced technological development, expanding advanced medical technologies, and the shift to renewable energy. We aim to grow new businesses by bringing together the Group's unique technologies and resources and investing the management resources for growth.

(5) The Company's Digital Transformation

As the digital revolution is increasingly felt throughout the society, the Group will transform itself by promoting cultural change throughout the organization in order to adopt digitization. The Company will build a standardized IoT architecture and by bringing together Toshiba's demonstrated knowledge across diverse business fields, we will develop IoT services for electric power generation, railways, buildings, logistics and manufacturing companies.

(6) Establishing Structure for Execution

The Company will introduce an initiative to incubate entrepreneurship. Furthermore, to accelerate its digital transformation, the Company will take measures to develop internal talent while proactively seeking to hire new talents from outside.

The organizational structure will be changed to strengthen business operations and secure faster decision making process through simplification by consolidating business units and removing layers within the organization. Internal control functions will be further reinforced by expanding the scope and strengthening internal audit. In order to share values with shareholders, and to effectively incentivize to maximize mid- to long-term corporate value, the performance based compensation system that reflect TSR had been implemented, and had set the majority of executive officer compensation to be paid in restricted stock.

◎Implementation of the Toshiba Next Plan

1. Phase 1: Strengthen Core Earning Power

Four reforms to strengthen core earning power had resulted in a cumulative benefit of 130 billion yen from FY2018, the time Toshiba Next Plan was formulated, to FY20. In structural reforms, withdrawal from non-focused businesses has been completed, and the target to reduce number of subsidiaries for 25% is expected to be fulfilled up to 80% against the target. With regard to the number of subsidiaries, we plan to further advance the integration for half out of 388 companies.

Steady progress had been made in our digitalization initiatives, and we have already completed to standardize 97% of our operational specifications. We will work to reduce IT-related expenses by replacing our current IT system, while also streamlining back-office divisions by improving operational efficiency. From FY2021 onward, we believe that engineering reform that leads to design standardization and modularization, and IT replacement will greatly contribute to reduce fixed costs significantly.

In the monitoring business, we withdrew from the new development of Advanced system LSI (SoC) in the system LSI business and established an efficient business operation structure to significantly lower the break-even point. In the HDD business, by shifting the core of its business strategy to near-line HDDs to accommodate the increasing need for data centers, the profitability improved with acceleration in development and expansion of its production facilities. In the Thermal Power business, basic profitability improved by increasing service business portion, reviewing labor allocation, and reducing fixed costs by optimizing manufacturing base locations. In the Printing business, measures to improve its profitability are essential as it was largely impacted by the spread of COVID-19. We will continue to monitor the structural reform outcome of the Toshiba Tec Corporation, and will discuss necessary measures from the business portfolio strategy perspective as the Toshiba Group.

2. Phase 2: Stable Growth as an Infrastructure Services Company

Our Group consists of nearly 20 business units by industry basis. By classifying the contents of the business by functions, it can broadly be summarized into 4 segments: Device Products, Infrastructure Systems (construction), Infrastructure Services, and Data Services. In Phase 2 of the Toshiba Next Plan, Infrastructure Services are the core businesses of our Group. We intend to steadily grow sales and earnings by supporting the maintenance services of the equipment that we installed over years, and by our long-term relationships with customers.

First, we will optimize operations and consolidate indirect operations through the means of IT and AI, and enhance competitiveness of service operations by optimizing subsidiaries. Second, we will expand existing businesses and securing service contracts, and increase service areas by taking in services for equipment made by other manufacturers. Finally, we will evolve into a company that provides value-added services by transitioning to profit-share models and developing new services such as matching. These three points will be factors behind the growth for Infrastructure Services.

Our Group holds the top share of businesses in a wide range of fields from renewable energy to energy management. We believe that business opportunities through decarbonization can be a major opportunity for expanding Infrastructure Services, and we are confident to contribute to realize a decarbonized society.

For green and digital technology with its major example as energy matching, we established a new company in last November together with Next Kraftwerke, a major European renewable energy supply and demand adjustment company. In addition, we will not miss the chance to accelerate our growth with our cutting edge technologies; Quantum Key Distribution, which will be the new standard network system in the quantum computer era, and a data matching platform that conveniently activate local communities by distributing purchase data and human flow data.

◎Reinstatement to the first sections of the Tokyo Stock and the Nagoya Stock Exchanges

Toshiba stock was demoted from the first to the second sections of the Tokyo and Nagoya Stock exchanges on August 1, 2017; however, applications for reinstatement to the first sections of the Tokyo and Nagoya stock exchanges have been approved by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. in January 2021, and the stock was reinstated to the first sections of both markets on January 29, 2021.

◎Investigation by investigators

At the Company's Extraordinary General Meeting of Shareholders held on March 18, 2021, the shareholder proposal for the "Election of persons who will be charged to investigate the status of the operations and property of the Stock Company as set forth in Article 316, Paragraph 2 of the Companies Act" was approved and Yoji Maeda, Takashi Kisaki, and Takao Nakamura were appointed as investigators into any and all matters they deem necessary with regard to determining whether the 181st General Meeting of Shareholders on July 31, 2020 was conducted in a fair manner (including whether or not resolutions were handled legally and fairly).

The Company takes the relative wishes of shareholders seriously and intends to cooperate with sincerity and to continue striving to further ensure transparency in our management with regard to the investigation by investigators elected by the resolution of the Extraordinary General Meeting of Shareholders.

◎COVID-19

In February 2020, the Company established the COVID-19 Response Task Force to prevent the spread of the novel coronavirus pandemic. This task force is addressing the pandemic with employee safety and putting an end to the situation as top priorities. In light of rising new COVID-19 case numbers, particularly in certain regions, and because of concerns over the strain being placed on healthcare systems, we have sought to limit person-to-person contact as much as possible by having all employees work from home as a general rule. At the same time, the Group operates many businesses and services essential to maintaining social activities, including our social infrastructure business that forms a foundation of people's lives. In order to fulfill our supply responsibilities and social responsibilities for such, the Company has continued its activities to provide delivery, maintenance and services to customers and business partners and conduct businesses essential to maintaining operations and social activities within the scope necessary and after implementing further measures to mitigate the risk of spreading the virus.

◎Improvement of Internal Controls Process

In line with our basic policy of prioritizing compliance over all business activities, we are working to further enhance our internal control.

We have established a three-line defense, with frontline business departments as the first line, management departments as the second, and auditing departments as the third, and have defined clear roles and duties for these organizations. Through their efforts to check and balance and carry out their responsibilities properly, we have carried out a number of measures aimed at achieving effective risk management.

As part of efforts to further enhance our internal control system last year, we newly established the Compliance Advisory Meeting with external experts as members. Based on the results of their discussions, within the Legal Affairs Division we newly established the Risk Management Compliance Office, which will re-enforce compliance awareness and enrich cross-organizational compliance systems and measures. We will bolster our three-line defense based on the following trajectory with regard to matters that the Compliance Advisory Meeting indicated as requiring amelioration or further discussion.

・ With respect to promoting a strong awareness about compliance, we will carry out the proper messaging at the appropriate time and develop education programs to ensure employees have a firm grasp of our fundamental principle of prioritizing compliance over even organizational goals.

・ As part of fraud risk management, we devised a new “zero tolerance (steadfast refusal to accept such behavior)” policy that will guide our efforts to develop and enforce all necessary rules, which includes creating a uniform system of standards for antifraud measures, establishing rules for control operations, preparing manuals, and communicating more effectively about disciplinary action.

・ Concerning our whistleblowing system, we will continue to make further improvements to the system to promote its use by taking thorough measures to ensure greater awareness of the system, launching the capacity to receive English-language reports in Japan, and improving the overseas reporting network.

・ For internal audits concerning our fraud risk management system, as we have already publicly announced, we will provide better response by bolstering our internal auditing capabilities through such measures as adding more personnel.

◎Climate change

The Group sees impacts from climate change as material risks and, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we are analyzing impacts on our business. We predict physical risks from natural disasters and transition risks from the rising cost of responding to regulations, loss of sales opportunities due to delays in responding technologically, and impaired reputation from delays in initiatives. As such, we are striving to strengthen our frameworks and activities for addressing these risks. At the same time, we see opportunities from increased demand, including decarbonized energy technologies and energy-saving products and services, so we are proceeding to transition toward decarbonization business, starting with renewable energies. We have established a framework for the Board of Directors to execute appropriate supervision of the material issues related to the impact of climate change on our business.

As a response to climate change and as stated in our Environmental Future Vision 2050 announced in November 2020, the Group aims to reduce greenhouse gas emissions throughout the Group's value chain by 50% compared to the FY2019 level by FY2030, as we contribute to realizing a net zero emissions society by 2050. We have set separate FY2030 reduction targets for the Scope 1 & 2 categories together, and for the Scope 3 category, and have acquired the approval of the Science Based Targets (SBT) initiative, which is consistent with the Paris Agreement.

At present, we are pursuing the detailed Seventh Environmental Action Plan, which takes us to FY2023, and are proceeding to reduce GHG emissions in our business activities, as well as in our products and services. We aim to hold total GHG emissions in our business activities in FY2023 to 1.04 million t-CO2 and to achieve a 1% year-on-year improvement in our total energy-derived CO_2 emissions intensity. Furthermore, in our products and services, we aim to continue developing and delivering renewable energies as well as products and services that have robust energy-saving features. We aim to reduce GHG emissions during energy supply by 13.6% versus FY2019, while aiming for an 84 million t-CO_2 contribution to GHG reduction during product use.

2. Group Business Results and Asset Conditions for the Four-Year Period

(1) The Group (Consolidated)

Item	179th Period	180th Period	181st Period	182nd Period (current period)
	FY2017	FY2018	FY2019	FY2020
Net Sales (Billions of yen)	3,947.6	3,693.5	3,389.9	3,054.4
Net income (loss) (Billions of yen)	804.0	1,013.3	△114.6	114.4
Net income (loss) per share (Yen)	1,628.88	1,641.85	△236.39	251.25
Total Assets (Billions of yen)	4,458.2	4,297.3	3,383.4	3,500.6

(Notes)

1. Net income (loss) attributable to shareholders of the Company in accordance with U.S. Generally Accepted Accounting Standards ("U.S. GAAP"), is presented as Net income (loss) in this section.
2. The Company implemented a share consolidation with a ratio of 10 common shares to 1 share as of October 1, 2018. Net income per share of the 179th Period has been revised to reflect this change.

(2) The Company (Non-consolidated)

Item	179th Period	180th Period	181st Period	182nd Period (current period)
	FY2017	FY2018	FY2019	FY2020
Net Sales (Billions of yen)	526.1	45.8	75.0	74.4
Net income (loss) (Billions of yen)	177.6	1,278.9	6.7	101.2
Net income (loss) per share (Yen)	359.77	2,072.30	13.87	222.99
Total Assets (Billions of yen)	1,733.7	2,068.6	1,461.2	1,725.0

(Notes)

1. The Company's net sales for FY2018 and subsequent fiscal years declined significantly because the Company split off the main businesses operated by the Company in FY2017.
2. The Company implemented a share consolidation with a ratio of 10 common shares to 1 share as of October 1, 2018. Net income per share of 179th Period has been revised to reflect this change.

3. The Company's Policy on Decisions of Dividends, etc.

The Company is steadily implementing Phase 1 of the Toshiba Next Plan and has already reaped significant effects from improving the profit/volume (P/V) ratio and reducing fixed costs, which has strengthened our core earning power. Furthermore, we are working to transition to a stable earning model focused on infrastructure services and, going forward, will strive for stable and continuous improvement of our earnings capacity. Our basic policy for shareholder returns has rested on maintaining an average dividend payout ratio of 30% or more (*Note) on a consolidated basis and to return to shareholders any surplus above the appropriate level of capital, including stock buybacks. As of January 29, 2021, Toshiba stock has been relisted on the first sections of the Tokyo Stock Exchange and the Nagoya Stock Exchange. In order to reward shareholders who continued to offer us their sincere support during this period, we will strive to promote a higher level of shareholder returns and we aim for stable and continuous increases in FY2021 and beyond. The appropriate level of capital shall be reviewed by the Board of Directors on a regular basis.

While Toshiba will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation, it is Toshiba's intention in principle, to return the majority of the net proceeds from any KIOXIA divestiture to shareholders. Furthermore, if the external environment stabilizes, enabling capital markets and the global pandemic to be more predictable, Toshiba expects to be in a position to undertake more proactive portfolio streamlining and divestures, including the assessment of highly accretive M&A opportunities to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of Toshiba.

The Company paid a dividend (interim) to shareholders registered as of September 30, 2020 of 10 yen per share in December 2020 and resolved to pay a dividend (year-end) to shareholders registered as of March 31, 2021 of 70 yen per share in June 2021. As result of such dividend, total amount of dividend per share is 80 yen.

In addition, as a result of verifying the appropriate shareholder equity level from the results of the financial results for the fiscal year ending March 2021 and the business outlook for the fiscal year ending March 2022, and after deducting the year-end dividend above, Toshiba's Board of Directors has confirmed a surplus against the appropriate shareholder equity level of approximately 150 billion yen. On May 14th, 2021, the Board of Directors decided to make an additional shareholder return of 150 billion yen. The Company will consider specific methods for effecting the return, with consideration for factors including legal restrictions, and will announce its conclusions in early June.

(*Note) For the time being, equity method profit and loss for KIOXIA Holdings Corporation is excluded from Toshiba's policy on shareholder returns.

4. Outline of Main Group Companies

As of March 31, 2021

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
Energy Systems & Solutions	Toshiba Energy Systems & Solutions Corporation	22,602 (Millions of yen)	100.0	Development, manufacturing, sale, and service of products and systems relating to the energy business	Kawasaki
	Toshiba Plant Systems & Services Corporation	11,876 (Millions of yen)	100.0	Engineering, construction, trial operation, alignment, maintenance, and service of power systems and social infrastructure & industrial systems	Yokohama
Infrastructure Systems & Solutions	Toshiba Infrastructure Systems & Solutions Corporation	10,000 (Millions of yen)	100.0	Development, manufacturing, sale, and service of products and systems relating to the social infrastructure business	Kawasaki
Building Solutions	Toshiba Elevator and Building Systems Corporation	21,407 (Millions of yen)	80.0	Elevator development, sales, design, manufacturing, installation, maintenance, repair, and renovation, as well as building facility-related construction and services	Kawasaki
	Toshiba Carrier Corporation	11,510 (Millions of yen)	60.0	Development, design, sales and services of commercial air conditioners, ventilators, refrigerators and compressors	Kawasaki
	Toshiba Lighting & Technology Corporation	6,000 (Millions of yen)	99.9	Development, manufacturing, sales, and services of light equipment and industrial light sources	Yokosuka, Kanagawa
Retail & Printing Solutions	Toshiba TEC Corporation	39,970 (Millions of yen)	52.6	Development, design, manufacturing, sale, and maintenance of retail information systems and office equipment	Shinagawa-ku, Tokyo

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
Electronic Devices & Storage Solutions	Toshiba Electronic Devices & Storage Corporation	10,000 (Millions of yen)	100.0	Development, manufacturing, sale, and related businesses of discrete semiconductors, system LSIs, HDDs, and related products	Minato-ku, Tokyo
Digital Solutions	Toshiba Digital Solutions Corporation	23,500 (Millions of yen)	100.0	System integration and development, manufacturing, and sale of ICT solutions using IoT/AI	Kawasaki
Others	Toshiba America, Inc.	1,884 (U.S. dollars)	100.0	Holding company and operating company in the U.S.	U.S.
	Toshiba (China) Co., Ltd.	249,362 (Thousands of CNY)	100.0	Operating company in the China and East Asia	China
	Toshiba of Europe Ltd.	12,532 (Thousands of pounds sterling)	100.0	Operating company in the Europe, Middle East and Africa	U.K.
	Toshiba Asia Pacific Pte. Ltd.	6,784 (Thousands of Singapore dollars)	100.0	Operating company in the Asia-Pacific	Singapore

(Notes)
1. The Company has 296 consolidated subsidiaries (including the companies listed above) in accordance with U.S.GAAP, and 139 affiliated companies accounted for by the equity method. Important affiliated companies accounted for by the equity method include KIOXIA Holdings Corporation and WingArc1st Inc.
2. In March 2020, the Company acquired all of the shares of Toshiba Research Europe Limited (TREL), a wholly-owned subsidiary of Toshiba of Europe Limited (TOEL), from TOEL. Thereafter, the Company transferred TOEL's entire business operations and part of the sales functions of its UK subsidiary to TREL as of April 1, 2020, and changed the company's trade name to Toshiba of Europe Ltd., and designated it as a regional headquarters for the Europe, Middle East and Africa regions.
3. Voting rights ratio includes those which are held indirectly.

5. Shares and Stock Acquisition Rights of the Company

As of March 31, 2021

(1) Total Number of Authorized Shares: 1,000,000,000

(2) Total Number of Issued Shares: 455,280,690

(Note) As a result of the issuance of new shares in December 2020 for the purpose of granting stock-based compensation, the number of shares increased by 280,690.

(3) Total Number of Shareholders: 270,598

(4) Principal Shareholders

Name of Shareholder	Number of shares (in thousands)	Shareholding ratio (percentage)
MSIP CLIENT SECURITIES	34,247	7.5
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,026	4.9
SUNTERA (CAYMAN) LIMITED AS TRUSTEE OF ECM MASTER FUND	20,000	4.4
CHINOOK HOLDINGS LTD	15,392	3.4
GOLDMAN SACHS & CO. REG	14,026	3.1
The Dai-ichi Life Insurance Company, Limited	11,515	2.5
Custody Bank of Japan, Ltd. (Trust Account)	11,470	2.5
Nippon Life Insurance Company	11,035	2.4
Toshiba Employees Shareholding Association	9,928	2.2
NIHK A/C CLIENT	9,029	2.0

(Notes)

1. For the purpose of calculation of shareholding ratio in the above table of principal shareholders, treasury shares are excluded from total number of issued shares (denominator).
2. The change report on large-volume holdings offered for public inspection on June 1, 2018 notes that, as of June 1, 2018, Farallon Capital Management L.L.C. and CHINOOK HOLDINGS LTD jointly held 350,398K shares (ratio of stock certificates, etc. held: 5.37%) as shown below. As the Company cannot confirm the beneficial ownership or number of shares held by Farallon Capital Management L.L.C. and CHINOOK HOLDINGS LTD as of the end of the current fiscal year, Farallon Capital Management L.L.C. is not included in the above table and data for CHINOOK HOLDINGS LTD stated in the above table is based on the details of the shareholder registry. The number of shares referred to in this note is the number of shares prior to share consolidation in October 2018.

Name of company	Number of stock certificates, etc. held (in thousands)	Ratio of stock certificates, etc. held (percentage)
Farallon Capital Management, L.L.C.	138,475	2.12
CHINOOK HOLDINGS LTD	211,923	3.25
Total	350,398	5.37

3. The change report on large-volume holdings offered for public inspection on December 4, 2020 notes that Effissimo Capital Management Pte Ltd. held 45,068K shares as of November 30, 2020 (ratio of stock certificates, etc. held: 9.91%). However, as the Company was unable to confirm the beneficial ownership or number of shares held as of the end of the current fiscal year, Effissimo Capital Management Pte Ltd. is not included in the above table.
4. The change report on large-volume holdings offered for public inspection on August 21, 2020 notes that Nomura Securities Co., Ltd. and Nomura Asset Management Co., Ltd. jointly held 20,880K shares as of August 14, 2020 (ratio of stock certificates, etc. held:

4.59%) as shown below. However, as the Company was unable to confirm the beneficial ownership or number of shares held as of the end of the current fiscal year, Nomura Securities Co., Ltd. and Nomura Asset Management Co., Ltd. are not included in the above table.

Name of company	Number of stock certificates, etc. held (in thousands)	Ratio of stock certificates, etc. held (percentage)
Nomura Securities Co., Ltd.	20,374	4.48
Nomura Asset Management Co., Ltd.	506	0.11
Total	20,880	4.59

5. The change report on large-volume holdings offered for public inspection on March 4, 2021 notes that a total of 11 companies as noted in the table below, including BlackRock Japan Co., Ltd., held 23,720K shares as of February 26, 2021 (percentage of stock certificates, etc. held: 5.21%). However, as the Company was unable to confirm the beneficial ownership or number of shares held as of the end of the fiscal year under review, these companies are not included in the table above.

Name of company	Number of stock certificates, etc. held (in thousands)	Ratio of stock certificates, etc. held (percentage)
BlackRock Japan Co., Ltd.	4,124	0.91
BlackRock Advisers, LLC	455	0.10
BlackRock Financial Management, Inc.	631	0.14
BlackRock Investment Management LLC	482	0.11
BlackRock (Netherlands) BV	782	0.17
BlackRock Fund Managers Limited	850	0.19
BlackRock Asset Management Canada Limited	517	0.11
BlackRock Asset Management Ireland Limited	1,676	0.37
BlackRock Fund Advisors	5,725	1.26
BlackRock Institutional Trust Company, N.A.	7,625	1.67
BlackRock Investment Management (UK) Limited	848	0.19
Total	23,720	5.21

6. The report on large-volume holdings offered for public inspection on April 2, 2021 notes that 3D Investment Partners Pte. Ltd. held 32,791K shares as of March 29, 2021 (ratio of stock certificates, etc. held: 7.2%). However, as the Company was unable to confirm the beneficial ownership or number of shares held as of the end of the current fiscal year, 3D Investment Partners Pte. Ltd. is not included in the above table.
7. The change report on large-volume holdings offered for public inspection on April 7, 2021 notes that Mizuho Bank, Ltd. and Asset Management One Co., Ltd. jointly held 15,521K shares as of March 31, 2021 (ratio of stock certificates, etc. held: 3.41%) as shown below. However, as the Company was unable to confirm the beneficial ownership or number of shares held by Asset Management One Co., Ltd. as of the end of the current fiscal year,

Mizuho Bank, Ltd. and Asset Management One Co., Ltd. are not included in the above table.

Name of company	Number of stock certificates, etc. held (in thousands)	Ratio of stock certificates, etc. held (percentage)
Mizuho Bank, Ltd.	5,634	1.24
Asset Management One Co., Ltd.	9,887	2.17
Total	15,521	3.41

(5) Shareholding Ratio by Category:

As of March 31, 2021

Category	Status of share (100 shares per share unit)								Status of share below the share unit
	Government and local public entities	Financial institutions	Securities companies	Other entities	Overseas entities and others		Individuals and others	Total	
					Other than individuals	Individuals			
The number of shareholders	–	70	84	1,583	743	370	225,678	228,528	–
Shares (Share unit)	–	1,094,782	141,783	81,706	2,285,982	1,682	929,697	4,535,632	1,717,490
Ratio of share unit	–	24.14	3.13	1.80	50.40	0.04	20.50	100.00	–

(Notes)
1. The number of treasury stock of 1,439,724 is described in 14,397 share units in "Individuals and the other" and in 24 shares in "Status of share below the share unit".
2. 23 share units registered by the name of Japan Securities Depository Center, Incorporated are included in "Other entities" above.

(6) Stock Granted to Company Officers as Compensation for Execution of Duties During the Fiscal Year Under Review:

Category	Number of shares	Number of people eligible for grants
Directors (excluding Outside Directors) and Executive Officers	114,829	18
Outside Directors	11,122	7

(Note) Directors (excluding Outside Directors) and Executive Officers include individuals who had retired at the time that grants were made.

(7) Stock Acquisition Rights:
There is no relevant item.

6. Main Lenders of the Toshiba Group

As of March 31, 2021

Lender	Loans Outstanding (Billions of yen)
Sumitomo Mitsui Banking Corporation	102.8
Mizuho Bank, Ltd.	101.6
Sumitomo Mitsui Trust Bank, Limited	60.0

7. Financing of the Toshiba Group

During the fiscal year under review, the Company procured approximately 200.0 billion yen as long-term debt from financial institutions, which it allocated to the repayment of debt, redemption of corporate bonds, and working capital, etc., while securing sufficient liquidity on hand.

The Company did not procure funds from other sources such as capital increase or issuance of corporate bonds.

8. Capital Expenditure of the Toshiba Group

(1) Overview

Under the Toshiba Next Plan, the Group plans to accelerate investment aimed at organic growth over the medium- to long-term as part of efforts to allocate resources towards growth areas. During the fiscal year under review, the Group executed capital investment of 111.6 billion yen (order basis).

Principal capital investments are presented below for each segment. In Infrastructure System & Solutions, investments were made for the development of production and testing facilities for rail-related products. In Building Solutions, investments were made to reinforce the production system for elevators. In Electronic Devices & Storage Solutions, investments were made to increase production capacity of power semiconductors and nearline HDDs. Other investments were made for IT system renewal to reduce system-related costs and improve operational efficiency.

(Billions of yen)

Segment	Capital Expenditures
Energy Systems & Solutions	9.4
Infrastructure Systems & Solutions	15.9
Building Solutions	12.4
Retail & Printing Solutions	4.3
Electronic Devices & Storage Solutions	37.8
Digital Solutions	1.3
Others	30.5
Total	111.6

(2) Primary Capital Expenditures

	Segment	Outline
Completed during the term	Infrastructure Systems & Solutions	• Manufacturing facilities for auxiliary power sources for automobiles (Toshiba Industrial Products Asia Co., Ltd)
	Building Solutions	• Building construction for developing and manufacturing air conditioners (Toshiba Carrier Air Conditioning (China) Co., Ltd.) • Investment related to establishment of European site for air conditioners business (Toshiba Carrier Air-conditioning Europe sp. z o. o.)
	Electronic Devices & Storage Solutions	• Investment for increasing production of automobile devices (Kaga Toshiba Electronics Corporation) • Nearline HDD manufacturing facilities (Toshiba Information Equipment (Philippines), Inc.)
Ordered during the term	Infrastructure Systems & Solutions	• Power supply equipment for manufacturing and testing of railway-related products (Toshiba Infrastructure Systems & Solutions Corporation)
	Building Solutions	• Building construction for elevator manufacturing loads (Toshiba Elevator and Building Systems Corporation)
	Electronic Devices & Storage Solutions	• Manufacturing facilities for power device (Kaga Toshiba Electronics Corporation) • Nearline HDD manufacturing facilities (Toshiba Information Equipment (Philippines), Inc.)
	Others (shared group-wide)	• Renewal of IT systems and next-generation platform IT systems (head office and branch offices)

9. Names, Responsibilities, etc. of the Company's Directors / Officers As of March 31, 2021

(1) Directors

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Director, Chariman	Satoshi Tsunakawa		
Director	Nobuaki Kurumatani		
Outside Director	Osamu Nagayama	Chairperson of the Board of Directors; Chairperson of the Nomination Committee; Member of the Compensation Committee	Senior Advisor (Honorary Chairperson), Chugai Pharmaceutical Co., Ltd.; President, Japan Bioindustry Association; Chairman, The Tokyo Biochemical Research Foundation
Outside Director	Yūki Furuta	Chairperson of the Compensation Committee; Member of the Audit Committee	
Outside Director	Junji Ota	Chairperson of the Audit Committee; Member of the Nomination Committee	External Director, Heiwa Real Estate Co., Ltd.
Outside Director	Nobuyuki Kobayashi	Member of the Audit Committee	Representative Director & President, Eishin Partners Co., Ltd.; Outside Director (Audit and Supervisory Committee member), Imagineer Co., Ltd.
Outside Director	Takashi Yamauchi	Member of the Nomination Committee; Member of the Audit Committee	
Outside Director	Yoshiaki Fujimori	Member of the Nomination Committee; Member of the Compensation Committee	Outside Director, Takeda Pharmaceutical Company Limited; Outside Director, Boston Scientific Corporation; Senior Executive Advisor, CVC Asia Pacific (Japan) Kabushiki Kaisha; Outside Director and Chairman, Oracle Corporation Japan; Outside Director, Shiseido Company, Limited Senior Executive Advisor, Genpact Limited

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Outside Director	Paul J. Brough		Independent Non-Executive Director, GL Limited; Independent Non-Executive Director, Vitasoy International Holdings Limited; Chief Executive, Blue Willow Limited
Outside Director	Ayako Hirota Weissman	Member of the Nomination Committee	Senior Vice President, Senior Portfolio Manager and Director in charge of Asia Strategy, Horizon Kinetics LLC; Non-Executive Director, Nippon Active Value Fund
Outside Director	Jerome Thomas Black	Member of the Compensation Committee	Advisor, Aeon Co., Ltd.
Outside Director	George Raymond Zage III		Independent Non-Executive Director, Whitehaven Coal Limited; Founder and CEO, Tiga Investments Pte. Ltd.; Commissioner (Non-Executive), PT Lippo Karawaci Tbk; Chairman and CEO, Tiga Acquisition Corp

(Notes)

1. Outside Director, Mr. Yoshimitsu Kobayashi, retired from his office due to expiry of the term of office at the closing of the Ordinary General Meeting of Shareholders for the 181st fiscal period held on July 31, 2020.
2. Outside Director, Mr. Osamu Nagayama was newly elected and assumed office at the Ordinary General Meeting of Shareholders for the 181st fiscal period.
3. Mr. Nobuyuki Kobayashi, Member of the Audit Committee, is a Certified Public Accountant, and is equipped with a considerable level of knowledge in finance and accounting.
4. In order to further reinforce reporting and collection of information from the management side, and to fulfill audit activities by the Audit Committee, the Company has appointed Mr. Junji Ota as the full-time member of the Audit Committee.
5. The following ten (10) Outside Directors are independent directors as defined by the Tokyo Stock Exchange: Mr. Osamu Nagayama, Mr. Yūki Furuta, Mr. Junji Ota, Mr. Nobuyuki Kobayashi, Mr. Takashi Yamauchi, Mr. Yoshiaki Fujimori, Mr. Paul J. Brough, Ms. Ayako Hirota Weissman, Mr. Jerome Thomas Black and Mr. George Raymond Zage III.
6. The state of significant concurrent holding of positions by Directors concurrently serving as Executive Officers is described in table (3) for Executive Officers.
7. Mr. Nobuaki Kurumatani resigned as Director on April 14, 2021.

(2) Outside Directors

1) Relationship between the Company and entities at which outside directors hold significant concurrent positions

The Company has an ongoing business relationship with Oracle Corporation Japan and Shiseido Company, Limited, but the volume of transactions between each of those companies and the Company is less than 1% of each party's consolidated net sales and the persons concurrently serving do not execute the Company's business.

In the relationship above, there is no materiality that may affect the independence of our Outside Directors. There is no relationship to be disclosed between the Company and other entities at which Outside Directors hold significant concurrent positions.

2) Main Activities

During the FY2020, the Board of Directors met 16 times (Note), the Nomination Committee 11 times, the Audit Committee 16 times and the Compensation Committee 4 times, and the Outside Directors commented as necessary at those meetings. The Outside Directors received explanations about the matters to be resolved at the board meetings from Executive Sessions, the staff in charge, the administrative office for the Board of Directors, etc. in advance. They also made an effort to communicate and share information with the Executive Officers.

The Outside Directors who were members of the Audit Committee were supported by the full-time staff of the Audit Committee Office. The Outside Directors who were members of the Nomination Committee or the Compensation Committee were supported by the staff in charge, etc. as necessary.

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Osamu Nagayama	Chairperson of the Board of Directors; Chairperson of the Nomination Committee; Member of the Compensation Committee	After July 31, 2020, when he was elected, attended 11 (100%) of the 11 meetings of the Board of Directors held during the fiscal year under review. As the Chief Executive Officer of Chugai Pharmaceutical Co., Ltd. which is a global company, he has abundant experience and wide-ranging insight into management. Also, as an Outside Director of Sony Corporation, he has deep insight into the electronics business. Therefore, the Company expects him to effectively contribute to the deliberation of the Company’s basic strategy and to provide appropriate supervision of the Company’s management. As Chairman of the Board of Directors, he works to ensure the effective operation of the Board of Directors and plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by making recommendations, etc., from a specialized standpoint based on his experience, particularly regarding the progress and future direction of the Toshiba Next Plan, the Company’s basic strategy, shareholder return policy, budget, and engagement with shareholders. In addition, as the Chairman of the Nomination Committee and a member of the Compensation Committee, he attended 7 (100%) meetings of the Nomination Committee and 2 (100%) meetings of the Compensation Committee held after he was elected, and made necessary comments as appropriate.

Yūki Furuta	Chairperson of the Compensation Committee; Member of the Audit Committee	Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. He served as a justice of the Supreme Court for six years and eight months, and handled many cases related to the Securities and Exchange Act (currently the Financial Instruments and Exchange Act), the Companies Act, the Antimonopoly Law, etc. He is not only well-versed in corporate legal affairs, but also in contentious proceedings related to corporate legal affairs. He served as Director of the International Section of the Criminal Affairs Bureau of the Ministry of Justice and has abundant knowledge of international legal affairs. Therefore, the Company expects him to effectively contribute to the deliberation of the Company's basic strategies and provide appropriate supervision of the Company's management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing supervision and making recommendations, etc., from a specialized standpoint based on his experience, particularly regarding the strengthening of the internal control system, issues related to the counting of voting rights at the 181st Ordinary General Meeting of Shareholders, and engagement with shareholders. In addition, as the Chairman of the Compensation Committee and a member of the Audit Committee, he attended 4 (100%) meetings of the Compensation Committee and 16 (100%) meetings of the Audit Committee held during the fiscal year under review, and made necessary comments as appropriate.

Junji Ota	Chairperson of the Audit Committee; Member of the Nomination Committee	Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. He has a thorough understanding of the business practices of Japanese companies, having served as Director, General Manager of Corporate Planning, and Managing Director of Japan Steel Corporation (currently Nippon Steel Corporation). He has since served as an Audit & Supervisory Board Member (full-time) of Nippon Steel Corporation, as well as Chairman of Japan Audit & Supervisory Board Members Association, and is a leading expert on audits by corporate auditors and audit committees in Japan. In addition, as a member of the Corporate Governance System Study Group of the Ministry of Economy, Trade and Industry, he has deep knowledge of the current status and issues of corporate governance in Japanese companies. As he has a wide-ranging track record and a high level of insight as an officer of the Japan Audit & Supervisory Board Members Association, as well as experience as a manager of a major manufacturer, including practical experience in corporate planning, the Company expects him to effectively contribute to the deliberation of the Company's basic strategies and provide appropriate supervision of the Company's management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing supervision and advice from a specialized standpoint based on his experience, particularly regarding the progress and future direction of the Toshiba Next Plan, which is the Company's basic strategy, shareholder return policy, budget, engagement with shareholders, handling of shares of KIOXIA Holdings Corporation, handling of cross-shareholdings, improvement of the effectiveness of the Board of Directors, strengthening of the internal control system, and issues related to the counting of voting rights at the 181st Ordinary General Meeting of Shareholders. In addition, as the Chairman of the Audit Committee and a member of the Nomination Committee, he attended 16 (100%) meetings of the Audit Committee and 11 (100%) meetings of the Nomination Committee held during the fiscal year under review, and made necessary statements as appropriate.

Nobuyuki Kobayashi	Member of the Audit Committee	Attended 15 (94%) meetings of the Board of Directors held during the fiscal year under review. As he once served as a representative of a mid-to-large size accounting firm in Japan and has deep knowledge of finance, accounting and auditing, as well as a wide-ranging track record and a high level of insight as a certified public accountant, the Company expects him to effectively contribute to the deliberation of the Company’s basic strategies and to appropriately supervise the Company’s management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing advice from a specialized standpoint based on his experience, particularly regarding issues such as the counting of voting rights at the 181st Ordinary General Meeting of Shareholders. In addition, as a member of the Audit Committee, he attended 16 (100%) meetings of the Audit Committee, and made necessary statements as appropriate.

Takashi Yamauchi	Member of the Nomination Committee; Member of the Audit Committee	Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. He possesses in-depth insight relating to the practical side of management at Japanese corporations, having served as a person at the helm of business operations in the Asia Pacific area and as a vice president while working for Mitsui & Co. Ltd., Japan’s largest general trading company, along with abundant experience in international business, experience as a corporate manager at a large corporation, and a wide-ranging track record and a high level of knowledge regarding the auditing of corporate groups that operate a diverse range of businesses. Accordingly, the Company expects him to use such experience, etc. to effectively contribute to the deliberation of the Company’s basic strategies and provide appropriate supervision of the Company’s management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing suggestions, etc. from a specialized standpoint based on his experience, particularly regarding the progress and future direction of the Toshiba Next Plan, which is the Company’s basic strategy, shareholder return policy, budget, engagement with shareholders, handling of shares of KIOXIA Holdings Corporation, strengthening of the internal control system, and issues related to the counting of voting rights at the 181st Ordinary General Meeting of Shareholders. In addition, as a member of the Nomination Committee and a member of the Audit Committee, he attended 11 (100%) meetings of the Nomination Committee and 16 (100%) meetings of the Audit Committee held during the fiscal year under review, and made necessary comments as appropriate.

Yoshiaki Fujimori	Member of the Nomination Committee; Member of the Compensation Committee	Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. He possesses extensive international business experience in the electrical products industry, which is the Company's main field of business, through his career as a corporate officer at General Electric Company, a major global electrical products manufacturer and as a representative of the Japanese corporation of that company. In addition, he has in-depth insight, an extensive track record and extensive knowledge regarding the management of major Japanese corporations. Based on that experience, etc., the Company expects him to effectively contribute to the deliberation of the Company's basic strategies and provide appropriate supervision of the Company's management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing suggestions, etc. from a specialized standpoint based on his experience, particularly regarding the progress and future direction of the Toshiba Next Plan, which is the Company's basic strategy, shareholder return policy, budget, engagement with shareholders, handling of shares of KIOXIA Holdings Corporation, handling of cross-shareholdings, improvement of the effectiveness of the Board of Directors, and strengthening of the internal control system. In addition, as a member of the Nomination Committee and a member of the Compensation Committee, he attended 11 (100%) meetings of the Nomination Committee and 4 (100%) meetings of the Compensation Committee held after he was elected, and made necessary comments as appropriate.

Paul J. Brough		Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. He is a Chartered Accountant in the UK, and possesses a considerable level of insight regarding finance and accounting, and he has extensive experience relating to M&A as a financial advisor. He also has extensive experience in business restructuring, having been engaged in asset liquidation for Lehman Brothers entities located in Asia, and having served as a restructuring officer (person in charge of business rehabilitation) at several companies. In addition, he has international business experience, having served as an executive director and as a non-executive director at overseas corporations. Considering such international business experience, and extensive experience in M&A and business restructuring, and his broad track record and extensive knowledge as a corporate manager, the Company expects him to effectively contribute to the deliberation of the Company’s basic strategies and provide appropriate supervision of the Company’s management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing suggestions, etc. from a specialized standpoint based on his experience, particularly regarding the progress and future direction of the Toshiba Next Plan, which is the Company’s basic strategy, shareholder return policy, budget, engagement with shareholders, and handling of shares of KIOXIA Holdings Corporation.

Ayako Hirota Weissman	Member of the Nomination Committee	Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. She has abundant experience and extensive insight relating in particular to investment businesses, having been engaged in various investment businesses, notably her long-standing work in equity investment in Japan and overseas. Moreover, in addition to having international business experience, she also has insight into Japanese corporations, having served as outside Director of a Japanese corporation. Considering such business experience, and extensive insight related to capital markets, the Company expects her to effectively contribute to the deliberation of the Company's basic strategies and provide appropriate supervision of the Company's management. At the meetings of the Board of Directors, she plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing suggestions, etc. from a specialized standpoint based on her experience, particularly regarding the progress and future direction of the Toshiba Next Plan, which is the Company's basic strategy, shareholder return policy, budget, engagement with shareholders, and handling of shares of KIOXIA Holdings Corporation. In addition, as a member of the Nomination Committee, she attended 11 (100%) meetings of the Nomination Committee, and made necessary statements as appropriate.
Jerome Thomas Black	Member of the Compensation Committee	Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. In addition to possessing experience at international consulting firms, he has served as a person responsible for business execution at Japanese corporations for many years. Considering that he has executed business as a person in charge of Group strategies and IT and digital businesses, and has extensive insight regarding the management of Japanese corporations along with international business experience, the Company expects him to effectively contribute to the deliberation of the Company's basic strategies and provide appropriate supervision of the Company's management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing suggestions, etc. from a specialized standpoint based on his experience, particularly regarding the progress and future direction of the Toshiba Next Plan, which is the Company's basic strategy, shareholder return policy, budget, engagement with shareholders, handling of shares of KIOXIA Holdings Corporation, strengthening of cyber security and strengthening of the internal control system. In addition, as a member of the Compensation Committee, he attended 4 (100%) meetings of the Compensation Committee held during the fiscal year under review, and made necessary statements as appropriate.

George Raymond Zage III		Attended 16 (100%) meetings of the Board of Directors held during the fiscal year under review. He has served at Farallon Capital, a prominent investment fund group, for 18 years and from 2008, he has been in charge of the Farallon Capital Group's Asia region as CEO of Farallon Capital Asia Pte. Ltd. He has diverse and extensive experience in investment in listed and unlisted companies, along with much experience in investment in startups and business rehabilitations. Considering such experience in investment funds, the Company expects him to bring expertise on business portfolios, business restructuring, M&A, capital markets and capital allocation to the Board of Directors, and effectively contribute to the deliberation of the Company's basic strategies and provide appropriate supervision of the Company's management. At the meetings of the Board of Directors, he plays an appropriate role in ensuring the appropriateness and adequacy of decision-making such as by providing suggestions, etc. from a specialized standpoint based on his experience, particularly regarding the progress and future direction of the Toshiba Next Plan, which is the Company's basic strategy, shareholder return policy, budget, engagement with shareholders, and handling of shares of KIOXIA Holdings Corporation.

(Note)
In addition to the number of meetings of the Board of Directors, there were also two written resolutions in lieu of a resolution passed at a Board of Directors meeting pursuant to Article 370 of the Companies Act and the provisions of the Company's Articles of Incorporation.

3) Limited Liability Contracts

The Company has entered into a liability limitation agreement with each of the following 10 Outside Directors under which, with regard to the liability set forth in Article 423, Paragraph 1 of the Companies Act, compensation to be paid by any of them shall be limited to the higher of a pre-determined amount of at least 10 million yen and the minimum liability set forth in Article 425 of the Companies Act: Mr. Osamu Nagayama, Mr. Yūki Furuta, Mr. Junji Ota, Mr. Nobuyuki Kobayashi, Mr. Takashi Yamauchi, Mr. Yoshiaki Fujimori, Mr. Paul J. Brough, Ms. Ayako Hirota Weissman, Mr. Jerome Thomas Black and Mr. George Raymond Zage III.

(3) Executive Officers

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer President and Chief Executive Officer (*)	Nobuaki Kurumatani	CEO	Outside Director, Money Forward, Inc.

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer Corporate Senior Executive Vice President	Masayasu Toyohara	General Executive, Human Resources & Administration Div.; General Executive, Corporate Communication Div.	
Representative Executive Officer Corporate Executive Vice President, CFO	Masayoshi Hirata	General Executive, Spend Management Project Team; General Executive, Finance & Cash Management Div., Accounting Div.; General Executive, Project Monitoring & Oversight Div.	
Representative Executive Officer Corporate Executive Vice President	Naoya Sakurai	General Executive, Legal Affairs Div.; General Executive, Internal Control Promotion Div.	
Representative Executive Officer Corporate Executive Vice President	Mamoru Hatazawa	General Executive, Infrastructure Services Project Team; General Executive, WEC Div.; Responsible for Energy System business	Representative Director and President and CEO, Toshiba Energy Systems & Solutions Corporation
Executive Officer Corporate Senior Vice President	Takayuki Konno	General Executive, Marketing Div.; General Executive, Branch Offices; Responsible for Infrastructure Systems business; Responsible for Building Solutions Business; Assistant to Corporate Executive Vice President, Mr. Hatazawa (regarding Toshiba Plant Systems & Services Corporation)	Representative Director and President and CEO, Toshiba Infrastructure Systems & Solutions Corporation
Executive Officer Corporate Senior Vice President	Taro Shimada	General Executive, Cyber-Physical Systems x Design Div.; Responsible for Digital Solutions Business	Director and President and CEO, Toshiba Digital Solutions Corporation WingArc1st Inc.
Executive Officer Corporate Senior Vice President	Hiroyuki Sato	General Executive, Battery Div.; Responsible for Electronic Devices & Storage Business	Representative Director and President and CEO, Toshiba Electronic Devices & Storage Corporation

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Executive Officer Corporate Senior Vice President	Masaharu Kamo	General Executive, Strategic Planning Div.; General Executive, Group Relations Div.	Director, Toshiba TEC Corporation
Executive Officer Corporate Vice President	Hitoshi Ootsuka	General Executive, Internal Audit Div.; Vice President, Audit Committee Office	
Executive Officer Corporate Vice President	Keiichi Yumita	General Executive, Information Systems Div.; General Executive, Business Process Re-engineering Div.	
Executive Officer Corporate Vice President	Tsutomu Kamijo	General Executive, Procurement Div.; General Executive, Corporate Production Planning Div.; Assistant to Corporate Vice President, Mr. Ishii (regarding Corporate Manufacturing Engineering Center)	
Executive Officer Corporate Vice President	Hideaki Ishii	General Executive, Corporate Technology Planning Div.; General Executive, Corporate Research & Development Div.; General Executive, Corporate Manufacturing Engineering Center; General Executive, Digital Innovation Technology Center	

(Notes)

1. An asterisk (*) indicates that the Executive Officer concurrently serves as a Director.
2. Mr. Takamasa Mihara was newly elected as Executive Officer at the meeting of the Board of Directors held on March 18, 2021 and assumed office on April 1, 2021.

3. The following changes occurred in April 1, 2021.

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer President and Chief Executive Officer (*)	Nobuaki Kurumatani	CEO	Outside Director, Money Forward, Inc.
Representative Executive Officer Corporate Senior Executive Vice President	Masayasu Toyohara	General Executive, Sustainability Management Div.; General Executive, Corporate Communication Div.; General Executive, Marketing Div.; General Executive, Branch Offices; Responsible for Building Solutions Business; General Executive, China and East Asia	
Representative Executive Officer Corporate Executive Vice President, CFO	Masayoshi Hirata	General Executive, Spend Management Project Team; General Executive, Finance & Cash Management Div., Accounting Div.; General Executive, Project Monitoring & Oversight Div.	
Representative Executive Officer Corporate Executive Vice President	Naoya Sakurai	General Executive, Legal Affairs Div.; General Executive, Internal Control Promotion Div.	
Representative Executive Officer Corporate Executive Vice President	Mamoru Hatazawa	General Executive, Infrastructure Services Promotion Div., General Executive, WEC Div., Responsible for Energy Systems & Solutions Business, Asia Pacific area	Representative Director and President and CEO, Toshiba Energy Systems & Solutions Corporation
Representative Executive Officer Corporate Executive Vice President	Takayuki Konno	Responsible for Infrastructure Systems business; Assistant to Corporate Executive Vice President, Mr. Hatazawa (regarding Toshiba Plant Systems & Services Corporation); General Executive, the Americas	Representative Director and President and CEO, Toshiba Infrastructure Systems & Solutions Corporation

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Executive Officer Corporate Senior Vice President	Taro Shimada	General Executive, Cyber-Physical Systems x Design Div.; Responsible for Digital Solutions Business	Director and President and CEO, Toshiba Digital Solutions Corporation Director, WingArc1st Inc.
Executive Officer Corporate Senior Vice President	Hiroyuki Sato	General Executive, Battery Div.; Responsible for Electronic Devices & Storage Business; General Executive, Europe, Middle East and Africa	Representative Director and President and CEO, Toshiba Electronic Devices & Storage Corporation
Executive Officer Corporate Senior Vice President	Masaharu Kamo	General Executive, Strategic Planning Div.	Director, Toshiba TEC Corporation
Executive Officer Corporate Senior Vice President	Keiichi Yumita	General Executive, Information Systems Div.; General Executive, Business Process Re-engineering Div.	
Executive Officer Corporate Senior Vice President	Tsutomu Kamijo	General Executive, Procurement Div.; General Executive, Corporate Production Planning Div.; Assistant to Corporate Senior Vice President, Mr. Ishii (regarding Corporate Manufacturing Engineering Center)	
Executive Officer Corporate Senior Vice President	Hideaki Ishii	General Executive, Corporate Technology Planning Div.; General Executive, Corporate Research & Development Center; General Executive, Corporate Manufacturing Engineering Center; General Executive, Digital Innovation Technology Center	
Executive Officer Corporate Vice President	Hitoshi Ootsuka	General Executive, Internal Audit Div.; Vice President, Audit Committee Office	
Executive Officer Corporate Vice President	Takamasa Mihara	General Executive, Human Resources & Administration Div.	

4. An asterisk (*) indicates that the Executive Officer concurrently serves as a Director.
5. Mr. Satoshi Tsunakawa was elected as Executive Officer at the meeting of the Board of Directors held on April 7, 2021 and assumed office on the same day. In addition, he was elected as Representative Executive Officer at the meeting of the Board of Directors held on

April 14, 2021 and assumed office on the same day. Accordingly, his assignment and responsibilities have changed as follows.

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer President and Chief Executive Officer (*)	Satoshi Tsunakawa	CEO	

6. An asterisk (*) indicates that the Executive Officer concurrently serves as a Director.
7. Mr. Nobuaki Kurumatani resigned as Executive Officer and retired as Representative Executive Officer on April 14, 2021.

(4) State of activities of the Board of Directors and committees

The following outlines the Board of Directors' and committees' principal activities held in FY 2020.

1) State of activities of the Board of Directors

Toshiba held the "Directors Council" (so-called "Executive Session") composed solely of independent Outside Directors in order for them to share information and problem awareness among themselves, better understand the Company's operations for Outside Directors and deliberate on the Toshiba Group's key business challenges. At each Directors Council meeting, held prior to a Board of Directors meeting, an advance briefing on proposals to the Board of Directors was provided and opinions were exchanged. Moreover, the Directors Council was operated to ensure that independent Outside Directors' opinions obtained through its meetings were reflected in the Company's management.

The Company filed applications to be reviewed for reinstatement to the first sections of the Tokyo Stock Exchange and Nagoya Stock Exchange, and received approval for reinstatement from both exchanges in January 2021.

With respect to the Toshiba Group's policy on shareholder return, regarding the shares of KIOXIA Holdings Corporation held by the Toshiba Group (which holds 40.2% of all voting rights), the Group's management strategy expresses no intention to operate the company's memory business as part of the Toshiba Group. To realize the value of KIOXIA Holdings Corporation's shares, we are holding ongoing discussions concerning measures for possibly liquidating these shares. It has been decided that, when the liquidation of shares is carried out, more than half of the net proceeds from this sale will, in principle, be allocated to shareholder return.

Following a review of our management policy for FY2021 and beyond, we announced Phase 2 of the Toshiba Next Plan in November 2020.

Regarding the incident wherein certain voting forms were not included in the vote count at the 181st Ordinary General Meeting of Shareholders (hereinafter the "Vote Count Problem"), the Toshiba Group received reports on the results of an investigation conducted by Sumitomo Mitsui Trust Bank, Limited, the Shareholder Registration Agent for the Group, and the results of an examination of this investigation by the Audit Committee. Based on these results, the Group revised the voting results at the 181st Ordinary General Meeting of Shareholders and deliberated on ensuring an appropriate environment for the execution of voting rights at such meetings.

Concerning shareholder requests for convocation of an extraordinary general meeting of shareholders, the Group received a report on the results of an investigation conducted by the Audit Committee into an issue, indicated in the request by the requesting shareholders, that certain shareholders came under pressure and were unable to exercise their voting rights at the 181st Ordinary General Meeting of Shareholders (hereinafter the “Pressure Problem”). Following deliberations on how to handle the situation, the Group decided to convene an extraordinary general meeting of shareholders.

This led to the election at the extraordinary general meeting of shareholders of persons to investigate the status of the operations and property of the stock company (hereinafter “Investigators”), as set forth in Article 316, paragraph (2) of the Companies Act for the purpose of investigating whether or not the 181st Ordinary General Meeting of Shareholders was conducted fairly. The Group resolved to cooperate with the Investigator’s survey in good faith and to ensure greater transparency in its business management.

The Board of Directors was provided with reports on business plans, budget, risk control information and the state of duty execution by Directors and Executive Officers pursuant to applicable laws and regulations, the Articles of Incorporation, the Board of Directors Regulations, etc.

2) State of activities by committees

a. Nomination Committee

The Nomination Committee deliberated on a proposal for the election of Executive Officer, President and CEO.

The Nomination Committee deliberated on the proposed changes to the Nomination Committee Rules.

The Nomination Committee deliberated on candidates for Outside Directors to be submitted to the Ordinary General Meeting of Shareholders for the 181st fiscal year.

The Nomination Committee deliberated on the election of Chairperson of the Board of Directors to be submitted to the Board of Directors.

The Nomination Committee deliberated on the composition of Outside Directors after the 182nd Ordinary General Meeting of Shareholders.

The Nomination Committee deliberated on the changes to the standards on the handling of Executive Officers.

b. Audit Committee

The Audit Committee audited the state of the execution of duties by executives, by attending the Board of Directors and other key meetings and by making inquiries to Executive Officers and other personnel, with a focus on the state of observance of laws and regulations and preventing the recurrence of inappropriate accounting conduct. In addition, the Audit Committee received reports regularly from the Internal Audit Division on their audit results, and from the Internal Control Promotion Division and the Project Audit Division on their state of activities. The Audit Committee also made inquiries to other internal control management departments, thereby verifying the state of implementation of improved internal control system and the status of progress of corporate culture reform programs. All of the full-time and part-time Audit Committee members attended all hearings and reporting sessions and participated actively in audit activities.

Outside Director Junji Ota, Chairperson of the Audit Committee, collected information actively, which involves attending important meetings (such as corporate management meetings, Risk-Compliance Committee meetings, Accounting Compliance Committee meetings, and Annual Securities Report Disclosure Committee meetings). In addition, Mr. Ota worked to enhance communication with each department through meetings with executives in each department. The information collected was shared with the Audit Committee members in a timely manner.

With regard to the inappropriate accounting conduct, the Company continued the claim for damages filed in the Tokyo District Court in November 2015 against five former executives, including those with experience as President.

The whistleblowing system operated by the Audit Committee, the committee received 31 whistleblowing reports and responded. The Audit Committee was briefed on details and status of responses of all 129 reports to the whistleblowing contact point on the Company's executive side. The committee has prioritized the reports related to accounting and compliance to verify their investigation results and status of improvements

Through liaison meeting with Group company auditors, as well as through education and the like, the Audit Committee worked to strengthen auditing governance of Group companies and improve audit quality by bolstering coordination with Group company's auditors.

Some shareholders reported that a portion of the voting forms were not tallied in the voting results of the 181st Ordinary General Meeting of Shareholders. The Company therefore requested an investigation by Sumitomo Mitsui Trust Bank, Limited, its transfer agent and shareholder registration agent. In order to ensure the objectivity and transparency of the investigation, the Company hired an outside law firm to evaluate the appropriateness of the process and procedures adopted by Sumitomo Mitsui Trust Bank, Limited in its investigation of the issue and the results thereof. The results of the evaluation were summarized in an Audit Committee opinion that was submitted to the Board of Directors.

The Company hired an outside law firm to investigate the necessary items regarding the 181st Ordinary General Meeting of Shareholders related to the Pressure Problem and the Vote Count Problem pointed out by the shareholders who demanded an extraordinary general meeting of shareholders. Based on the results of the investigation, the opinions of the Audit Committee were summarized and submitted to the Board of Directors.

c. Compensation Committee

The Compensation Committee deliberated on the provision of the performance-linked compensation for Executive Officers, etc. according to their performance evaluation for FY2019.

The Compensation Committee deliberated on changes to, and the applicable period of, FY2020 compensation.

The Compensation Committee deliberated on revisions to the Compensation Policy and the Officer Compensation Rules.

The Compensation Committee deliberated on the details of the individual compensation to be paid to Directors and Executive Officers from August 2020.

The Compensation Committee deliberated on the details of person-by-person compensation to be paid to Executive Officers from April 2021.

The Compensation Committee deliberated on FY2020 short-term incentives for Executive Officers.

The Compensation Committee deliberated on the FY2021 compensation plan for Executive Officers.

(5) Summary of the directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company. The scope of individuals covered by this policy is Toshiba directors, executive officers, and directors and auditors of subsidiaries (excluding subsidiaries publicly

listed in Japan and their subsidiaries). By resolution of the Board of Directors, the Company bears the full cost of insurance premiums for all individuals covered.
The insurance company carrying this policy shall cover claims for damages (compensation amounts, amounts from legal action, etc.) incurred by individuals covered by the policy and becoming subject, during the period of the policy, to a lawsuit related to actions carried out in the course of executing Company business, such as a shareholder lawsuit (Companies Act Article 847), a third-party lawsuit (Companies Act Article 429), or the like. However, measures have been taken to ensure that the adequacy of the execution of duties by officers, etc. shall not be compromised, which is ensured by excluding from the scope of liability criminal conduct of covered individuals and acts imparting personal benefit to covered individuals.
When the policy is renewed, the Company plans to renew the policy with the same terms.

10. Compensation Policy and the Amount of Compensation

(1) Compensation Policy

The Compensation Committee establishes compensation policy regarding compensation of each Director and/or Executive Officer. With respect to matters such as compensation for Company Directors and Executive Officers for the current fiscal year, the Compensation Committee has determined that the Company's method for determining compensation and the amount of compensation already determined are aligned with this policy.

The content of the policy concerning decision-making with regard to compensation, etc. for individual Company officers is as follows.

Since the main responsibility of Directors is to supervise the execution of the overall Group's business, and increase the corporate value, the basic policy is to determine compensation for Directors by chiefly focusing on securing highly competent personnel, ensuring effective functioning of the supervisory function, and improving corporate value from a medium- to long-term perspective.

Since the main responsibility of Executive Officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, the Company has a basic policy to determine compensation for Executive Officers at an adequate level to secure highly competent personnel and ensure the effectiveness of their compensation package as an incentive to improve business performance, based on a balance between fixed compensation and performance-linked compensation.

i. Compensation for Directors

Directors are paid the basic compensation (fixed amount) and stock-based compensation calculated according to his/her duties. An allowance is provided for nonresidents of Japan (the country where the HQ is located).

With regard to the stock compensation, mechanisms such as restricted stocks with transfer restrictions until retirement will be used.

ii. Compensation for Executive Officers

Compensation for Executive Officers consists of basic compensation (fixed amount) determined according to rank, stock compensation, and performance-linked compensation. Performance-linked compensation is determined in accordance with the performance of the company overall and the divisions under the charge of the Executive Officer during the fiscal year, with cash and shares paid at a rate set according to rank.

With regard to the stock compensation and performance-linked compensation (shares) that is paid in the form of the Company's stock, mechanisms such as restricted stocks with transfer restrictions until retirement are used to secure effectiveness as an incentive for medium- to long-term improvement of business performance.

iii. Compensation Standards

Compensation standards are determined at suitable levels as a global company, with the aim of securing highly competent management personnel. The compensation standards of other listed companies and payroll and benefits of the Company's employees are considered when determining the Company's compensation standards of management.

(2) Amount of Compensation

Item	Number of Directors/Executive Officers	Total amount (Millions of yen)	Basic compensation (fixed amount) (Millions of yen)		Performance-linked compensation (Millions of yen)	
			Monetary compensation	Stock-based compensation	Monetary compensation	Stock-based compensation
Directors	13	359	317	42	–	–
(Outside Directors)	(11)	(261)	(238)	(23)	–	–

Executive Officers	13	760	433	112	86	129

(Notes)

1. The above-mentioned compensations include compensations for the Directors who retired at the closing of the Ordinary General Meeting of Shareholders held on July 31, 2020 with regard to the period from April 2020 to their respective retirement/resignation date.
2. The provision for performance-linked compensation reasonable estimated as of end of March 2021 is included in the compensation etc. of Executive Officers.
3. For Directors who are concurrently serving as Executive Officers, their compensation as Director and their compensation as Executive Officer are presented separately.

(3) Matters Regarding Performance-linked Compensation

“Business performance indicator content,” “calculation method,” “reason to select” and “results concerning business performance indicators” selected as the basis for calculating the amount and frequency of performance-linked compensation.

Based on the Company’s compensation policy, we have decided to pay Executive Officers performance-linked compensation. Performance-linked compensation is determined at a total amount that will function as an incentive to increase corporate value. A certain proportion, determined according to rank, of the total amount is granted as monetary compensation receivables in order to allot Company stock. Requiring the contribution of said monetary compensation receivables to the Company as an investment in kind shall ensure that Executive Officers hold common shares of the Company. The remaining portion of payment is paid in cash.

The minimum amount of performance-linked compensation shall be 0 yen; the actual amount of compensation paid by companies with similar performance in similar industries inside and outside Japan shall be taken into account, provided that the Company meets its targeted specified level of performance.

Indicators relevant to performance-linked compensation and the method for determining the amount are as follows.

Total amount paid = (a) short-term incentive compensation + (b) long-term incentive compensation

Method for determining (a)

The amount of (a) shall be calculated by multiplying each individual’s rank-based monetary level by: (i) a factor in accord with the degree of achievement of the Company’s previous fiscal year managerial accounting target for operating income and (ii) a rank-based factor in accord with the degree of achievement of the Company’s previous fiscal year managerial accounting target for operating cash flow, augmented by ±25% according to the individual’s performance evaluation. Evaluation indicators were selected from the perspective of their relevance to Company performance. These indicators were selected from among the factors that indicate the Company’s achievement of numerical targets set out in the Toshiba Next Plan, the achievement of a profit level equal to or above other companies in the same industry, and the factors that indicate the business progress of the Company. Furthermore, with regard to Executive Officers in charge of individual business divisions, amounts are determined by combining the halves of each of the amount calculated using company-wide indicators and the amount calculated using indicators specific to the business division under their supervision. Amounts for other Executive Officers are calculated using company-wide indicators.

Method for determining (b)
The amount of (b) shall be calculated by multiplying each individual's rank-based monetary level by a rank-based factor according to the result of 3-year relative total shareholder returns. The method for calculating 3-year relative total shareholder returns shall be as follows.
3-year relative total shareholder returns = the Company's 3-year TSR − 3-year market capitalization-weighted average TSR of the peer group
The peer group shall be seven companies inside or outside Japan chosen (with due regard to shareholders' perspective) from among companies whose business portfolios are similar to Toshiba's business portfolio or companies in the electric devices industry, listed on the first section of the TSE, with average market cap of 1 billion yen or more. Evaluation indicators were selected from the perspective of their contribution to the improvement of medium- to long-term corporate value and to improving shareholder value. Since the calculation period is three years, the performance-linked compensation scheme applies from FY2019, with payments beginning in FY2022.

The rank-based proportions of stock and cash payments in the performance-linked compensation scheme are as follows. Due to rounding, figures may not add up to 100.

Rank	Proportion (%) of stock	Proportion (%) of cash
Chairman/President	60	40
Corporate Senior Executive Vice President	60	40
Corporate Executive Vice President	60	40
Corporate Senior Vice President	60	40
Corporate Vice President	60	40

Since the ratio of performance-linked compensation and compensation other than performance-linked compensation is not predetermined and fluctuates according to performance results in the above calculation methods, no policy has been stipulated for its determination.
During the recent fiscal years, targets of indicators relevant to performance-linked compensation are as follows.
- Indicators related to the previous year's operating profit (Group-wide, business division in charge)
  Target recorded on Company's managerial accounting
- Indicators relating to the previous year's cash flows from operating activities (Group-wide, business division in charge)
  Target recorded on Company's managerial accounting
- There is no target for individual assessments, and TSR results for three years

During the recent fiscal years, results of indicators relevant to performance-linked compensation are as follows.
- Indicators related to the previous year's operating profit (Group-wide, business division in charge)
  Actual result (projection) recorded on Company's managerial accounting

- Indicators relating to the previous year’s cash flows from operating activities (Group-wide, business division in charge)
  Result (projection) recorded on Company’s managerial accounting.
- The Compensation Committee makes its determination based on comprehensive consideration of non-financial assessments such as individual assessments, initiatives for management, and special contributions.
- TSR results for three years, comparative assessments of the Company’s TSR results, and TSR results for three years for the group of companies subject to comparison (as three years are used as the calculation period, there are no results applicable to performance-linked compensation for FY 2020)

(4) Details of Non-monetary Compensation

The Company grants its Executive Officers stock-based compensation as basic compensation and stock-based compensation as performance-linked compensation intended to effectively provide them with the incentive for improvement of the Company’s medium- to long-term performance, as well as to further enhance value sharing with our shareholders. Some Directors of the Company (Chairman, Director and Outside Directors) are granted stock-based compensation as basic compensation.

Stock granted to Company officers as payment for the execution of duties during the fiscal year under review is detailed in (6) Stock Granted to Company Officers as Compensation for Execution of Duties During the Fiscal Year Under Review, of section 5. Shares and Stock Acquisition Rights of the Company.

11. The Company's Accounting Auditor

(1) Name of the Company's accounting auditor
PricewaterhouseCoopers Aarata LLC

(2) Amounts of accounting auditor fees

Item	Amount (Millions of yen)
Amount of fees for the fiscal year under review	904
Total amount of money and other financial benefits to be paid to accounting auditors by the Company and its consolidated subsidiaries	1,753

(Notes)
1. The audit contract between the Company and its accounting auditors does not distinguish between an audit fee as defined by the Companies Act and an audit fee as defined by the Financial Instruments and Exchange Act. Therefore, the total amount of these two fee categories is presented above.
2. The Company has paid compensation to PricewaterhouseCoopers Aarata LLC in consideration of advisory services related to internal controls over financial reporting, which are services other than the services provided for in Article 2, Paragraph 1 of the Certified Public Accountants Act.
3. The Audit Committee interviewed the responsible division about the breakdown, man hours, and other details of 904 million yen paid to PricewaterhouseCoopers Aarata LLC as the fees for the fiscal year under review. As a result, the Audit Committee has furnished its consent with respect to such fees, having acknowledged such fees were incurred in connection with works necessary for the audit.

(3) Matters regarding audits of subsidiaries
Of the Main Group Companies, Toshiba America, Inc., Toshiba China Co., Ltd., Toshiba Europe Ltd., and Toshiba Asia Pacific Pte., Ltd. all underwent audits performed by accounting auditors other than PricewaterhouseCoopers Aarata LLC.

(4) Policy of the dismissal or non-reappointment of accounting auditors
i. The Audit Committee will, if it considers that any accounting auditor comes under any of the items of Article 340, paragraph (1) of the Companies Act, dismiss such accounting auditor with the agreement of all Audit Committee members.
ii. The Audit Committee will, if it considers that any accounting auditor comes under any of the following items, determine the contents of a proposal to be submitted to the General Meeting of Shareholders regarding the appointment of a new accounting auditor and the dismissal and non-reappointment of such accounting auditor:

a. If the accounting auditor received an administrative punishment for violation of any law or regulation;
b. If the accounting auditor was punished, etc. in accordance with the regulations of the Japanese Institute of Certified Public Accountants;
c. If the Company receives from the accounting auditor a notice to the effect that the auditor does not continue the audit engagement with the Company; or
d. If the Company intends to make the audit service more proper or more efficient.

12. System for Ensuring the Appropriate Performance of the Company's Business (Internal Control System), etc.

(1) Systems to Ensure the Appropriateness of Business Operations of Toshiba Corp. and its Subsidiaries

The Board of Directors resolved systems to ensure the appropriateness of business operations as follows:

i. System to ensure that Executive Officers' compliance with laws and regulations and the Articles of Incorporation.

a. Executive Officers periodically report to the Board of Directors of Toshiba Corp. on their execution of their duties and are required to report on necessary items to the Board of Directors, as necessary.
b. The Executive Officer who serves as the General Executive of the Internal Audit Division or the head of the Internal Audit Division periodically reports to the Board of Directors of Toshiba Corp. on internal audit results.
c. The Audit Committee of Toshiba Corp. periodically interviews Executive Officers, and the head of the Internal Audit Division periodically reports to the Audit Committee on internal audit results.
d. Executive Officers report to the Audit Committee of Toshiba Corp. on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.
e. Toshiba Corp. has established the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers (hereinafter officers include Corporate Officers) and employees and ensures, through continuous execution of officer education, etc., that Executive Officers of Toshiba Corp. comply with the Toshiba Group Standards of Conduct.
f. Toshiba Corp. separates supervision from business execution by placing the Internal Audit Division under the direct control of the Audit Committee and establishes a system in which the Internal Audit Division effectively performs audits of accounting, compliance inspections and audits of other matters.

ii. System for retention and management of information concerning Executive Officers' execution of their duties.

a. In accordance with the Rules concerning the Document Retention Period, Executive Officers of Toshiba Corp. appropriately retain and manage material documentation, such as information materials for the Management Meetings and decision-making documents, and other documents such as account books and records.
b. Executive Officers of Toshiba Corp. run a system that allows Directors to access significant information, such as information materials for the Management Meetings, decision-making documents, financial statements and records and business reports.

iii. Rules and other systems concerning risk of loss management

a. In accordance with the Basic Rules concerning Risk-Compliance Management, the Chief Risk-Compliance Management Officer (hereinafter referred to as the "CRO") of Toshiba Corp. formulates and promotes measures concerning crisis and risk management of Toshiba Group in his/her capacity as the chairman of the Risk-Compliance Committee. In formulating and promoting such measures, the CRO appropriately performs risk of loss management for the entire Toshiba Group by confirming and improving the effectiveness of such measures. The Executive Officer in charge of the Legal Affairs Division holds the position of CRO.
b. Executive Officers of Toshiba Corp. formulate and promote measures necessary for continuously clarifying business risk factors of Toshiba Group and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.

iv. System to ensure that Executive Officers efficiently execute their duties

a. The Board of Directors of Toshiba Corp. determines the basic management policy and approves the mid-term business plan and annual budgets of Toshiba Group prepared by the Executive Officers.

b. The Board of Directors of Toshiba Corp. delegates authority and responsibilities to each Executive Officer in an appropriate manner, and Executive Officers clarify the authority and responsibilities of the Executive Officers, Corporate Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.

c. Executive Officers of Toshiba Corp. set concrete targets and roles for organizations, Corporate Officers and employees.

d. Executive Officers of Toshiba Corp. make decisions on business operations based on appropriate procedures in accordance with the Board of Directors Rules, the Corporate Decision Making Rule, and other rules.

e. Executive Officers of Toshiba Corp. appropriately evaluate the performance of Toshiba Group by means of the Performance Evaluation Committee.

f. Executive Officers of Toshiba Corp. promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.

v. System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation

a. The Representative Executive Officer, President and CEO of Toshiba Corp. ensure, through continuous execution of employee education, etc., that employees comply with the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees.

b. The CRO of Toshiba Corp. formulates and promotes measures of Toshiba Group concerning compliance with laws and regulations in his/her capacity as the chairman of the Risk-Compliance Committee in accordance with the Basic Rules concerning Risk-Compliance Management.

c. Toshiba Corp. establishes a whistle-blower system in which the officers and employees of Toshiba Corp. are able to make a report to the business execution side of Toshiba Corp. if they become aware of an illegal act of Toshiba Corp., and the Executive Officer of Toshiba Corp. in charge endeavors to detect problems early and deal with them in an appropriate manner by making use of the whistle-blower system. The Toshiba Group Standards of Conduct clearly stipulate that the officers and employees who have used this system must not be treated disadvantageously on the grounds that they have done so. In addition, Toshiba Corp. establishes a whistle-blower system in which the Audit Committee of Toshiba Corp. directly receives internal reports and endeavors to collect information on problems early.

vi. System to ensure the appropriateness of business operations of the corporate group composed of Toshiba Corp. and its subsidiaries

a. The subsidiaries adopt and implement the Toshiba Group Standards of Conduct and establish whistle-blower systems according to the legal systems and circumstances of the countries in which they operate.

b. Toshiba Corp. establishes a system in which its subsidiaries report to Toshiba Corp. in accordance with the Operational Communication Arrangement, etc. in the event that material issues arise in their business operations.

c. Toshiba Corp. formulates appropriate measures for internal control, including that of its subsidiaries, and causes its subsidiaries to promote the measures according to their situations.

d. The subsidiaries establish audit systems such as auditors in accordance with the Toshiba Group Auditors' Audit Policy.

e. Toshiba Corp. executes internal audits on the accounting treatment processes and business processes of its subsidiaries.

f. Toshiba Corp. appropriately and effectively manages the systems and business processes common throughout Toshiba Group and establishes a system in which shared resources are appropriately and effectively allocated.
g. Under the relevant license agreements, Toshiba Corp. in principle obligates its affiliates that are permitted to use “Toshiba” in part of their company names to adopt the Toshiba Group Standards of Conduct.

(2) Items Necessary for Performance of Duties by the Audit Committee of Toshiba Corp.

The Board of Directors resolved items necessary for the Audit Committee’s performance of its duties as follows:

i. Directors and employees assigned to assist the Audit Committee in the performance of its duties
a. In order to assist the Audit Committee of Toshiba Corp. in the performance of its duties, the Audit Committee Office consisting of around ten staff is established, and the head of the Audit Committee Office is an Executive Officer (including an Executive Officer who concurrently holds office as a Director).

ii. Ensuring independence of employees mentioned in the preceding paragraph from Executive Officers and effectiveness of instructions to such employees
a. The Audit Committee has the right to approve the appointment, request the dismissal, and veto the dismissal of the head and employees of the Audit Committee Office of Toshiba Corp., and the head of the Audit Committee Office is under the direction of the Audit Committee. The employees of the Audit Committee Office are under the direction of the Audit Committee and the head of the Audit Committee Office.

iii. System for reporting to the Audit Committee
a. Directors, Executive Officers, Corporate Officers and employees of Toshiba Corp. report to the Audit Committee on each relevant occasion in accordance with the Rules concerning Reporting to the Audit Committee and the Rules concerning Operation of the System of Reporting to the Audit Committee in the event that any material issue arises that may affect operations and financial performance.
b. The subsidiaries of Toshiba Corp. periodically report their situations and other matters to the Audit Committee of Toshiba Corp. through the Toshiba Group Auditors Liaison Organization, etc. In addition, Toshiba Corp. maintains a system through which the auditors and employees in charge of audit reporting of the subsidiaries are able to make a report to the Audit Committee if they become aware of an illegal act of such subsidiaries.
c. Toshiba Corp. establishes a whistle-blower system through which the officers and employees of Toshiba Corp. and officers and employees of its domestic subsidiaries are able to make a report to the Audit Committee of Toshiba Corp. in accordance with the Rules concerning Operation of the System of Reporting to the Audit Committee if they become aware of an illegal act of Toshiba Corp. or such subsidiaries.
d. The Representative Executive Officer, President and CEO provides members of the Audit Committee designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.

iv. System to ensure that persons reporting to the Audit Committee are not treated disadvantageously on the grounds that they have made such report
a. The Rules concerning Reporting to the Audit Committee and the Rules concerning Operation of the System of Reporting to the Audit Committee clearly stipulate that the officers and employees of Toshiba Group who have made a report to the Audit Committee of Toshiba Corp. must not be treated disadvantageously on the grounds that they have done so.

v. Policy on procedures for advance payment or redemption of expenses arising from performance of duties of the Audit Committee's members and other settlement of expenses or debts arising from performance of such duties

a. If a member of the Audit Committee requests Toshiba Corp. to make advance payment of the expenses, etc. set out in Article 404, paragraph (4) of the Companies Act in relation to the performance of his or her duties, unless it is determined after examination by the relevant departments that the expenses or debts in relation to such request are not necessary for the performance of duties of such member of the Audit Committee, Toshiba Corp. promptly settles such expenses or debts. Toshiba Corp. annually budgets a certain amount for the payment of expenses and other costs arising from the performance of duties of the Audit Committee's members. If the need arises during the fiscal year, Toshiba Corp. increases the budget after examination by the relevant departments at the request of the Audit Committee's members.

vi. Other system to ensure that audits by the Audit Committee are conducted effectively

a. The Representative Executive Officer, President and CEO periodically exchanges information with the Audit Committee.
b. Executive Officers, Corporate Officers and employees report the execution of their duties to the Audit Committee by means of the periodic interviews conducted by the Audit Committee and circuit interviews.
c. The Audit Committee places the Internal Audit Division under its direct control. The Audit Committee presents audit policies and gives audit instructions to the Internal Audit Division. The head of the Internal Audit Division periodically reports the internal audit results to the Audit Committee.
d. The Audit Committee has accounting auditors provide explanations and reports concerning the accounting audit plan at the beginning of each fiscal year, the situation of accounting audits during each fiscal year, and the results of the accounting audits at the end of each fiscal year.
e. The Executive Officer in charge (CFO) provides explanations to the Audit Committee concerning the settlement of accounts at the end of each fiscal year as well as each quarterly settlement of accounts prior to the approval by the Board of Directors.
f. The head of the Internal Audit Division is an Executive Officer, or otherwise an Executive Officer serves as the General Executive of the Internal Audit Division. The Audit Committee has the right to approve the appointment, request the dismissal, and veto the dismissal of the head of the Internal Audit Division and the Executive Officer who serves as the General Executive of the Internal Audit Division. The head of the Internal Audit Division and the Executive Officer who serves as the General Executive of the Internal Audit Division is under the direction of the Audit Committee.
g. The members of the Audit Committee have the right to access all internal reports made to the whistle-blower system on the business execution side.

(3) State of Operation of the Systems to Ensure the Appropriateness of Business Operations for itself and its Subsidiaries

The state of operation, other than as noted in "9. Names, Responsibilities, etc. of the Company's Directors / Officers, (4) State of activities of the Board of Directors and committees" is as follows.

i. State of holding of the Compliance Committee meetings
To formulate and promote measures to manage crisis risk for the Toshiba Group, the Company held two Risk-Compliance Committee meetings (semiannually) in FY2020, determined company-wide priority measures, and implemented them for one year. Moreover, we held the Accounting Compliance Committee meeting 6 times in order to: 1) detect timely any signs potentially leading to an instance of inappropriate financial reporting; 2) detect any risks threatening the Company's internal control early; and 3) issue instruction on and discuss countermeasures. In addition, as part of efforts to further strengthen compliance, the Compliance Advisory Meeting was held three times in total. For more information, please refer to "1. Business

Environment and Results of the Group, (2) Management Policies of the Toshiba Group Moving Forward (Issues to be Addressed) ◎Improvement of Internal Controls Process. "

ii. State of development of the whistleblowing system
The Company has put in place, as an executive structure, the Toshiba Consultation Hotline (each whistleblower chooses from the external specialist organization as a contact point or the law office as a contact point), operating its whistleblowing system. Moreover, in October 2015 the Company established, as an auditor structure, the Audit Committee Hotline whose whistleblowing contact point is the Audit Committee Office. To promote use of the whistleblowing system, we used e-learning, etc., to deepen awareness among all employees of the existence of this system and the strict anonymity of whistleblowers. Whistleblowing reports, including those related to accounting treatment, totaled 58 in the first half of FY2020 and 71 in the second half, and they were reported to the Audit Committee and the Board of Directors. Accounting-related whistleblowing cases were immediately reported to accounting auditors as well without disclosing the whistleblower's personal information. We investigated all cases of whistleblowing before addressing any case needing to be dealt with.
In April 2019, we outsourced the contact point for the Toshiba Consultation Hotline to an external specialist organization with consideration for whistleblowers.
The Toshiba Consultation Hotline is a whistleblowing system that is compliant with public certification standards and was registered as such on April 23, 2021 by the Japan Institute of Business Law, a designated registration body.

iii. State of implementation of compliance-related training for Directors and employees
The Company held training for senior executives of Group companies in Japan. The training involved reforming awareness concerning compliance, among other topics. We held training on strengthening business risk management, accounting knowledge, and accounting compliance in our training for new vice presidents and general managers of branch offices in Japan, and also incorporated accounting knowledge and accounting compliance training into our training for developing and selecting executives and milestone training on promotion. We also implemented accounting compliance education through the e-learning for senior executives of our overseas subsidiaries and employees of Group companies in Japan.

iv. State of implementation of internal audit
The Internal Audit Division formulated its annual audit policy and annual audit plan pursuant to the Audit Committee's audit policy. In the FY2020, the division conducted internal audits at four corporate staff divisions and 36 subsidiaries and affiliates according to the above-mentioned audit plan. The findings of such internal audits were reported to the Audit Committee by the head of the Internal Audit Division in a timely manner.

v. State of Audit Committee members' activities and assistance for them
The Audit Committee members monitored and reviewed the state of duty execution by Directors and Executive Officers by attending significant meetings, such as Board of Directors meetings and corporate management meetings, and making inquiries to Executive Officers on 28 occasions in total and to the heads of internal control and internal audit business units on 32 occasions. Moreover, the Audit Committee members received explanations and reports from accounting auditors on audit plans and the state of implementation of audits and their findings. During the course of audit activities, they actively demanded reporting through the Audit Committee Office and the Internal Audit Division that was put under its direct control. The Audit Committee Hotline whose whistleblowing contact point is the Audit Committee Office, received whistleblowing reports totaling 31 before taking action to deal with them.

13. Basic Policy on the Control of the Company and Takeover Defense Measure

(1) Contents of our basic policy

We are of the view that, in order for the Toshiba Group to earn an appropriate level of profits to be returned to shareholders and continuously improve its enterprise value and shared benefit of shareholders, the Group must solidify and develop an adequate relationship with stakeholders such as customers, business partners, employees and local communities, etc., not to mention shareholders, and run the organization in ways that pay sufficient attention to the benefit of such stakeholders.
If a party offers to acquire shares in the Group and in order to properly judge the effect the acquisition will potentially have on its enterprise value and shareholders' shared benefit, it is necessary to fully grasp: 1) a synergy effect that will likely be achieved through an organic integration of individual business segments; 2) the actual conditions of the Group; and 3) components of the Group's enterprise value.
In light of the above-mentioned elements, Toshiba's Board of Directors believe that: 1) any such party acquiring, or offering to acquire, a large number of shares in the Company as does not contribute to securing and improving its enterprise value and shareholders' shared benefit is not suitable to be an entity governing the determination of the organization's financial and operational policy; and 2) against such entity's act to acquire a large number of shares in the Company, we must take the necessary and reasonable action, thereby securing enterprise value and shareholders' shared benefit.
Based on the above-mentioned thinking, Toshiba introduced countermeasures against large-scale acquisitions of shares of the Company (so-called "Takeover Defense Measures") in June 2006 before renewing them in June 2009 and June 2012. However, we have stop renewing these countermeasures since June 2015 after carefully considering the renewal in light of: 1) the changing operating environment; 2) the state of progress of the development of the Financial Instruments and Exchange Act; and 3) the opinions of shareholders.
The Company is confident at present that being listed on the First Sections of the Tokyo Stock Exchange and Nagoya Stock Exchange provides a stable capital structure suited to long-term value creation and that leveraging the merits of being a publicly listed company leads to improved corporate value; however, we do not, from the outset, exclude the option of various proposals for improving corporate value, including delisting from public exchanges. At the same time, we recognize that a variety of challenges exist with regard to delisting. If a serious purchase proposal is made that is objectively substantial and feasible, the Toshiba Board of Directors will sincerely evaluate and review the proposal. However, the Toshiba Board of Directors believes that the process and details in such a case must satisfy the many stakeholders of the Company, including shareholders.

(2) Special initiative that will contribute to achieving the goal of the basic policy
The responsibility of the Toshiba Board of Directors is to act in the best interest of the Company and its shareholders, and that is something we recognize as being of utmost importance. The Company appointed a new Representative Executive Officer, President and CEO in April 2021 and has immediately set to work on newly reviewing measures for raising corporate value, including the status of capital allocation. In addition, the Board of Directors has appointed independent advisors for financial and legal advice for the sake of raising the transparency of decision making. These advisors will make strategic reviews from an independent point of view in order to help raise corporate value.

14. The Group's Employees As of March 31, 2021

Segment	Number of Employees
Energy Systems & Solutions	14,692
Infrastructure Systems & Solutions	19,787
Building Solutions	22,193
Retail & Printing Solutions	18,821

Electronic Devices & Storage Solutions	22,621
Digital Solutions	8,369
Others	7,751
Group-wide (shared)	3,066
Total	117,300

(Notes)

1. The number of employees of the Company (non-consolidated) is 3,613.
2. The number of employees includes retirees as of March 31, 2021.

15. Main Places of Business and Facilities of the Group

As of March 31, 2021

(1) The Company

Segment	Major Distribution	
Company-wide	Offices	Principal Offices (Minato-ku, Tokyo and Kawasaki), Hokkaido Branch Office (Sapporo), Tohoku Branch Office (Sendai), Kanshinetsu Branch Office (Saitama), Kanagawa Branch Office (Yokohama), Hokuriku Branch Office (Toyama), Chubu Branch Office (Nagoya), Kansai Branch Office (Osaka), Chugoku Branch Office (Hiroshima), Shikoku Branch Office (Takamatsu), Kyushu Branch Office (Fukuoka)
	Laboratories, etc.	Fuchu Complex (Fuchu, Tokyo), Corporate Research & Development Center (Kawasaki), Corporate Software Engineering & Technology Center (Kawasaki), Komukai Complex (Kawasaki), Corporate Manufacturing Engineering Center (Yokohama), Yokohama Complex (Yokohama)
Other	Production Facilities	Kashiwazaki Plant (Kashiwazaki, Niigata), Fukaya Complex (Fukaya, Saitama), Himeji Operations (Himeji, Hyogo)

(2) The Group Companies

The names and locations of the main companies in the Group are noted in “4. Outline of Main Group Companies.”

Consolidated Balance Sheet

Consolidated Statement of Operations

Consolidated Statement of Equity

Notes to Consolidated Financial Statements

For the fiscal year ended March 31, 2021

The 182th term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2021

Assets	(Millions of yen)
Current assets	2,130,908
Cash and cash equivalents	525,456
Notes, accounts receivable and contract assets	898,605
Notes receivable	66,780
Accounts receivable and contract assets	851,900
Allowance for doubtful notes, accounts receivable and contract assets	(20,075)
Inventories	475,765
Other receivables	86,894
Prepaid expenses and other current assets	144,188
Long-term receivables and investments	534,028
Long-term receivables	4,231
Investments in and advances to affiliates	450,454
Marketable securities and other investments	79,343
Property, plant and equipment	455,703
Land	40,649
Buildings	656,035
Machinery and equipment	1,282,570
Construction in progress	38,805
Accumulated depreciation	(1,562,356)
Operating lease right-of-use assets	119,739
Other assets	260,258
Goodwill and other intangible assets	128,756
Deferred tax assets	79,585
Other assets	51,917
Total assets	3,500,636

Consolidated Balance Sheet (Continued)

As of March 31, 2021

Liabilities	(Millions of yen)
Current liabilities	1,254,881
Short-term borrowings	10,387
Current portion of long-term debt	5,601
Notes and accounts payable	481,877
Other payables and accrued expenses	249,945
Current operating lease liabilities	38,757
Accrued income and other taxes	48,699
Advance payments received	246,411
Other current liabilities	173,204
Long-term liabilities	941,225
Long-term debt	378,440
Accrued pension and severance costs	295,442
Non-current operating lease liabilities	84,517
Deferred tax liabilities	55,051
Other liabilities	127,775
Total liabilities	2,196,106

Equity	
Equity attributable to shareholders of the Company	1,164,534
Common stock	200,558
Authorized: 1,000,000,000 shares	
Issued: 455,280,690 shares	
Additional paid-in capital	207
Retained earnings	1,127,130
Accumulated other comprehensive loss	(158,307)
Treasury stock, at cost	(5,054)
1,439,724 shares	
Equity attributable to noncontrolling interests	139,996
Total equity	1,304,530
Total liabilities and equity	3,500,636

<u>Consolidated Statement of Operations</u>

For the fiscal year ended March 31, 2021

		(Millions of yen)
Sales and other income		3,149,249
	Net sales	3,054,375
	Interest and dividend income	2,726
	Equity in earnings of affiliates	5,967
	Other income	86,181
Costs and expenses		2,995,761
	Cost of sales	2,230,816
	Selling, general and administrative expenses	719,157
	Interest expenses	4,549
	Other expenses	41,239
Loss from continuing operations, before income taxes and noncontrolling interests		153,488
Income taxes:		13,759
	Current	22,244
	Deferred	(8,485)
Income from continuing operations, before noncontrolling interests		139,729
Loss from discontinued operations, before noncontrolling interests		(7,728)
Net income before noncontrolling interests		132,001
Less: Net income attributable to noncontrolling interests		18,020
Net income attributable to shareholders of the Company		113,981

Consolidated Statement of Equity

For the fiscal year ended March 31, 2021

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive loss	Treasury stock	Equity attributable to shareholders of the Company	Equity attributable to noncontrolling interests	Total equity
Balance at March 31, 2020	200,175	-	1,031,231	(286,593)	(5,007)	939,806	136,620	1,076,426
Transfer to retained earnings (accumulated deficit) from additional paid-in capital		9,010	(9,010)					
Change in ownership for noncontrolling interests and others	383	22				405	(324)	81
Change due to making NuFlare Technology, Inc. a wholly owned subsidiary		(8,825)				(8,825)	(12,073)	(20,898)
Dividends attributable to shareholders of the Company			(9,072)			(9,072)		(9,072)
Dividends attributable to noncontrolling interests							(10,568)	(10,568)
Comprehensive income (loss)								
Net income			113,981			113,981	18,020	132,001
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				(8)		(8)		(8)
Foreign currency translation adjustments				16,009		16,009	5,732	21,741
Pension liability adjustments				114,432		114,432	2,589	117,021
Net unrealized gains and losses on derivative instruments				(2,147)		(2,147)		(2,147)
Total comprehensive income (loss)						242,267	26,341	268,608
Purchase, disposal and retirement of treasury stock, net, at cost		0			(47)	(47)		(47)
Balance at March 31, 2021	200,558	207	1,127,130	(158,307)	(5,054)	1,164,534	139,996	1,304,530

(Note)

The impact on Other comprehensive income (loss), net of tax, due to making NuFlare Technology, Inc. a wholly owned subsidiary consists of Net unrealized gains and Foreign currency translation adjustments of 15 million yen, Pension currency translation adjustments (113) of million yen. Details of making NuFlare Technology, Inc. a wholly owned subsidiary is disclosed in 5. Notes to Consolidated Statement of Equity.

(For reference) Consolidated Statement of Cash Flows

For the fiscal year ended March 31, 2021

	(Millions of yen)
Cash flows from operating activities	145,145
Cash flows from investing activities	(106,671)
(Free cash flow)	38,474
Cash flows from financing activities	97,811
Effect of exchange rate changes on cash, cash equivalents and restricted cash	12,198
Net decrease in cash, cash equivalents and restricted cash	148,483
Cash, cash equivalents and restricted cash at the beginning of the fiscal year	376,973
Cash, cash equivalents and restricted cash at the end of the fiscal year	525,456

The Consolidated Statement of Cash Flows information included in the table has not been included in the Japanese original consolidated financial statements audited by the Company's independent auditors.

1. Notes to Significant Matters Supporting the Basis of Preparation of Consolidated Financial Statements

(Significant Accounting Policies)

1) Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements of the Company are prepared in conformity with the terms, forms and preparation methods of the accounting principles generally accepted in the United States of America (hereinafter, the "US GAAP") pursuant to the provisions of Article 120-3, Paragraph 1 of the Ordinance on Accounting of Companies. However, pursuant to the provision of the Ordinance's Article 120, in the second sentence of Paragraph 1 which is applied mutatis mutandis to Article 120-3, Paragraph 3, the Company partially omits presentation and notes required by US GAAP.

2) Inventories

Raw materials, finished products and work in process for products are stated at the lower of cost or net realizable value, cost being determined primarily by the average cost method. Finished products and work in process for contract items are stated at the lower of cost or estimated realizable value, cost being determined by accumulated production costs.

3) Marketable Securities and Other Investments

Marketable securities contain both debt securities and equity securities. The Group ("The Group" represents Toshiba Corporation and its consolidated subsidiaries) classifies debt securities as available-for-sale which are measured at fair value, with unrealized gains and losses included in accumulated other comprehensive income (loss), net of tax. Equity securities are measured at fair value, with changes recorded as net income (loss). The Group elects to measure an equity security that does not have a readily determinable fair value under the cost method minus impairment, if any, and recognizes positive or negative changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Realized gains or losses on the sale of securities are based on the average cost of a particular security held at the time of sale.

Other investments without quoted market prices are stated at cost.

Decreases in the fair value of equity securities measured at cost are evaluated qualitatively for indicators of impairment. Any resulting impairments are recorded as a loss for the estimated decline in fair value. In addition, debt securities and other investments are regularly reviewed for other-than-temporary impairments in the carrying amount based on criteria that include the length of time and the extent to which the market value has been less than cost, the financial condition and near-term prospects of the issuer and the Group's intent and ability to retain marketable securities and investment securities for a period of time sufficient to allow for any anticipated recovery in market value. When such a decline exists, the Group recognizes an impairment loss to the extent of such decline.

4) Method of Depreciation for Property, Plant and Equipment

Depreciation of property, plant and equipment is computed primarily using the straight-line method.

5) Impairment of Long-Lived Assets

Long-lived assets, other than goodwill and intangible assets with indefinite useful lives, are evaluated for impairment using an estimate of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of such asset may not be recoverable. If the estimate of undiscounted cash flow is less than the carrying amount of the asset, an impairment loss is recorded based on the fair value of the asset. Fair value is determined by using the anticipated cash flows discounted at a rate commensurate with the risk involved. For assets held for sale, an impairment loss is further increased by costs to sell. Long-lived assets to be disposed of other than by means of sale, are considered to be held and used until disposed of.

6) Goodwill and Other Intangible Assets

Goodwill and intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite useful lives, which consist primarily of core and current technology and software, are amortized using the straight-line method over their respective contractual periods or estimated useful lives.

7) Allowance for Doubtful Notes and Accounts Receivable

An allowance for doubtful notes and accounts receivables is recorded based on a combination of the write-off history, aging analysis and an evaluation of any specific known troubled accounts. When all collection efforts are exhausted including legal recourse, the accounts or portions thereof are deemed to be uncollectible and are charged against the allowance.

8) Accrued Pension and Severance Costs

The Group has various retirement benefit plans covering substantially all employees. Prior service costs resulting from amendments to the plans are amortized over the average remaining service period of the employees that are expected to receive the benefits. Unrecognized actuarial gains and losses that exceed 10 percent of the greater of the projected benefit obligation or the fair value of plan assets are also amortized over the average remaining service period of the employees expected to receive the benefits.

2. Notes to Accounting Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The Group has identified significant areas where it believes assumptions and estimates are particularly critical to the consolidated financial statements. These are the determination of impairment of long-lived tangible and intangible assets and securities, goodwill, recoverability of receivables, realization of deferred tax assets, uncertain tax positions, pension accounting measurement, revenue recognition and other valuation allowances and reserves including contingencies for litigations. Actual results could differ from those estimates.

3. Notes on Revenue Recognition

The Group adopted ASC No. 606 “Revenue from Contracts with Customers” for recognizing revenue.

The key goods and services of the Group include mass-produced standard products (e.g., semiconductors, multi-function peripherals, and POS systems), made-to-order products under a construction-type or production-type contract with specifications unique to a customer (e.g., nuclear power generation systems, thermal power generation systems, public infrastructure, and train, industrial systems) and services, such as maintenance services.

The Group recognizes revenue when (or as) the promised goods or services are transferred to customers, which occurs when (or as) the customers obtain control of the promised goods or services.

The revenue is calculated by deducting expected rebates from the promised consideration under the agreement with a customer.

4. Notes to Consolidated Balance Sheet

1) Liabilities on guarantee 3,531 million yen

2) Important disputes

In February 2015, the Company received an order from the Securities and Exchange Surveillance Commission, based on Article 26 of the Financial Instruments and Exchange Act, requiring submission of a report. The Company was then subject to inspection regarding projects that used percentage-of-completion accounting. Later, after establishing the Independent Investigation Committee and conducting the investigation, it was found that the Company had continuously carried out inappropriate accounting and, therefore, the Company filed amendments of the past Annual Securities Reports and other reports. Holders of American Depositary Receipts filed a class action lawsuit against the Company in the State of California, in the US in relation to the inappropriate financial reporting by the Company. The Company filed a petition with the court for rejection of the lawsuit on the grounds that securities laws of the US do not apply to the above-mentioned securities, among other reasons, and the decision to reject the lawsuit was made as of May 20, 2016 (US time). The plaintiffs lodged an appeal against the judgement on July 25, 2016 (US time), and the appellate instance reversed the judgement of the district court on July 17, 2018 (US time) and issued a judgement to remand the case to the district court to enable the plaintiffs to submit a revised complaint. However, the Company filed an appeal against the judgement with the US Supreme Court on October 15, 2018 (US time). But the request was rejected on June 24, 2019 and returned to the district court.

Damage compensation claims have been demanded against the Company in Japan as well with the plaintiffs claiming to have suffered damage due to inappropriate financial reporting by the Company. The Company accrued a reasonably estimated amount expected to be paid for the damage compensation. Certain of these claims have been pending with several courts including seeking payment by (1) foreign institutional investors of approximately 13,657 million yen in June 2016, 21,759 million yen in April 2017, 43,561 million yen in April 2017, 9,227 million yen in June 2017, 33,000 million yen and 837 million yen in September 2017, 414 million yen in October 2017 and 4,051 million yen in April 2018, (2) Japan Trustee Services Bank, Ltd. (currently Custody Bank of Japan, Ltd.), of approximately 1,262 million yen in May 2016, 11,993 million yen in August 2016, and 572 million yen in September 2017, (3) the Master Trust Bank of Japan, Ltd., of approximately 5,105 million yen and 13,114 million yen in March

2017, and (4) Trust & Custody Services Bank, Ltd., of approximately 14,026 million yen in March 2017.

The Group has global business operations and is involved from time to time in disputes, including lawsuits and other legal proceedings and investigations by relevant authorities. Due to differences in judicial systems and the uncertainties inherent in such proceedings, the Group may be subject to a ruling requiring payment of amounts far exceeding its expectations. Any judgment or decision unfavorable to the Group could have a materially adverse effect on the Group's business, results of operations or financial condition. However, based on the information currently available to the Group, Management believes that such legal procedures would not have a material adverse effect on the financial position or the results of operations of the Group.

5. Notes to Consolidated Statement of Equity

NuFlare Technology, Inc. became a wholly owned subsidiary

Toshiba Electronic Devices & Storage Corporation, a subsidiary of Toshiba Corporation ("TDSC"), resolved at its board of directors meeting held on November 13, 2019 to acquire the shares of NuFlare Technology, Inc. ("NFT") through a tender offer and commenced the tender offer from November 14, 2019 to January 16, 2020. As a result, the total number of tendered share certificates was above the planned minimum quantity for the tender offer and TDSC purchased all of the tendered share certificates on January 23, 2020. NFT held a special shareholder's meeting that included among its measures for deliberation changes to the NFT's article of incorporation that would eliminate provisions on share unit numbers with condition on consolidation of the common shares of NFT and its effectuation. Given the aforementioned resolution was made at the special shareholder's meeting, NFT became TDSC's a wholly owned subsidiary, because TDSC purchased the remaining fractional shares with the approval of Tribunal on April 28, 2020.

The difference between the acquisition costs of these shares and the non-controlling interests is recorded as Additional paid-in capital.

As a result of the above, Additional paid-in capital on the consolidated balance sheet became negative, and the negative value within Additional paid-in capital was transferred to retained earnings.

6. Notes Concerning Financial Instruments

1) Matters concerning financial instruments

The Company is managing funds mainly on short-term deposits. It also raises funds through issuance of corporate bonds and borrowings from financial institutions including banks.

Investment securities are mainly stocks. For marketable securities, the Group evaluates their fair values on the basis of market prices.

The intended use of corporate bonds and long-term borrowings is to support working capital and other capital investments.

In the normal course of its risk management efforts, the Group employs a variety of derivative financial instruments, which consist primarily of forward exchange contracts, interest rate swap agreements and currency swap agreements and currency swap agreements to reduce its exposures. The forward exchange contracts and foreign-currency-denominated debt utilized by the Group effectively reduce fluctuation in foreign exchange rate on investments in foreign subsidiaries.

The Group has policies and procedures for risk management and the approval, reporting and monitoring of derivative financial instruments. The Group's policies prohibit holding or issuing derivative financial instruments for speculative purposes and trading purposes.

2) Matters concerning market value of financial instruments

The consolidated balance sheet amounts as of March 31, 2021, fair values and their differences are as follows:

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Liabilities concerning financial instruments			
Long-term debt	372,111	372,059	52

The above table excludes financial instruments whose fair values approximate their carrying amounts, those related to leasing activities, marketable securities and other investments whose fair values are equal to their carrying amounts, and derivatives.

In assessing the fair value of these financial instruments, the Group uses a variety of methods and assumptions, which are based on estimates of market conditions and risks existing at that time. For certain instruments, including cash and cash equivalents, notes, accounts receivable and contract assets, short-term borrowings, notes and accounts payable and accounts other payable and accrued expenses, it is assumed that the carrying amount approximated fair value for the majority of these instruments because of their short maturities. Quoted market prices are used for a number of marketable securities and other investments. For long-term debt, fair value is estimated using market quotes or discounted value of future cash flows when market quotes are not available. Other techniques, such as estimated discounted value of future cash flows, and replacement cost, are used to determine fair value for the remaining financial instruments. These fair values are not necessarily the amounts that could be realized in a current market exchange.

7. Net Earnings Per Share Attributable to Shareholders of the Company

Basic net earnings per share attributable to shareholders of the Company ("EPS") is computed based on the weighted-average number of shares of common stock outstanding during each period.

Net earnings per share from continuing operations	
Earnings from continuing operations per share attributable to shareholders of the Company:	268.29 yen

－Basic	
Net loss per share from discontinued operations	
Loss from discontinued operations per share attributable to shareholders of the Company:	(17.04) yen
－Basic	
Net earnings per share	
Net earnings per share attributable to shareholders of the Company:	251.25 yen
－Basic	

Diluted net earnings per share attributable to shareholders of the Company for the fiscal year ended March 31, 2021 has been omitted because the Company did not have common stock outstanding with potential dilutive effects.

8. Significant Subsequent Events

The Group has evaluated subsequent events up to May 14, 2021 in accordance with ASC855 “Subsequent Events.” However, there are no significant subsequent events to describe.

9. Memory business

The Company entered into a share purchase agreement with K.K. Pangea (the “Transferee Company”), a special purpose acquisition company formed by a consortium led by Bain Capital to transfer all shares of Toshiba Memory Corporation (TMC) owned by the company to the Transferee Company, and completed the share transfer on June 1, 2018. The share purchase agreement states that the Company has an obligation for the indemnification for any losses incurred as the result of any breach of representations and warranties, the determination of a United States International Trade Commission (USITC) investigation, specific litigations and other patent claims, and any patent license agreements with certain counterparties specified in advance, and other conditions specified in the agreement. In addition to the share transfer, the Company re-invested a total of 350.5 billion yen in the Transferee Company: 109.6 billion yen in common stock with voting rights and 240.9 billion yen in convertible preferred stock. As a result, while TMC was a wholly-owned subsidiary of the Company before the transfer, TMC was deconsolidated from the Group and the Group's remaining 40.2% common stock investment in TMC was accounted for under the equity method from June 1, 2018. In addition, the Company has pledged all the shares that the Company owns in the Transferee Company to financial institutions as collateral for loan agreements that the Transferee Company concluded with financial institutions to procure the funds to purchase the shares of TMC.

The Transferee Company carried out an absorption-type merger through absorbing TMC on August 1, 2018 and changed its name to Toshiba Memory Corporation. It also implemented a sole-share transfer making Toshiba Memory Corporation the wholly-owned subsidiary in the share transfer and establishing Toshiba Memory Holdings Corporation as the parent company on March 1, 2019.

On May 31, 2019, the Company entered into a contract with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Trust Bank, Ltd. to pledge the shares of Toshiba Memory Holdings Corporation as collateral for outstanding debt obligations including borrowings owed to financial institutions by Toshiba Memory Holdings

Corporation. The shares were pledged on June 17, 2019. Furthermore, the contract concluded to secure the debt obligations including borrowings owed to financial institutions by Toshiba Memory Corporation was cancelled upon the signing of the aforementioned contract. Toshiba Memory Corporation changed its name to KIOXIA Corporation, and Toshiba Memory Holdings Corporation changed its name to KIOXIA Holdings Corporation (KHC) on October 1, 2019.

On August 27, 2020, the convertible preferred stocks in which the Company had invested ware converted to common stock, and the Company's stake in KHC was 40.6%. These common stocks are classified as investments in affiliated companies accounted for under the equity method. In addition, the pledges to secure the debt obligations including borrowings owed to financial institutions have been extinguished with the approval of KHC listing.

Since KHC listing did not occur within the period specified in the loan contract concluded between KHC and financial institutions, on February 26, 2021, the Company entered into a contract with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Ltd., etc. to pledge the shares of KHC as collateral for outstanding debt obligations including borrowings owed to financial institutions by KHC and pledged the shares on the same day.

In accordance with the share purchase agreement, the Company has provided compensation to KIOXIA Group for 7.7 billion yen in the fiscal year ended March 31, 2021. Such compensation expense is presented as discontinued operations within the consolidated statements of income.

Results of operations

	(Millions of yen)
Sales and other income	-
Net sales	-
Other income	-
Costs and expenses	7,728
Cost of sales	-
Selling, general and administrative expenses	-
Other expenses	7,728
Loss from discontinued operations, before income taxes and noncontrolling interests	(7,728)
Income taxes	-
Loss from discontinued operations, before noncontrolling interests	(7,728)
Less: Net income (loss) from discontinued operations attributable to noncontrolling interests	-
Net loss from discontinued operations attributable to shareholders of the Company	(7,728)

The results of operations of KIOXIA Group and the Group’s equity in losses of affiliates for KIOXIA Group for the current fiscal year are as follows.

(Millions of yen)

The pretax loss	(21,499)
Net loss	(13,238)
The Group’s equity in losses of affiliates	(5,402)

Investments in and advances to affiliates on the consolidated balance sheet as of March 31, 2021 includes 279.8 billion yen for KIOXIA Group.

Non-Consolidated Balance Sheet

Non-Consolidated Statement of Operations

Non-Consolidated Statement of Changes in Net Assets

Notes to Non-Consolidated Financial Statements

For the year ended March 31, 2021

The 182th term

Toshiba Corporation

Non-Consolidated Balance Sheet

As of March 31, 2021

Assets	(Millions of yen)
Current assets	738,686
Cash and cash equivalents	385,289
Notes receivables	666
Accounts receivables	32,851
Finished products	4,225
Raw materials	1,714
Work in process	2,730
Other receivables	75,358
Deposits paid	231,335
Prepaid expenses	3,217
Other current assets	2,907
Allowance for doubtful accounts	(1,611)
Fixed assets	986,309
Tangible fixed assets	67,713
Buildings	27,127
Structures	4,053
Machinery and equipment	8,431
Delivery equipment	119
Tools, fixtures and furniture	3,237
Land	22,226
Lease assets	219
Construction in progress	2,299
Intangible fixed assets	22,490
Software	3,603
Other intangible fixed assets	18,887
Investments and others	896,104
Investment securities	33,087
Security investments in subsidiaries and affiliates	828,231
Other investments	1
Other investments in subsidiaries and affiliates	22,075
Long-term prepaid expenses	112
Claims provable in bankruptcy and rehabilitation	1,034
Other assets	12,681
Allowance for doubtful accounts	(1,120)
Total assets	1,724,996

Non-Consolidated Balance Sheet (Continued)

As of March 31, 2021

Liabilities	(Millions of yen)
Current liabilities	522,120
Accounts payable	11,464
Short-term loans	360
Lease obligations	109
Accrued liabilities	29,282
Accrued expenses	30,309
Corporate and other taxes payable	96
Advance payments received	13,790
Deposits received	433,034
Other current liabilities	3,673
Long-term liabilities	497,033
Long-term loans	365,100
Lease obligations	131
Allowance for retirement benefits	41,169
Allowance for losses on litigation	62,099
Asset retirement obligations	2,264
Deferred tax liabilities	4,151
Other long-term liabilities	22,118
Total liabilities	1,019,154
Net Assets	
Shareholders' equity	699,204
Common stock	200,558
Capital surplus	554
Capital legal reserve	554
Retained earnings	503,145
Legal retained earnings	3,063
Other retained earnings	500,082
Reserves for deferral of gains on sales of property	546
Retained earnings brought forward	499,535
Treasury stock	(5,054)
Difference of appreciation and conversion	6,637
Net unrealized gains (losses) on investment securities	8,252
Deferred profit (loss) on hedges	(1,614)
Total net assets	705,841
Total liabilities and net assets	1,724,996

Non-Consolidated Statement of Operations

For the year ended March 31, 2021

	(Millions of yen)
Net sales	74,385
Cost of sales	32,079
Gross margin	42,306
Selling, general and administrative expenses	84,337
Net operating loss	42,030
Non-operating income	136,279
Interest income	1,113
Dividend income	120,916
Rental income	12,419
Miscellaneous income	1,829
Non-operating expenses	17,339
Interest expenses	2,689
Losses on valuation of shares of subsidiaries and affiliates	4,096
Losses on valuation of investment securities	82
Expenses of assets for rent	6,912
Miscellaneous expenses	3,558
Ordinary income	76,908
Extraordinary gains	23,670
Gains on sales of shares of subsidiaries, affiliates and others	16,602
Reversal of allowance for losses on litigation	7,067
Extraordinary losses	9,556
Losses on litigation	9,556
Net income before income taxes	91,022
Corporate tax, inhabitant tax and business tax	(10,110)
Taxes deferred	(26)
Net income	101,159

Non-Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2021

(Millions of yen)	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Common stock	Capital legal reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Reserves for deferral of gains on sales of property	Retained earnings brought forward	Total retained earnings
Balance at beginning of the term	200,175	172	-	172	2,155	573	408,328	411,058
Changes in the term								
Issuance of new shares	383	381		381				
Dividends from surplus					907		(9,978)	(9,071)
Disposal of reserves for deferral of gains on sales of property						(26)	26	-
Net income							101,159	101,159
Purchase of treasury stock								
Disposal of treasury stock			0	0				
Transfer to capital surplus from retained earnings			0	0			0	0
Net changes of items other than shareholders' equity								
Total changes in the term	383	381	-	381	907	(26)	91,207	92,087
Balance at end of the term	200,558	554	-	554	3,063	546	499,535	503,145

	Shareholders' equity		Difference of appreciation and conversion			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on investment securities	Deferred profit (loss) on hedges	Total difference of appreciation and conversion	
Balance at beginning of the term	(5,007)	606,397	4,295	(1,588)	2,707	609,105
Changes in the term						
Issuance of new shares		764				764
Dividends from surplus		(9,071)				(9,071)
Disposal of reserves for deferral of gains on sales of property		-				-
Net income		101,159				101,159
Purchase of treasury stock	(49)	(49)				(49)
Disposal of treasury stock	2	2				2
Transfer to capital surplus from retained earnings		-				-
Net changes of items other than shareholders' equity			3,956	(26)	3,930	3,930
Total changes in the term	(46)	92,806	3,956	(26)	3,930	96,736
Balance at end of the term	(5,054)	699,204	8,252	(1,614)	6,637	705,841

1. Notes to Significant Accounting Policies

Non-consolidated financial information has been prepared in accordance with Japanese generally accepted accounting principles.

(1) Method of valuation of securities

Investment securities in affiliates	Valued at acquisition cost based on the moving average method
Other securities	
Marketable securities	Valued at market value at the end of fiscal year (The

	difference are recorded directly in net assets and cost of sales is calculated by the moving average method)
Non-marketable securities	Valued at acquisition cost based on the moving average method

(2) Method of valuation of derivatives

Derivatives	Valued at market value

(3) Method of valuation of inventories

Finished products	Valued at acquisition cost either based on the specific identification method or on the moving average method
Raw materials	Valued at acquisition cost based on the moving average method
Work in process	Valued at acquisition cost either based on the specific identification method or on the weighted average method

Amounts carried on the balance sheet are stated after their devaluation based on the lowered profitability.

(4) Depreciation methods for fixed assets

Tangible fixed assets (excluding lease assets)	The straight-line method. Service life of buildings and structures is from 3 years to 60 years. Service life of machinery and equipment is from 2 years to 17 years.
Intangible fixed assets (excluding lease assets)	The straight-line method. However, for software for sales, the straight-line method based on estimated sales volume or remaining effective life (up to 3 years). For software for internal use, the straight-line method based on internal service life (up to 5 years).
Lease assets	Lease assets under non-ownership transfer finance lease transactions. For accounting for such lease assets, the Company applies a straight-line method with the lease period as useful life and the residual value as 0.

(5) Recognition of allowance

Allowance for doubtful accounts	To account for potential losses on bad debts, allowances for doubtful accounts are recorded. The allowance for doubtful accounts is generally recorded based on the write-off history and also recorded for any specific, known troubled accounts based on the evaluation of their collectability.
Allowance for losses on litigation	To account for the contingent losses that may be incurred in the future with respect to lawsuits or other disputes, a reasonable estimate of potential loss is recorded upon having considered the individual risks in terms of the respective

	contingencies.
Allowance for retirement benefits	To account for retirement benefits, the estimated amount is based on the accrued pension and severance costs to be incurred at the end of fiscal year. Retirement benefit obligations are calculated on the benefit formula basis to attribute estimated accrued severance costs to the period to the current fiscal year. Prior service cost is amortized by straight-line method over 10 years. Actuarial differences are amortized by straight-line method over 10 years from the fiscal year following the fiscal year in which they arise.

(6) Revenue recognition

The percentage-of-completion method is applied for construction contracts with a high level of certainty of expected cash flow for the part completed by the end of the period (cost comparison method is used for estimating the progress rate of construction work).

(7) Hedge accounting

Accounting method

In principal, the Company applies the deferral hedge accounting method. In addition, when the forward exchange contracts meet the conditions for hedged items, the Company does not account for gains and losses on those forward exchange contracts on a fair value basis, but converts hedged items using the rates of those forward exchange contracts at the closing day.

Moreover, when interest swap agreements meet the conditions for hedged items, the Company does not account for gains and losses on those interest swap agreements on a fair value basis, but recognizes swap interest on an accrual basis.

Measures and objects

Measures	Forward exchange contracts, interest rate swap agreements and borrowings denominated in foreign currency, etc.
Objects	Monetary assets and liabilities denominated in foreign currency, commitments on future transactions denominated in foreign currency, borrowings and investments in foreign subsidiaries, etc.

Policy

To reduce foreign currency risk and interest risk and to improve net interest expense, the Company employs derivative instruments within actual demand of the Company.

Evaluation of effectiveness

The Company compares the total amount of market change or change of cash flow of objects and the total amount of market change or change of cash flow of measures. Effectiveness of hedge is evaluated based on change of both. However, when interest rate swap agreements are recognized by the exceptional method described above, evaluation of effectiveness is skipped.

(8) Accounting of consumption taxes

Transactions subject to consumption taxes are recorded at amounts without tax.

(9) Consolidated taxation system

The Company utilizes the consolidated tax payment system.

(10) Presentation of amount

Amounts under million are rounded down.

2. Notes to Changes in Presentation Methods

(Adoption of Accounting Standard for Disclosures of Accounting Estimates)

The Company has adopted the “Accounting Standard for Disclosures of Accounting Estimates” (ASBJ Statement No. 31 of March 31, 2020) from the non-consolidated financial statements for the fiscal year ended March 31, 2021, and the non-consolidated financial statements include the note, Notes to Accounting Estimates.

3. Notes to Accounting Estimates

Items for which the amount was recorded in the non-consolidated financial statements for the current fiscal year based on accounting estimates, and which may have a significant impact on the non-consolidated financial statements for the following fiscal year, are as follows.

Allowance for losses on litigation 62,099 million yen

4. Notes to Non-Consolidated Balance Sheet

(1) Collateral assets and liabilities secured by collaterals

Collateral assets:

Security in subsidiaries and affiliates (Kioxia Holdings Corporation) 83,956 million yen

The Company has pledged the above assets as collateral for loan agreements concluded with financial institutions by the affiliate (Kioxia Holdings Corporation).

(2) Accumulated depreciation for tangible fixed assets: 115,721 million yen

(3) Liabilities on guarantees

The Company guarantees lease obligations, etc. as follows:

(Millions of yen)

Guarantee	Balance of liabilities on guarantees
Toshiba America, Inc.	2,108
Toshiba Infrastructure System & Solutions Corporation	259
Westinghouse Electric Company LLC	200
Others	588
Total	3,156

(4) Important disputes

In February 2015, the Company received an order from the Securities and Exchange Surveillance Commission, based on Article 26 of the Financial Instruments and Exchange Act, requiring submission of a report. The Company was then subject to inspection regarding projects that used percentage-of-completion accounting. Later, after establishing the Independent

Investigation Committee and conducting the investigation, it was found that the Company had continuously carried out inappropriate accounting and, therefore, the Company filed amendments of the past Annual Securities Reports and other reports. Holders of American Depositary Receipts filed a class action lawsuit against the Company in the State of California, in the US in relation to the inappropriate financial reporting by the Company. The Company filed a petition with the court for rejection of the lawsuit on the grounds that securities laws of the US do not apply to the above-mentioned securities, among other reasons, and the decision to reject the lawsuit was made as of May 20, 2016 (US time). The plaintiffs lodged an appeal against the judgement on July 25, 2016 (US time), and the appellate instance reversed the judgement of the district court on July 17, 2018 (US time) and issued a judgement to remand the case to the district court to enable the plaintiffs to submit a revised complaint. However, the Company filed an appeal against the judgement with the US Supreme Court on October 15, 2018 (US time). But the request was rejected on June 24, 2019 and returned to the district court. Damage compensation claims have been demanded against the Company in Japan as well with the plaintiffs claiming to have suffered damage due to inappropriate financial reporting by the Company. The Company accrued the reasonably estimated amount expected to be paid for the damage compensation. Certain of these claims have been pending with several courts including seeking payment by (1) foreign institutional investors of approximately 13,657 million yen in June 2016, 21,759 million yen in April 2017, 43,561 million yen in April 2017, 9,227 million yen in June 2017, 33,000 million yen and 837 million yen in September 2017, 414 million yen in October 2017 and 4,051 million yen in April 2018, (2) Japan Trustee Services Bank, Ltd. (currently Custody Bank of Japan, Ltd.), of approximately 1,262 million yen in May 2016, 11,993 million yen in August 2016, and 572 million yen in September 2017, (3) the Master Trust Bank of Japan, Ltd., of approximately 5,105 million yen and 13,114 million yen in March 2017, and (4) Trust & Custody Services Bank, Ltd., of approximately 14,026 million yen in March 2017.

The Group has global business operations and is involved from time to time in disputes, including lawsuits and other legal proceedings and investigations by relevant authorities. Due to differences in judicial systems and the uncertainties inherent in such proceedings, the Group may be subject to a ruling requiring payment of amounts far exceeding its expectations. Any judgment or decision unfavorable to the Group could have a materially adverse effect on the Group's business, results of operations or financial condition. However, based on the information currently available to the Group, Management believes that such legal procedures would not have a material adverse effect on the financial position or the results of operations of the Group.

(5) Monetary receivables and liabilities to subsidiaries and affiliates

Current monetary receivables	291,626 million yen
Current monetary liabilities	466,062 million yen

5. Notes to Non-Consolidated Statement of Operations

(1) Sales to subsidiaries and affiliates	51,056 million yen
(2) Purchases from subsidiaries and affiliates	9,945 million yen

(3) Non-operating transactions amounts with

subsidiaries and affiliates 142,467 million yen

(4) Losses on litigation

The share purchase agreement of Kioxia Corporation (formerly Toshiba Memory Corporation) states that the Company has an obligation for the indemnification for any losses incurred as the result of any breach of representations and warranties, the determination of a United States International Trade Commission (USITC) investigation, specific litigations and other patent claims, and any patent license agreements with certain counterparties specified in advance, and other conditions specified in the agreement. In accordance with the share purchase agreement, the Company has recorded compensation for 7,728 million yen as losses on litigation in the fiscal year ended March 31, 2021.

Due mainly to the above reasons, 9,556 million yen has recorded in extraordinary losses.

6. Notes to Non-Consolidated Statement of Changes in Net Assets

(1) The class and number of issued shares as of March 31, 2021

Common stock 455,280,690 shares

(2) The class and number of treasury stock as of March 31, 2021

Common stock 1,439,724 shares

(3) Resolution of dividends

Resolution	Total amount of dividends	Dividend per share	Record date	Effective date
Board of Directors Meeting held on May 14, 2020	4,535 million yen	10 yen	Mar. 31, 2020	Jun. 4, 2020
Board of Directors Meeting held on November 11, 2020	4,535 million yen	10 yen	Sep. 30, 2020	Dec. 2, 2020
Board of Directors Meeting to be held on May 14, 2021	31,768 million yen	70 yen	Mar. 31, 2021	Jun. 4, 2021

7. Notes to Deferred Income Tax Accounting

Deferred tax assets have been recognized due to losses on the valuation of shares, allowance for losses on litigation, non-recognition of the allowance for retirement benefits, and net-loss carried forward, etc. A full valuation allowance has been recorded.

The occurrence of deferred tax liabilities was mainly attributable to net unrealized gains (losses) on investment securities.

8. Notes to Transaction with Related Parties

Subsidiaries and affiliates

(Millions of yen)

Distinction of subsidiary/ affiliate	Company	Holding ratio of voting rights[*1]	Relationship	Transaction	Amount	Accounts	Ending balance
Subsidiary	Toshiba International Corporation	100%	Sales of the Company's products	Sales of battery products[*2]	15,141	Accounts receivable	6,834
Subsidiary	Toshiba Infrastructure Systems & Solutions Corporation	100%	Use of brands, etc. Lending of cash Debt guarantees received	Consideration of use of brands, etc.[*3]	7,664	Accounts receivable	4,982
				Lending of cash[*4*5]	–	Deposits paid	41,428
				Receipt of interests [*4*5]	126	Other receivables	22
				–	–	Debt guarantees received[*8]	–
Subsidiary	Toshiba Electronic Devices & Storage Corporation	100%	Use of brands, etc. Lending of cash Debt guarantees received	Consideration of use of brands, etc.[*3]	7,337	Accounts receivable	4,451
				Lending of cash[*4*5]	–	Deposits paid	78,846
				Receipt of interests [*4*5]	384	Other receivables	33
				–	–	Debt guarantees received[*8]	–
Subsidiary	Toshiba Energy Systems & Solutions Corporation	100%	Use of brands, etc. Borrowing of cash Debt guarantees received	Consideration of use of brands, etc.[*3]	5,679	Accounts receivable	3,977
				Borrowing of cash [*4*5]	–	Deposits received	116,657
				Payment of interests [*4*5]	124	Accrued expenses	8
				–	–	Debt guarantees received[*8]	–
Subsidiary	Toshiba I.S. Corporation	100%	Acceptance of services	Operation and maintenance of systems[*6]	24,334	Accrued expenses	5,199
Subsidiary	Kaga Toshiba Electronics Corporation	100%	Lending of cash	Lending of cash[*4*5]	–	Deposits paid	26,413
				Receipt of interests [*4*5]	118	Other receivables	10
Subsidiary	Toshiba Asia Pacific Pte., Ltd.	100%	Borrowing of cash	Borrowing of cash [*4*5]	–	Deposits received	39,119
				Payment of interests [*4*5]	40	Accrued expenses	3
Subsidiary	Toshiba Digital Solutions Corporation	100%	Borrowing of cash Debt guarantees received	Borrowing of cash [*4*5]	–	Deposits received	37,102
				Payment of interests [*4*5]	57	Accrued expenses	3
				–	–	Debt guarantees received[*8]	–
Subsidiary	Toshiba Europe Ltd.	100%	Borrowing of cash	Borrowing of cash [*4*5]	–	Deposits received	33,653
				Payment of interests [*4*5]	72	Accrued expenses	7
Subsidiary	Toshiba America, Inc.	100%	Borrowing of cash	Borrowing of cash [*4*5]	–	Deposits received	33,288
				Payment of interests [*4*5]	95	Accrued expenses	9
Subsidiary	Toshiba Plant	100%	Borrowing of cash	Borrowing of cash	–	Deposits received	33,243

	Systems & Services Corporation			*4*5			
				Payment of interests *4*5	77	Accrued expenses	1
Subsidiary	NuFlare Technology, Inc.	100%	Borrowing of cash	Borrowing of cash *4*5	–	Deposits received	28,664
				Payment of interests *4*5	47	Accrued expenses	2
Subsidiary	Toshiba Elevator and Building Systems Corporation	80.0%	Borrowing of cash	Borrowing of cash *4*5	–	Deposits received	20,896
				Payment of interests *4*5	24	Accrued expenses	1
Affiliate	Kioxia Holdings Corporation	40.6%	Provision of collateral	Provision of collateral*7	–	–	–

(Notes)

* 1. Voting rights include voting rights held through subsidiaries of the Company.
* 2. Sales of battery products is determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction.
* 3. Consideration for use of brands, etc. is determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction.
* 4. Conditions of lending and/or borrowing of cash are determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction, considering market interest rate.
* 5. Amounts such as those involving lending and/or borrowing of cash are not stated because such transactions are performed on a recurring basis drawing on cash management systems for the effective utilization of funds within the Group.
* 6. The operation and maintenance of systems is determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction in relation to the price presented by Toshiba I.S. Corporation.
* 7. All the shares of Kioxia Holdings Corporation owned by the Company amounting to 83,956 million yen are provided to financial institutions as collateral for loan agreements that Kioxia Holdings Corporation concludes with financial institutions.
* 8. The Company received joint and several guarantees of 781,356 million yen from four subsidiaries against the Company’s borrowings or the like.

9. Notes to Per Share Information

(1) Net assets per share 1,555.26 yen

(2) Net income per share 222.99 yen

10. Notes to Significant Subsequent Events

Not applicable.

Independent Auditor's Report
(English Translation*)

May 14, 2021

Toshiba Corporation
Representative Executive Officer
President and Chief Executive Officer
Satoshi Tsunakawa

PricewaterhouseCoopers Aarata LLC
Tokyo office

Kentaro Iwao, CPA
Designated limited liability Partner
Engagement Partner

Takeshi Tadokoro, CPA
Designated limited liability Partner
Engagement Partner

Masahide Kato, CPA
Designated limited liability Partner
Engagement Partner

Hiroyuki Inoue, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated balance sheet, consolidated statement of operations, consolidated statement of equity, and notes to the consolidated financial statements of Toshiba Corporation for the fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries (the Group) and its financial performance for the period covered by the consolidated financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP) with the provision of the second sentence of Article 120, (1) that applies mutatis mutandis to Article 120-3, (3) of the Ordinance on Accounting of Companies, which permits the omission of some disclosure items required under U.S. GAAP.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we

* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP with the provision of the second sentence of Article 120, (1) that applies mutatis mutandis to Article 120-3, (3) of the Ordinance on Accounting of Companies, which permits the omission of some disclosure items required under U.S. GAAP, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with U.S. GAAP with the provision of the second sentence of Article 120, (1) that applies mutatis mutandis to Article 120-3, (3) of the Ordinance on Accounting of Companies, which permits the omission of some disclosure items required under U.S. GAAP.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with U.S. GAAP with the provision of the second sentence of Article 120, (1) that applies mutatis mutandis to Article 120-3, (3) of the Ordinance on Accounting of Companies, which permits the omission of some disclosure items required under U.S. GAAP, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our Firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

(Translation)

AUDIT REPORT (Consolidated Financial Statements)

We, the Audit Committee of the Company, have audited the Consolidated Financial Statements (the Consolidated Balance Sheet, the Consolidated Statement of Operations, the Consolidated Statement of Equity and the Notes to Consolidated Financial Statements) during the 182nd fiscal period, from April 1, 2020 to March 31, 2021. We report the method and the results as follows:

1. Method and contents of audit

   Pursuant to the audit policy, assigned duties and other rules that the Audit Committee decided, we have received reports on the Consolidated Financial Statements from Executive Officers and other personnel and, sought their explanations as necessary. In addition, we have overseen and inspected whether the accounting auditor keep their independency and conduct appropriate audit. We have received reports on execution of their duties from the accounting auditor and, sought their explanations as necessary. Also, we have received notice from the accounting auditor that they maintain “systems to ensure appropriateness of execution of duties” (matters described in each item of Article 131 of the Ordinance on Accounting of Companies) in accordance with “Quality Control Standards for Audits” (Business Accounting Council, October 28, 2005) and, sought their explanations as necessary.

   Based on the method above, we have examined the Consolidated Financial Statements for the 181st fiscal period.

2. Results of audit

   The Audit Committee conclude that methods and results of the audit conducted by the accounting auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

May 14, 2021

Audit Committee
Toshiba Corporation

Audit Committee Member (full-time)
Junji Ota
Audit Committee Member
Yuki Furuta
Audit Committee Member
Nobuyuki Kobayashi

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Audit Committee Member
Takashi Yamauchi

Note: Mr. Junji Ota, Mr. Yuki Furuta, Mr. Nobuyuki Kobayashi, and Mr. Takashi Yamauchi are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Independent Auditor’s Report
(English Translation*)

May 14, 2021

Toshiba Corporation
Representative Executive Officer
President and Chief Executive Officer
Satoshi Tsunakawa

PricewaterhouseCoopers Aarata LLC
Tokyo office

Kentaro Iwao, CPA
Designated limited liability Partner
Engagement Partner

Takeshi Tadokoro, CPA
Designated limited liability Partner
Engagement Partner

Masahide Kato, CPA
Designated limited liability Partner
Engagement Partner

Hiroyuki Inoue, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements, and the supplementary schedules of Toshiba Corporation (hereinafter referred to as the "Company") for the 182th fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Financial Statements and the

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Supplementary Schedules
Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.
The Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules
Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.
As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

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internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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* Notes to the Readers of Independent Auditor’s Report

This is an English translation of the Independent Auditor’s Report as required by the Companies Act of Japan for the conveniences of the reader.

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(Translation)

AUDIT REPORT

We, the Audit Committee of the Company, have audited Directors' and Executive Officers' execution of their duties during the 182nd fiscal period, from April 1, 2020 to March 31, 2021. We report the method and the results as follows:

1. Method and contents of audit

   Regarding the internal control system (the contents of the resolution of the Board of Directors with respect to items prescribed in Article 416, Paragraph 1, Item 1 b) and e) of the Companies Act and the system developed based on the said resolution), we, the Audit Committee, have received periodic reports from the Directors, Executive Officers and employees regarding the current status on the establishment and management of such system, sought their explanations as necessary, and expressed opinions. In addition, the Audit Committee carried out audits according to the following method:

   a. Pursuant to the audit policy, assigned duties and other rules that the Audit Committee decided, and in cooperation with the internal audit division and other divisions responsible for internal control, we have attended important meetings; received reports from Directors, Executive Officers and others on execution of their duties, and sought their explanations as necessary; inspected important documents of management's decision making and others; and investigated the status of the business operations and assets at the head office and other main places of business. With respect to subsidiaries, we have endeavored communication and exchange of information with Directors, Audit & Supervisory Board members, etc., of the subsidiaries; received reports on business from them; and sought the subsidiaries' explanations as necessary.

      In regard to internal control over financial reporting, we received reports from Executive Officers, et al. and PricewaterhouseCoopers Aarata LLC on the current status of discussions between both parties, evaluation of the said internal control and status of audit, sought their explanations as necessary.

   b. We have reviewed the contents of the "Basic Policy on the Control of the Company" described in the Business Report (basic policy prescribed in Article 118, Item 3 a) of the Ordinance for Enforcement of the Companies Act).

   c. We monitored and verified whether the accounting auditor kept their independency and conducted appropriate audit, and we received reports from the accounting auditor regarding the execution of their duties and sought explanations as necessary. Also, we have received notice from the accounting auditor that they maintain "systems to ensure appropriateness of execution of duties" (matters described in each item of Article 131 of the Ordinance on Accounting of Companies) in accordance with "Quality Control

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Standards for Audits" (Business Accounting Council, October 28, 2005) and sought their explanations as necessary.

Based on the method above, we have examined the Business Report, Non-Consolidated Financial Statements (the Non-Consolidated Balance Sheet, the Non-Consolidated Statement of Operations, the Non-Consolidated Statement of Changes in Net Assets, and the Notes to Non-Consolidated Financial Statements), and their related supplementary schedules for the 181st fiscal period.

2. Results of audit

(1) Results of audit on the Business Report, etc.

a. The Business Report and its related supplementary schedules present fairly the status of the Company in accordance with the related laws and regulations and the Articles of Incorporation.

b. Our audit did not detect any misconduct by Directors or Executive Officers concerning the execution of their duties or any material fact constituting a violation of any laws and regulations or the Articles of Incorporation.

c. We conclude that the resolutions of the Board of Directors with respect to the internal control system are appropriate. With respect to the description in the Business Report and the performance of the duties of Directors and Executive Officers regarding the said internal control system, including internal control over financial reporting, we confirm that there is no matter to be pointed out.

d. We are of the opinion that the "Basic Policy on the Control of the Company" that is set forth in the Business Report is appropriate.

(2) Results of audit on the Non-Consolidated Financial Statements and their related supplementary schedules

The Audit Committee conclude that methods and results of the audit conducted by the accounting auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

May 14, 2021

Audit Committee
Toshiba Corporation

Audit Committee Member (full-time)
Junji Ota
Audit Committee Member
Yuki Furuta
Audit Committee Member

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Nobuyuki Kobayashi
Audit Committee Member
Takashi Yamauchi

Note: Mr. Junji Ota, Mr. Yuki Furuta, Mr. Nobuyuki Kobayashi, and Mr. Takashi Yamauchi are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.