

Corporate Governance Report

Last Update: July 6, 2023

Toshiba Corporation

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Securities Code: 6502

<https://www.global.toshiba/ww/top.html>

The corporate governance of Toshiba Corporation (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The basic objectives of Company's Corporate Governance are to realize sustainable growth and raise the enterprise value of the Company's Group (hereinafter referred to as “Group”) over the medium- to long-term, and to contribute to the interests of all stakeholders, including shareholders, investors, employees, customers, business partners, creditors, and local communities. Board of Directors has also established Corporate Governance Guidelines (hereinafter referred to as “Guidelines”) that form the framework of governance of the Company. For more information, please refer to the following URL:
<https://www.global.toshiba/ww/ir/corporate/esg/governance.html>

[Reasons for Non-compliance with the Principles of the Corporate Governance Code] (Updated)

The Company complies with all principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] (Updated)

[Principle 1.4 Strategic Shareholdings]
Please refer to Article 10 (Policy on Strategic Shareholdings) of the Guidelines. The Company has a basic policy of reducing the outstanding amount of its strategic shareholdings as much as possible. The Company will check and confirm the economic rationale of its strategic shareholdings in terms of their value based on their necessity in building, maintaining, and strengthening business alliances, other similar relationships, and relationships of trust with the issuer companies in which those shares are held, the status of business transactions with those companies, and other such matters, as well as in terms of whether the benefits, risks and other factors from each strategic shareholding cover the Company's cost of capital. The Company will engage in such shareholdings only when it determines that doing so is necessary in consideration of factors such as the results of that confirmation, the market environment, and management and financial strategies. Based on this policy, the value and economic rationale of each strategic shareholding currently held were checked and confirmed at a meeting of the Company's Board of Directors held in May 2023, and based on the market environment, management and financial strategies and other factors, the Company decided to continue to hold or dispose of the shares in accordance with the above policy. In light of the basic policy of reducing the outstanding amount of its strategic shareholdings, the Company plans to further examine the significance and economic rationale of its shareholdings and review

the appropriateness in light of market conditions, management and financial strategies and other factors. In addition, the Company exercises its voting rights after determining how to exercise those voting rights in consideration of whether or not each proposal will contribute to the sustainable growth and mid- to long-term increase of corporate value of the issuer company in which those shares are held.

[Principle 1.7 Related Party Transactions]

Please refer to Article 11 (Related Party Transactions) of the Guidelines for details.

[Supplementary Principle 2.4.1 Diversity in the Promotion to Core Human Resources]

(1) Policies for ensuring diversity

The Company believes that promoting “diversity and inclusion” and “equal opportunity” leads to greater corporate value in such areas as securing labor and creating innovation, and aims to establish a corporate culture that enables diverse personnel to play active roles irrespective of gender, nationality, or whether they have disabilities or not.

The Company is working to enhance its systems and initiatives, especially for female employees, foreign employees, employees with disabilities, and LGBT+ employees.

(2) Voluntary and measurable goals and their status

The Company formulated an action plan based on the Act to Advance Women's Success in Their Working Life enacted in FY2016 and in the 2nd action plan formulated in April 2021, Toshiba Corporation and its key Group companies (meaning Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, Toshiba Digital Solutions Corporation) established a target to increase the percentage of female managers to 8% by the end of FY2025 through systematic human resource development and mid-career employment. The percentage of female managers at the end of FY 2022 is 5.8%.

Also, the number of foreign national employees in Toshiba Corporation and its key Group companies was 354 at the end of FY2022, and 19 of them hold manager posts.

In addition, mid-career employment is actively promoted, and Toshiba Corporation and its key Group companies hired 138 mid-career recruits last fiscal year.

From the viewpoint of securing diversity in the appointment of managers, the Company believes that increase in the percentage of female managers is its most urgent and high-priority issue; therefore, no voluntary and measurable goal is currently established in regard to appointment of foreign national employees and mid-career recruits to manager posts. However, going forward, the Company will make further efforts to promote managerial diversity, appointing diverse human resources as women and foreign national employees in manager posts, as well as developing candidates.

(3) Policies for human resource development and internal environment development to ensure diversity, and the status of their implementation

The Company strives to create an organizational culture where diverse individuality and employee values are accepted and respected and where each employee is provided the opportunity to maximize their capabilities and strengths. Our efforts include diversity training where employees learn to accept and respect diversity of each individual and study about human rights for all employees.

Further, the Company conducts awareness surveys targeted at domestic Group employees, and monitor the level of diversity awareness throughout the workplace. Where improvements are called for, the Company conducts training as necessary, and strive for better work environments.

For more information, please refer to the following URL:

<https://www.global.toshiba/ww/sustainability/corporate/performance/social/diversity.html>

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Toshiba Corporate Pension Fund appoints personnel with appropriate qualifications, such as experience in the operations of the Finance Division, as the governor or person in charge of the management of the Fund. Furthermore, the Fund strives to foster human resources by promoting continued participation of such personnel in external training including seminars organized by the Pension Fund Association. With regard to the Fund's management, the Asset Management Committee has been established as an organization to assist the governing board based on the basic

policy for asset management established by the Toshiba Corporate Pension Fund. The Asset Management Committee deliberates on important matters such as the formulation and review of basic asset management policies and basic asset allocation, reports to the governing board, and monitors the status of asset management. In addition, the Fund ensures that conflicts of interest will not arise by entrusting the selection of managed stocks to asset management agencies regularly entrusted with similar asset management.

[Principle 3.1 Full Disclosure]

(1) Basic Commitment

Please refer to Article 5 (Basic Commitment) of the Guidelines and the Company website.

<https://www.global.toshiba/ww/outline/corporate/philosophy.html>

(2) Basic views and policies on corporate governance

Please refer to “1. Basic Views” above and the Guidelines.

(3) Policies and procedures for determining the compensation of senior executives and directors

Please refer to Article 21 (Compensation Committee) of the Guidelines and section “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management,” “1. Organization Composition and Operation,” [Compensation for Directors and Executive Officers] of this Report.

(4) Policies and procedures for the election and dismissal of senior executives and nomination of candidates for director

The Company elects and dismisses senior executives and nominates candidates for director in accordance with Article 17 (Nomination Committee) of the Guidelines, and Director Nomination Criteria and Executive Officer Election Criteria in the attached Exhibit. In the selection of the President and CEO, the Nomination Committee makes a decision on reappointment on a regular basis once a year based on the terms of office of the Executive Officers of the Company, during which it implements evaluations of the President and CEO (investigations of confidence) by senior management, and refers to the results of these evaluations in its decision.

(5) Explanation of individual assignments/nominations when electing and dismissing senior executives and nominating candidates for director

Reasons for candidacy as director are included in “Reference Material” of the convocation notices of general meeting of shareholders.

[Supplementary Principle 3.1.3 Initiatives on Sustainability]

(1) Initiatives on sustainability

“Committed to People, Committed to the Future” is the cornerstone text of the basic commitment adopted by Toshiba Group, declaring its unfaltering belief to contribute to the development of society through its business activities. Under such principle, the Group, as a member of the world that faces various challenges such as energy shortage, resource depletion and climate change, has considered the long-term impact of its corporate activities on our society, and promoted its effort to solve social issues. Under Toshiba Group Sustainability Policy established in 2021, the Company have identified material issues of the Group in each ESG field by extracting from a range of social issues those are highly relevant to our business and highly important from a risk perspective. KPIs are set for each material issue, and measures related to these items are taken and monitored.

The material issues and KPIs are disclosed at the following URL:

<https://www.global.toshiba/ww/sustainability/corporate/csr-management/materiality.html>

For more information, please refer to the Sustainability Reports and the following URL:

<https://www.global.toshiba/ww/sustainability/corporate.html>

<https://www.global.toshiba/ww/sustainability/corporate/report-backnumber.html>

(2) Investments in human capital and intellectual properties

The Group states “We turn on the promise of a new day” in “The Essence of Toshiba.” To achieve this, the Company is creating and promoting an open corporate culture, and has established fair evaluation systems while seeking to develop and deploy talents to the greatest extent in order for

its sincere and richly diverse human resources acting autonomously with a passion for change to work together and to generate new value based on a vision of the future of the Company.

For more information, please refer to the following URL:

<https://www.global.toshiba/ww/sustainability/corporate/performance/social/hrd.html>

Also, the Group believes that proper management and utilization of intellectual property (hereinafter referred to as “IP”) is essential to enhance corporate value. Through strategic use of IP, the Group is aiming at expansion of opportunities for solving social issues and maximizing corporate value as well as realization of DE, DX and QX. Specifically, from the upstream stage of business conception, we consider how to utilize IP and how to link it to business value, and if there is any missing IP, we will acquire it to strengthen our IP portfolio. By actively utilizing our IP and promoting co-creation with our partners, we will be able to address social issues that we could never solve on our own, thereby maximizing our corporate value. For more information, please refer to the following URL:

https://www.global.toshiba/content/dam/toshiba/ww/ir/corporate/finance/annual-report/pdf/ar2022/tir2022e_a3.pdf#page=27

(3) Disclosure about impacts from 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 specify 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 strengthening our frameworks and activities for addressing these risks. At the same time, identifying opportunities from increased demand for decarbonized energy technologies, energy-saving products and services, and the like, we are proceeding to develop such business including renewable energies business for the achievement of carbon neutrality, which is one of our business strategies. We have established a framework under which important issues related to climate change that could affect our business are discussed at the Sustainability Strategy Committee, which is chaired by the President, and then reported to the Board of Directors.

As a response to climate change and as stated in our Environmental Future Vision 2050, the Group seeks to achieve carbon neutrality throughout the entire value chain by FY2050 and, as a target, reduce GHG emissions by 70% by FY2030 compared to the FY2019 level. Of our FY2030 reduction targets, 100% reduction (Note 1) is targeted for emissions from our own business activities (Scope 1 and 2) and 70% reduction for indirect emissions outside our business activities (Scope 3). To achieve these targets, we are currently 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 0.98 million t-CO₂ and to achieve a 1% year-on-year improvement every year in our total energy-derived CO₂ emissions per unit. Furthermore, in our products and services, we aim to reduce GHG emissions during power supply (Note 2) by 13.6% in FY2023 (versus FY2019), while aiming for a 43 million t-CO₂ contribution to GHG reduction (cumulative from FY2021) through introduction of renewable energy and an 57 million t-CO₂ contribution to GHG reduction (cumulative from FY2021) during product use (Note 3).

For more information, please refer to the following URL:

<https://www.global.toshiba/ww/environment/corporate/climate/tcfcd-cdp.html>

(Notes)

1. Purchasing of carbon credits to offset GHG emissions of process gases etc., which are difficult to reduce GHG emissions, are incorporated into the carbon neutrality process. The target is set by 70% reduction if purchasing of carbon credits are excluded.
2. The items subject to the target are products and services associated with power supply, such as thermal power generation.
3. The items subject to the target are products and services associated with power consumption, such as social infrastructure products.

[Supplementary Principle 4.1.1 Roles and Responsibilities of the Board of Directors (1)]

Please refer to Article 16 (Matters Delegated by the Board of Directors to Executive Officers) of the Guidelines for details.

Mission of the Board of Directors is to monitor and supervise business execution by management and to determine the company's basic strategies. Strategic issues will be discussed by the whole Board of Directors with diversified skill sets.

[Supplementary Principle 4.2.2 Roles and Responsibilities of the Board of Directors (2)]

For details on the basic policy for the Company's sustainability initiatives developed by the Board of Directors, please refer to "Supplementary Principle 3.1.3 Initiatives on Sustainability" above.

Also, at the Company, the Executive Officers in charge make reports to the Board of Directors of the allocation of management resources, including investments in human capital and intellectual properties, and the implementation of business portfolio strategies, and receive supervision and advice from the Board of Directors.

[Principle 4.8 Effective use of Independent Outside Directors]

Please refer to Article 15 (Board of Directors) of the Guidelines for details.

[Principle 4.9 Independence Standards and qualification for Independent Outside Directors]

Please refer to Exhibit (Independence Criteria for Outside Directors) of the Guidelines for details.

[Supplementary Principle 4.11.1 Preconditions for Ensuring the Effectiveness of the Board of Directors]

Please refer to Article 15 (Board of Directors) and Article 17 (Nominations Committee) of the Guidelines. The Board of Directors discloses policies and procedures for nominating directors along with what is known as a "skills matrix," the combination of skills, etc. that each director possesses. Based on this, the Board of Directors is made up of independent outside directors with expertise in management, accounting expertise, legal expertise etc., in addition to executive officers, who are also responsible for business execution, in order to fulfill their roles and responsibilities. Further, the Board of Directors is comprised of diverse perspective as much as possible, such as a female director and directors with abundant experience in global business, which may support to manage the company.

The current Board of Directors consists of 11 Directors (1 executive officers and 10 independent outside directors). The Company has a principle to have approximately 11 directors in order to enable the Board of Directors to deliberate substantially and thoroughly and to ensure that more than half of the directors will be outside directors in order to secure the effectiveness of the oversight and supervisory functions over business execution.

The Board of Directors remains innovative in its composition – while reflecting the composition of the Company's shareholders and including directors recommended by our major shareholder as a shareholder representative, the Board of Directors is equipped with skill sets required for promoting business transformation for the Company and handling high-risk matters, comprising directors who have experience in international business, expertise in business portfolios management, business restructuring, M&A, capital markets and capital allocation, and law and compliance, including five foreign nationals.

[Supplementary Principle 4.11.2 Preconditions for Ensuring the Effectiveness of the Board of Directors]

Please refer to "Significant Concurrent Positions" on pages 10 to 26 of "Reference Material for the Ordinary General Meeting of Shareholders" in "Convocation Notice of the Ordinary General Meeting of Shareholders for the 184th Fiscal Year"

<https://www.global.toshiba/ww/ir/corporate/stock/meeting.html>

[Supplementary Principle 4.11.3 Preconditions for Ensuring the Effectiveness of the Board of Directors]

(1) Significance of evaluating effectiveness

The Company undertakes the evaluation on effectiveness of the Board of Directors for the purposes of recognizing the status, identifying any issues, and further improving the functions of the Board of Directors.

(2) Analysis and evaluation method

The FY2022 evaluation on effectiveness of the Board of Directors (hereinafter referred to as the "FY2022 Review") was implemented by Board Advisors Japan, Inc. (hereinafter referred to as "Board Advisors"), as a third-party evaluator, from November 2022 to March 2023.

In the FY2022 Review, the evaluation methods, including the advance questionnaire to all Directors, the individual interviews of approximately two hours of all Directors, the individual interviews of approximately one hour of the four Executive Officers and the interview of the Board of Directors secretariat, have been taken. The advance questionnaire consists of 14 areas, namely, Board overall review, Board structure, advance preparation, management, discussion, Nomination Committee, Compensation Committee, Audit Committee, monitoring of management, risks, tone at the top, self-evaluation, miscellaneous and degree of significance of agenda items and volume of discussion. The individual interviews were conducted based on the answers thereto of the respective Directors.

(3) Overview of evaluation results

Board Advisors provided the summary of the FY2022 Review as follows:

- The Company's Board of Directors is tackling the "Review of Strategic Alternatives", which the shareholders expected the Board to deal with as the top priority challenge after the ordinary shareholders meeting.
- It was confirmed as a result of the FY2022 Review that the effectiveness of the Company's Board and three statutory committees is generally ensured.

Board Advisors reported that it was confirmed that the Company's Board and three statutory committees have the following characteristics.

- (i) Sharing of the Board's objectives: All Directors correctly understand that the "Review of Strategic Alternatives" is the most significant responsibility of the Company's Board at the moment.
- (ii) Appropriate Board structure: The Board structure is in line with the expectation of the shareholders for the current Board.
- (iii) Enhancement of the discussion on the "Review of Strategic Alternatives": Detailed discussion on "Review of Strategic Alternatives" is being conducted with utilization of outside advisors and much time of the Board is spent on such review.
- (iv) Smooth conduct of meetings by the Chairperson: The evaluation of the conduct by the Chairperson of Board is mostly high. He spends a significant amount of time to listen to all Directors and conducts meetings while generating the sense of acceptance.
- (v) Audit Committee with a high level of commitment: The evaluation of the activities of the Audit Committee is mostly high. Under the Chairperson's leadership, the committee energetically responds to various incidents while maintaining close communication with the members with high levels of expertise and management experiences.

Board Advisors reported that the Board is expected to examine the following challenges for further improvement of its effectiveness and proposed the following possible directions for action. In response, the Company will consider measures to further improve the effectiveness of the Board of Directors, while also considering the progress of the "Review of Strategic Alternatives".

- (i) Strengthening of the relationship of trust between the monitoring and the management: Hold off-site meetings to deepen mutual understanding between the monitoring and the management. / Clarify the information on the management to be reported to the Board of Directors.
- (ii) Enhancement of discussion on the on the mid- to long-term management strategy: Thoroughly manage the progress of the mid- to long term management plan. / Hold a board meeting at least once every quarter with sufficient time secured for a face-to-face meeting.
- (iii) Promotion of board diversity: Explore the possibility of inviting those having managed manufacturers and succeeded in overall corporate reform and female Independent Outside Directors.
- (iv) Strengthened management of the three statutory committees:
 - Nomination Committee: Enhance the discussion on the challenge to promote board diversity.
 - Compensation Committee: Conduct deeper discussion on the level of compensation for the Directors.
 - Audit Committee: Facilitate the strengthening of the internal control system for the management. / Enhance the committee's monitoring of the management.

[Supplementary Principle 4.14.2 Training policy for Directors and Executive Officers]
Please refer to Article 25 (Training Policy for Directors and Executive Officers) of the Guidelines.

[Principle 5.1 Policy on Dialogue with Shareholders]
Please refer to Article 12 (Constructive Dialogue with Shareholders and Investors) of the Guidelines.
The Company will focus on open, constructive dialogue with its shareholders and other stakeholders, and will build relationships and earn back trust.

2. Capital Structure

Percentage of Foreign Shareholders	More than 30%
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[Status of Major Shareholders] (Updated)

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd.(Trust accounts)	48,011,500	11.08
SUNTERA (CAYMAN) LIMITED AS TRUSTEE OF ECM MASTER FUND	20,000,000	4.62
CHINOOK HOLDINGS LTD	15,392,000	3.55
Custody Bank of Japan, Ltd.(Trust accounts)	12,846,600	2.97
BCSL CLIENT RE BBPLC NYBR	12,500,300	2.89
Nippon Life Insurance Company	11,035,279	2.55
GOLDMAN SACHS INTERNATIONAL	10,714,814	2.47
Toshiba Employees Shareholding Association	9,531,376	2.20
GOLDMAN SACHS & CO. REG	8,086,750	1.87
CGMI PB CUSTOMER ACCOUNT	7,683,648	1.77

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

(1) The change report on large-volume holdings offered for public inspection on March 4, 2021 notes that, as of February 26, 2021, a total of 11 companies as noted in the table below, including BlackRock Japan Co., Ltd. held 23,720K shares (ratio of stock certificates, etc. held: 5.21%). However, as the Company cannot confirm the beneficial ownership or number of shares held by these companies as of March 31, 2023, these companies 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)
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

(2) The change report on large-volume holdings offered for public inspection on March 31, 2022 notes that Effissimo Capital Management Pte Ltd. held 42,868K shares as of March 24, 2022 (ratio of stock certificates, etc. held: 9.90%). However, as the Company cannot confirm the beneficial ownership or number of shares held by Effissimo Capital Management Pte Ltd. as of March 31, 2023, Effissimo Capital Management Pte Ltd. is not included in the above table.

(3) The change report on large-volume holdings offered for public inspection on June 2, 2022 notes that, as of May 26, 2022, Farallon Capital Management L.L.C. and CHINOOK HOLDINGS LTD jointly held 22,960K shares (ratio of stock certificates, etc. held: 5.30%) 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 March 31, 2023, 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.

Name of company	Number of stock certificates, etc. held (in thousands)	Ratio of stock certificates, etc. held (percentage)
Farallon Capital Management, L.L.C.	5,962	1.38
CHINOOK HOLDINGS LTD	16,998	3.92
Total	22,960	5.30

(4) The change report on large-volume holdings offered for public inspection on March 29, 2023 notes that 3D Investment Partners Pte. Ltd. held 21,233K shares as of March 22, 2023 (ratio of stock certificates, etc. held: 4.90%). However, as the Company cannot confirm the beneficial ownership or number of shares held by 3D Investment Partners Pte. Ltd. as of March 31, 2023, 3D Investment Partners Pte. Ltd. is not included in the above table.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange: Prime, Nagoya Stock Exchange: Premier
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 100 and less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance (Updated)

(1) Enhancement of Shareholder Value

On April 7, 2022, the Company established the Special Committee consisting of outside directors, all of whom are independent of the Company, in order to engage with potential investors and sponsors (hereinafter referred to as the “Potential Partners”) and review strategic alternatives. The Company initiated a process (hereinafter referred to as the “Process”) to partners regarding strategic alternatives for enhancing corporate value. The Company has been carefully engaged in the Process, while holding discussions with the Potential Partners.

On July 19, 2022, the Company decided to invite multiple Potential Partners to participate in the second round of bidding process and, with a view to obtaining more comprehensive proposals, provided them with an opportunity to conduct due diligence on the Company’s business, including financial, legal, taxation, regulatory and other matters. Until September 30, 2022, the Company has received a number of more in-depth (including legally binding) written indications of interest submitted by multiple Potential Partners, in varying degrees of completeness. In response to these proposals, the Company has proceeded with a review of these proposals from financial, legal, taxation, regulatory, and other perspectives, in order to determine next steps. On March 3, 2023, the Company received a final proposal from Japan Industrial Partners, Inc. (hereinafter referred to as “JIP”), and following negotiations, on March 23, 2023, the Company resolved, at the Board of Directors meetings, with respect to a tender offer by TBJH Inc. (hereinafter referred to as the “Tender Offeror”), a third-tier subsidiary of JIP, for the common shares of the Company (hereinafter referred to as the “Company Shares”) (hereinafter referred to as the “Tender Offer”), as the current opinion of the Company, to express an opinion supporting the Tender Offer if the Tender Offer is commenced and to refrain from making the decision on recommending shareholders to tender their shares in the Tender Offer at this time. In addition, the Company entered into a Tender Offer Agreement with the Tender Offeror, which provides for the Tender Offeror's implementation of the Tender Offer and the Company's maintenance of its opinion in favor of the Tender Offer, among other matters.

The Company continued to consider the appropriateness of the opinion as of March 23, 2023 as to whether or not to recommend to the shareholders to tender their shares in the Tender Offer, on which the Company refrained from making a decision in the opinion as of March 23, 2023, in light of the purposes of the transaction and any additional circumstances surrounding the Company which may have subsequently arisen. The Company resolved, as its current opinion, at the Board of Directors meeting held June 8, 2023, having considered the opinions of the Special Committee established by the Company, to revise the opinion as of March 23, 2023 to: were the Tender Offer to commence, the Company supports the Tender Offer and recommends that the shareholders tender their shares in the Tender Offer. It was also resolved that (i) during the period from June 8, 2023 to the commencement of the Tender Offer, the Company will request the Special Committee to consider whether there are any changes in its opinions reported by the Special Committee to the Board of Directors as of the said date and if there are no changes, to make a statement to that effect, and if there are any changes, to state such changes and issue a further opinion, and (ii) upon considering such opinions of the Special Committee, the Company will again express an opinion on the Tender Offer at the time of the commencement of the Tender Offer.

The Tender Offeror aims to commence the Tender Offer by late July 2023, however according to the Tender Offeror, the commencement of the Tender Offer will require procedures under applicable Japanese and overseas competition laws and regulations and investment control laws which will take a certain amount of time, and it is difficult to accurately predict the time required for such procedures. In certain cases, such as if the procedures under applicable Japanese and overseas competition laws and regulations and investment control laws are not completed by the date on which six months elapse from March 23, 2023, the Tender Offer may not commence and the Tender Offer Agreement may be terminated by the Company or the Tender Offeror.

(2) The listed subsidiaries within the Group

- The Group has been verifying whether it is rational to maintain its listed subsidiaries within the Group from the perspective of maximizing the corporate value of the Group, such as whether it conforms to the business portfolio strategy of the Group and whether the benefits exceed the limitations and costs, based on the “Practical Guidelines for Group Governance Systems” issued by the Ministry of Economy, Trade and Industry. In November 2019, the Group conducted a public tender offer of Toshiba Plant Systems & Services Corporation, Ltd., Nishishiba Electric Co., Ltd. and NuFlare Technology, Inc., which were listed subsidiaries of the Group at that time, and subsequently made the three companies wholly-owned subsidiaries through legal procedures.
- Currently, the Group only has one listed subsidiary Toshiba Tec Corporation (Prime of the Tokyo Stock Exchange), and there has been ongoing discussions and considerations concerning measures for the medium-to long-term and sustainable enhancement of both the Company’s and Toshiba Tec Corporation’s corporate value through the creation of synergy effects in data services between both companies. However, there are no decisions on the course of action to be taken in these discussions, and the Company does not consider any changes in the Company’s ownership interests at this point in time.
- The Group respects the autonomy of listed subsidiaries from the perspective of ensuring the management independence of listed subsidiaries. Therefore, there is a certain level of involvement in material issues such as matters concerning the systems to ensure appropriateness of business operations of the corporate group, the Company’s shareholder rights, and timely disclosure for the purpose of enhancing the efficiency in management and maximizing corporate value of the Toshiba Group. However, for other matters, the Company respects the autonomy of listed subsidiaries and such companies’ management decisions are based on their own decision-making procedures.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Three Committees (Nomination, Audit and Compensation)
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[Directors] (Updated)

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1
Chairperson of the Board	Outside Director
Number of Directors	11

[Outside Directors]

Number of Outside Directors	10
Number of Independent Directors	10

Outside Directors’ Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Paul J. BROUGH	CPA												
Ayako Hirota WEISSMAN	Other												
Jerome Thomas BLACK	Other								△				
George Raymond ZAGE III	Other												
Katsunori HASHIMOTO	Other												
Mikio MOCHIZUKI	Other								△				
Akihiro WATANABE	CPA												
Ayumi UZAWA	CPA												
Eijiro IMAI	Lawyer								△				
Nabeel BHANJI	Other												

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2) (Updated)

Name	Membership of Committees	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Paul J. BROUGH	Nomination	○	Mr. Paul J. BROUGH is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.	Mr. Paul J. BROUGH is a Chartered Accountant in the United Kingdom. He has significant expertise in finance and accounting, deep experience in M&A and business restructuring as a financial advisor and as a Chief Restructuring Officer for a number of companies, and has experience in international business from serving in positions such as executive director for multinational companies. He made a beneficial contribution

				<p>to the analysis of the Company's strategic alternatives as a member of the Special Committee, and is appropriately supervising the management of the Company based on his experience in international business, deep experience in M&A and business restructuring, and extensive experience and broad expertise as a management executive.</p> <p>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p>
Ayako Hirota WEISSMAN	Compensation	○	<p>Ms. Ayako Hirota WEISSMAN is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p> <p>[Significant concurrent positions]: Senior Vice President, Senior Portfolio Manager and Director in charge of Asia Strategy, Horizon Kinetics LLC Non-Executive Director, Nippon Active Value Fund plc</p>	<p>Ms. Ayako Hirota WEISSMAN has many years of experience in many aspects of the investment business, including her experience investing in both Japanese and foreign stocks, giving her particularly deep experience and expertise in the area of investment. In addition to her experience in international business, she is an expert in Japanese business through her experience as an outside director of a Japanese company. She has been making a beneficial contribution to the analysis of the Company's strategic alternatives as a member of the Special Committee and appropriately supervising the management of the Company based on her extensive experience and broad expertise.</p> <p>She does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p>
Jerome Thomas BLACK	Nomination	○	<p>Mr. Jerome Thomas BLACK is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p>	<p>Mr. Jerome Thomas BLACK has experience in an international consulting firm, and has worked for many years in the business execution of Japanese companies.</p>

			<p>[Significant concurrent positions]: Advisor, Aeon Co., Ltd.</p>	<p>He has experience in business execution as a manager of group strategy and IT/digital business, strong expertise in the management of Japanese companies, and experience in international business, and he has been making a beneficial contribution to the analysis of the Company's strategic alternatives as Chair of the Special Committee and appropriately supervising the management of the Company based on his extensive experience and broad expertise. He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p> <p>He has served as an executive of Aeon Co., Ltd., a business partner of the Company, in the past, but the volume of transactions between that company and the Company is less than 1% of each party's consolidated net sales, and therefore has no significant impact on his independence as an outside director.</p>
George Raymond ZAGE III	Nomination	○	<p>Mr. George Raymond ZAGE III is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p> <p>[Significant concurrent positions]: Independent Non-Executive Director of Whitehaven Coal Limited Founder and CEO, Tiga Investments Pte. Ltd. Commissioner(Non-Executive), PT Lippo Karawaci Tbk Director, EDBI, Pte. Ltd Director, Grindr Inc.</p>	<p>Mr. George Raymond ZAGE III has experience investing in a number of listed and unlisted companies, and also in startup investment and investment for corporate rehabilitation, through his work with a prominent investment fund group. With his experience in investment fund, he is expected to bring his expertise in business portfolios, business restructuring, M&A, capital markets, and capital allocation to the Board of Directors, and he has been making a beneficial contribution to the analysis of the Company's strategic alternatives as a member of the Special Committee and appropriately supervising the management of the Company.</p> <p>He does not maintain relationships, transactions, or other significant interests as stipulated in the</p>

				<p>Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p> <p>He was the managing member of Farallon Capital Asia Pte. Ltd., part of the Company's major shareholder Farallon Capital Group, until August 2018. Because Farallon Capital Group holds less than 10% of the voting rights of the Company, this does not affect his independency. He has indicated his intention to perform his duties as a director for the Company, and not any specific shareholder.</p>
Katsunori HASHIMOTO	Nomination/Audit	○	<p>Mr. Katsunori HASHIMOTO is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p> <p>[Significant concurrent positions]:</p> <p>Chairperson, DSS Sustainable Solutions Japan, LLC</p> <p>Specially Appointed Professor, Tokyo Metropolitan University Graduate School of Management</p>	<p>Mr. Katsunori HASHIMOTO has experience serving as Chief Financial Officer of a U.K. subsidiary of a Japanese manufacturer, Manager of internal audit division of a U.S. subsidiary of an international chemical manufacturer, Director and General Manager of the finance department and Director and Senior Vice President of a Japanese subsidiary of an international chemical manufacturer. He has both considerable experience and high level of insight as a manager, and he has been beneficially contributing to the analysis of the Company's strategic alternatives and, as Chairperson of the Audit Committee, appropriately supervising the management of the Company.</p> <p>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p>
Mikio MOCHIZUKI	Compensation/Audit	○	<p>Mr. Mikio MOCHIZUKI is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p>	<p>Mr. Mikio MOCHIZUKI has experience as President and CEO of Regional Headquarter for the Americas and Director, Managing Executive Officer, General Manager of Finance & Accounting Division of</p>

			<p>[Significant concurrent positions]: Outside Director, Aida Engineering, Ltd.</p>	<p>a Japanese manufacturer. He has rich experience and high-level insight as an executive and deep knowledge regarding accounting and auditing as a finance division general manager. He has been making a beneficial contribution to the analysis of the Company's strategic alternatives to enhance corporate value, utilizing his rich experience and high-level insight regarding finance and accounting etc. and, as a member of the Audit Committee, appropriately carrying out auditing of the Company .</p> <p>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p> <p>He was an executive member of IHI Corporation., but the volume of transactions between the Company and IHI Corporation is less than 2 % of each party's consolidated net sales, and there are no transactions with the company where he holds a significant concurrent position. He is also a relative within three degrees of kinship of an employee of Mizuho Bank, Ltd., which is an important lender to the Company, but this does not affect his independence as the employee is not an important employee of Mizuho Bank, Ltd.</p>
Akihiro WATANABE	Nomination	○	<p>Mr. Akihiro WATANABE is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p> <p>[Significant concurrent positions]: Outside Director, Maruho Co. Ltd. Representative, Akihiro Watanabe CPA Office</p>	<p>Mr. Akihiro WATANABE learned finance, accounting, and auditing as an accountant, he gained deep knowledge through more than 15 years of experience as CEO of a listed company, as well as privatization projects at the company he founded. He founded a leading M&A advisory firm in Japan, having experience in numerous domestic and overseas M&A transactions (including privatization transactions), and having deep knowledge of capital markets and M&A. He has been using his deep knowledge of capital markets and</p>

				<p>M&A, and his broad experience and expertise as a management executive, to lead deliberations of the Board of Directors as Chairperson of the Board of Directors of the Company, making a beneficial contribution to the analysis of the Company's strategic alternatives to enhance the corporate value of the Company as Vice Chair of the Special Committee, and appropriately supervising the management of the Company.</p> <p>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p> <p>There are no transactions between the Company and Houlihan Lokey Group, and there are no other transactions with the companies where he holds significant concurrent positions.</p>
Ayumi UZAWA	Compensation/Audit	○	<p>Mr. Ayumi UZAWA is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p> <p>[Significant concurrent positions]: Representative of Uzawa CPA Office</p>	<p>Mr. Ayumi UZAWA was previously a member of a leading Japanese audit firm, currently serves as representative of a certified public accountant firm, and has deep knowledge regarding finance, accounting, and auditing.</p> <p>Moreover, he previously worked in the 2nd Investigation Division of the Criminal Affairs Bureau of the Metropolitan Police Department and in the Securities and Exchange Surveillance Commission, is qualified as a Certified Fraud Examiner, has served on numerous outside committees and the like, and has deep knowledge regarding discovery and prevention of recurrence of misconduct. He has been utilizing his rich experience in finance, accounting, and the like and high-level insight regarding discovery and prevention of misconduct to make a beneficial contribution to the analysis of the Company's strategic alternatives to enhance corporate value, and,</p>

				<p>as a member of the Audit Committee appropriately carrying out auditing of the Company.</p> <p>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p>
Eijiro IMAI	Compensation	○	<p>Mr. Eijiro IMAI is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.</p> <p>[Significant concurrent positions]: Managing Director, Farallon Capital Japan LLC Outside Director, BroadBand Tower, Inc.</p>	<p>Mr. Eijiro IMAI is qualified as an attorney at law, and after providing legal advice as an attorney at law on various M&A transactions, he has worked for the renowned investment fund groups, and has served as Japan representative and Managing Director of Farallon Capital Group since 2019. He has experience in investing in and supporting management of a number of listed and unlisted companies, and also has experience in a number of privatization transactions and investment for business restructuring in his different capacities as an attorney at law, private equity investor, and minority investor for listed companies. He has been using his expertise in business portfolio management, business restructuring, M&A, capital markets, and capital allocation to make a beneficial contribution to the analysis of the Company's strategic alternatives to enhance corporate value and appropriately supervising the management of the Company.</p> <p>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.</p> <p>He is an executive member of Farallon Capital Japan LLC, a part of Farallon Capital Group, which is a major shareholder of the Company. Because the voting rights</p>

				percentage held by Farallon Capital Group is less than 10%, this does not affect his independence. He also previously worked as an attorney at law at Nishimura & Tokiwa (currently Nishimura & Asahi) which has transactions with the Company. Because more than ten years have lapsed since his resignation, this does not affect his independence. He has indicated his intention to perform his duties as a Director for the benefit of the Company, and not for any specific shareholder.
Nabeel BHANJI		○	Mr. Nabeel BHANJI is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges. [Significant concurrent positions]: Senior Portfolio Manager, Elliott Investment Management President, Elliott Opportunity II Corporation	Mr. Nabeel BHANJI serves as a senior portfolio manager at Elliott Investment Management, where he has worked for the past decade. Over the course of his career, in which he has also held roles at an investment bank and a private equity fund, he has built extensive experience investing in listed and unlisted companies. Given his experience, Mr. BHANJI brings to the Board of Directors expertise in business restructuring, M&A, capital markets and capital allocation. He has been meaningfully contributing to the evaluation of strategic alternatives that could unlock value at the Company, bringing transparency and credibility to the process, and has been supervising the Company's management appropriately. He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan. Elliott Investment Management is a major shareholder of the Company. However, the voting rights percentage held by Elliott Investment Management is less than 10%. Therefore Mr. BHANJI clearly meets the Independence Criteria for Outside Directors, and

				his independence in not in question. He has indicated his intention to perform his duties as a Director for the benefit of the Company, and not for any specific shareholder.
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[Committees]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Nomination Committee	5	0	0	5	Outside Director
Remuneration Committee	4	0	0	4	Outside Director
Audit Committee	3	1	0	3	Outside Director

[Executive Officers (Shikkoyaku)] (Updated)

Number of Executive Officers (Shikkoyaku)	15
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Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Remuneration Committee Member	
Taro SHIMADA	Yes	Yes	No	No	No
Takayuki KONNO	Yes	No	No	No	No
Hiroyuki SATO	Yes	No	No	No	No
Keiichi YUMITA	No	No	No	No	No
Tsutomu KAMIJYO	No	No	No	No	No
Shunsuke OKADA	No	No	No	No	No
Takamasa MIHARA	No	No	No	No	No
Tadasu YOTSUYANAGI	No	No	No	No	No
Yutaka SATA	No	No	No	No	No
Masaki HARUYAMA	No	No	No	No	No
Ayumi WADA	No	No	No	No	No
Yuko HIRAI	No	No	No	No	No
Yasuhiro MATSUNAGA	No	No	No	No	No
Toru MASUYAMA	No	No	No	No	No
Tomoaki KUMAGAI	No	No	No	No	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Officers (Shikkoyaku)

The Company has established the Audit Committee Office, composed of approximately 10 members, to support the Audit Committee in the performance of its duties, and furthermore appointed the Executive Officer in charge as the head of the Audit Committee Office, thereby strengthening the system to ensure that the Audit Committee Office is able to collect reports and conduct investigations based on instructions from the Audit Committee. In addition, the Audit Committee has been provided the right to approve personnel matters and to demand or veto dismissal regarding the head and employees of the Audit Committee Office in order to ensure the independence of the Audit Committee Office.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Company eliminated the Corporate Audit Division, which was under the direct control of the President and COO, and established the Internal Audit Division on September 30, 2015, as an organization under the direct control of the Audit Committee.

The Company established a system in which the head and employees of the Internal Audit Division maintain a constant understanding of the latest business environment and management issues by regularly attending important meetings on the business execution side, and thoroughly and continually following up on the improvement status of the matters indicated by internal audits through reporting on all of these matters to the Audit Committee.

In addition, the Audit Committee not only receives reports on audit result summaries from the accounting auditor, but also sets topics to allow for active discussions between the Audit Committee and the accounting auditor, thereby further enhancing cooperation between the Audit Committee and the accounting auditor.

[Independent Directors]

Number of Independent Directors	10
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Matters relating to Independent Directors

The Company designates all persons that fulfill the requirements of Independent Outside Directors as Independent Directors, and reports to the Tokyo Stock Exchange.

[Incentives]

Incentive Policies for Directors and/or Executive Officers (Shikkoyaku)	Performance-linked Remuneration
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Supplementary Explanation

Please refer to [Remuneration for Directors and Executive Officers (Shikkoyaku)] below.

Recipients of Stock Options	—
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Supplementary Explanation

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[Remuneration for Directors and Executive Officers (Shikkoyaku)] (Updated)

Disclosure of Individual Directors' Remuneration	Individual disclosure made for certain directors only
Disclosure of Individual Executive Officers' (Shikkoyaku) Remuneration	Individual disclosure made for certain directors only

Supplementary Explanation

In accordance with the provisions of the Cabinet Office Order on Disclosure of Corporate Affairs, individual remuneration is disclosed for some of the Annual Securities Reports.

The Compensation the Company paid in FY2022 are as follows:

Directors' compensation: 380 million yen (total paid to 13 Directors, including 367 million yen for 10 Outside Directors)

The number of Directors excludes one Outside Director who was not paid and one Director who concurrently serves as an Executive Officer.

Executive Officers' compensation: 1,593 million yen (total paid to 19 Executive Officers). This includes the estimated amount of performance-linked remuneration to be determined and paid in the future.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Compensation Committee establishes compensation policy for the compensation of each Director and/or Executive Officer as follows:

Since the main responsibility of Directors is to supervise the execution of the overall Group's business and to increase corporate value, "Compensation for Directors" is determined at an adequate level to secure highly competent personnel and ensure effective work of the supervisory function, and increasing corporate value from a medium-to long-term perspective.

Since the responsibility of Executive Officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, "Compensation for Executive Officers" is divided into the fixed compensation and the performance-linked compensation, and determined at an adequate level to secure highly competent personnel and ensure the effectiveness of their compensation package as an incentive to improve business performance.

a. Compensation for Directors

Directors are paid the Base salary (fixed amount) and the Committee Allowance (fixed amount) in accordance with the scope of their responsibilities. If multiple committees concurrently serve, the applicable Committee Allowances will be added up and paid. Directors who concurrently hold offices as an Executive Officer are paid only the compensation for Executive Officers specified in b. below and not paid compensation for Directors.

The Base Salary and the Committee Allowance are paid by cash and shares of the Company at a prescribed rate.

When traveling to attend a Meeting of the Board of Directors, Executive Session of the Board, or a Committee held in a non-resident country, the Attendance Allowance is paid according to the actual travel record.

With regard to compensation paid by stock that is paid in the form of the Company's stock, mechanisms such as restricted stocks with transfer restrictions until retirement will be used.

b. Compensation for Executive Officers

Compensation for Executive Officers consists of Base salary (fixed amount), determined according to rank, and performance-linked compensation.

Performance-linked compensation is determined in accordance with the performance and medium-to long-term management indicators of the Company overall and the divisions under the charge of the Executive Officers during the fiscal year, with cash and stock of the Company paid at a rate set according to rank.

The Base Salary and the Performance-linked compensation are paid by cash and shares of the Company at a prescribed rate.

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

Performance-linked Compensation:

Performance-linked compensation is a monetary compensation claim to determine the total amount to be paid in such a way as to function as an incentive to increase our corporate value, and to allocate a certain percentage in accordance with the position as a monetary compensation claim. The monetary compensation claim is invested in kind by the Company as an investment property. In addition to having the executive officers hold our common stock, the remaining percentage of the total amount paid is paid in cash.

Performance-linked compensation is set at a minimum of ¥0, and payment amounts will change due to the degree of achievement of certain performance targets, at a level that takes into account the payment results at peer companies.

The following table shows the methods used to determine the indicators and amounts related to performance-linked compensation.

Total amount paid = (a) Short-term incentive compensation
+ (b) Long-term incentive compensation

Method of determining (a):

The amount in (a) is determined by adding or subtracting an amount ranging from the individual assessment of +/-25% to the amount calculated by multiplying the multiplication rate by position based on (i) the degree of achievement of the current fiscal year's EBITDA against our managerial accounting objectives and (ii) the degree of achievement of the current fiscal year's ROIC against our managerial accounting objectives, respectively, by the level of the amount by position.

With regard to (i) EBITDA, for executive officers in charge of individual business divisions, the amount is calculated by adding up half of the amount calculated based on indicators for the company as a whole and the business division for which he or she is responsible, and for other executive officers, the amount is calculated based on indicators for the company as a whole.

With regard to (ii) ROIC, for all executive officers, the amount is calculated based on indicators for the company as a whole.

Method of determining (b):

The amount in (b) is calculated by multiplying the multiplication rate by position according to the results of relative TSR (total shareholder return) for 3 years by the monetary level for each position. The 3-year relative TSR calculation method is as follows:

3-year relative TSR = our 3-year TSR - 3-year capitalization-weighted average TSR of the peer group

The peer group consist of 11 companies that are similar to our business lineup and company size etc. Evaluation indicators were selected from the viewpoint of contributing to awareness of the enhancement of long-term corporate value and shareholder value.

(*) Our 3-year TSR is calculated as follows:

Total shareholder return	=	$((1 + R(c)) * P(c) / P(o)) - 1$	*100
R(c)	=	$(1 + D(1) / P(1)) * (1 + D(2) / P(2)) * (1 + D(3) / P(3)) * (1 + D(4) / P(4)) * (1 + D(5) / P(5)) * (1 + D(6) / P(6)) - 1$	
D(1)	=	First dividend amount in the first year of each performance period	
D(2)	=	Second dividend amount in the first year of each performance period	
D(3)	=	First dividend in the second year of each performance period	
D(4)	=	Second dividend amount in the second year of each performance period	
D(5)	=	First dividend amount in the third year of each performance period	
D(6)	=	Second dividend amount in the third year of each performance period	
P(1)	=	Stock price on the ex-dividend date of the first dividend in the first year of each performance period	
P(2)	=	Stock price on the ex-dividend date of the second dividend in the first year of each performance period	
P(3)	=	Stock price on the ex-dividend date of the first dividend in the second year of each performance period	
P(4)	=	Stock price on the ex-dividend date of the second dividend in the second year of each performance period	
P(5)	=	Stock price on the ex-dividend date of the first dividend in the third year of each performance period	
P(6)	=	Stock price on the ex-dividend date of the second dividend in the third year of each performance period	
P(c)	=	Stock price at the end of each calculation period	
P(o)	=	Stock price at the beginning of each calculation period ⁵ .	

The ratio of stocks and cash paid for performance-linked compensation are 60% for stocks and 40% for cash (same ratio from Vice President to President and CEO). However, due to rounding, there may not be an exact match.

The percentage of compensation paid (other than performance-linked compensation) and performance-linked compensation, is not determined in advance and is subject to fluctuation based on performance results in the above decision-making method. Accordingly, the Company has not established a policy regarding the determination of such compensation.

c. Compensation standards

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

Compensation pertaining to the above is set as follows:

Director ⇒ Base salary + Committee Allowance + Attendance allowance for travel to non-resident countries

Executive officer ⇒ Base salary + Performance-linked compensation (shares and cash)

[Supporting System for Outside Directors]

The full-time Audit Committee Office Staff supports the 3 Outside Directors who comprise the Audit Committee. In addition, designated members of staff support the Outside Directors on the Nominating Committee and Compensation Committee, as necessary.

In addition to this, the 10 Outside Directors are provided with advance briefings on matters to be resolved by the Boards of Directors by Executive session of the Board and designated members of staff, etc.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without com- pensation, etc.)	Date when for- mer role as president/ CEO ended	Term
Masashi MUROMACHI	Executive Adviser	Outside activities, etc. at industry asso- ciations, etc. on be- half of the Company	Part time/ without compensa- tion	June 22, 2016	—
Satoshi TSUNAKAWA	Executive Adviser	Outside activities, etc. at industry asso- ciations, etc. on be- half of the Company	full time/with com- pensation	June 28, 2022	1 year

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	2
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Others

The appointment and working conditions of advisors are determined following reports to the Nomination and Compensation Committees.
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2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) (Updated)

(1) Business execution

As Company is a company with a Nomination Committee, etc., Company's Board of Directors delegates to Executive Officers decision-making authority in respect of business execution, excluding legal matters and matters that significantly affect corporate value and shareholders' profit. The Board of Directors is dedicated to supervisory functions. In respect of business execution matters for which authority is delegated to Executive Officers, the President of Executive Officers decides the most important matters at Corporate Management Meetings, etc. Other matters are decided as corporate management decisions, etc., by the Executive Officer, and President and CEO etc. In principle, the Corporate Management Meeting is held once a week. As a means to share information and awareness of issues with the Independent Outside Directors, so as to further deepen their understanding of Company's business, and as a forum for discussing major management issues facing the Group, and for providing prior explanation of matters to be discussed by the Board of Directors, Company established the Executive session of the Board with a membership consisting solely of the Independent Outside Directors.

(2) Audit & Supervision

The Board of Directors motivates Executive Officers to maximize corporate value and to ensure efficient management while striving to ensure compliance, and also supervises them in the execution of their duties through the Audit Committee. This is chaired by Mr. Hashimoto, and its other members are Mr. Mochizuki and Mr. Uzawa. All three are Outside Directors.

The Audit Committee audits the Directors in the execution of their duties through interviews with Executive Officers and senior management, the results of audit reports from the Internal Audit Division, and various interviews. It also audits Executive Officers in the execution of their duties from the viewpoint of management efficiency and legality. The accounting auditor for the FY2022 accounts was PricewaterhouseCoopers Aarata LLC. The four employees with designated limited liability who conducted the audit of accounts are Yoshihisa Chiyoda, Masahide Kato Hiroyuki Inoue and Takahiro Ohara, all certified public accountants and business executives, and they have expressed their opinions on Company's accounting from an independent standpoint.

(3) Nomination of candidates for directorship

The Nomination Committee selects candidates for directorships. The Nomination Committee is chaired by Mr. Zage and vice-chaired by Mr. Watanabe, and its other members are Mr. Brough, Mr. Black and Mr. Hashimoto. All five are Outside Directors. The Nomination Committee determines proposals for the election and dismissal of Directors, for the selection and removal of the CEO and President, and for the selection and removal of members who serve on the committees. The secretariat of the Nominating Committee is the Executive Officer responsible for oversight of Human Resources and the General Affairs Division, with the support of the Executive Officers responsible for the Legal & Compliance Division.

[Director Nomination Criteria]

When determining the content of proposals regarding the election of Directors, the Company will select candidates who fulfill the following criteria and who are able to appropriately fulfill the duties of monitoring and supervising business execution and determining the direction of management strategies:

- a. Being a respected, dignified, and highly ethical person;
- b. Being responsive to compliance with laws and regulations;
- c. Being in good health to conduct the required duties;
- d. Having the ability to make objective judgments on management issues as well as excellent foresight and vision;
- e. Having no interest in or transaction with the Company's main business fields that might affect management decisions; and
- f. For Outside Directors, having expertise, insight, and a good track record in a field such as law, accounting, or corporate management.

[Independence Criteria for Outside Directors]

In addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan, the Nomination Committee will judge any Outside Director falling under any of the following items to lack independence:

- a. The Outside Director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company in which the Company currently holds 10% or more of the voting rights.
- b. The Outside Director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company that currently holds 10% or more of the voting rights of the Company.
- c. The Outside Director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company whose transactions with the Company in any of the past three fiscal years totaled a monetary amount exceeding 2% of the consolidated net sales of that company or the Company.
- d. The Outside Director currently is or at any point in the past three years has been an executive director, executive officer, or employee of a financial institution from which the Company currently borrows funds equal to 2% or more of its total assets.
- e. The Outside Director has in any of the past three fiscal years received compensation other than director compensation exceeding ten million yen from the Company as a law, accounting, or tax expert or consultant; or an organization to which the Outside Director belongs has in any of the past three fiscal years received from the Company compensation as a law, accounting, or tax expert or consultant exceeding 2% of the annual revenue of that organization.
- f. In any of the past three fiscal years, the Company has made contributions exceeding ten million yen to the Outside Director or to a corporation to which the Outside Director currently belongs or at any point in the past three years has belonged as an officer that executes business or as an employee. However, in case of contributions to a corporation, this applies when the Outside Director was directly involved in the research, education, or other activity concerning the contributions.
- g. The Outside Director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company whose outside officers currently include any persons with experience as an officer of the Company that executed business.

h. The Outside Director currently is or at any point in the past three years has been a representative officer, officer, or employee of the current accounting auditor (independent auditor) or an accounting auditor (independent auditor) in the past five fiscal years of the Company.

(4) Remuneration determination

The Compensation Committee decides policy relating to decisions on remuneration, etc., for individual Directors and Executive Officers, and the individual remuneration, etc., of Directors and Executive Officers. The Compensation Committee is chaired by Ms. Weissman and its other members are Mr. Mochizuki, Mr. Uzawa and Mr. Imai. All four are Outside Directors. The secretariat of the Compensation Committee is the Executive Officer responsible for oversight of Human Resources and the General Affairs Division, with the support of the Executive Officers responsible for the Legal & Compliance Division.

(5) Enhancement of Shareholder Value making

For the benefit of shareholders and other stakeholders, the Special Committee shall aim to provide careful and objective consideration of the strategic options of the Company, supervision of the executive officers, corporate officers, and employees and assist decision-making by the Board of Directors in order to enhance corporate value.

The Special Committee is chaired by Mr. Black and vice-chaired by Mr. Brough and Mr. Watanabe, and its other members are Ms. Weissman, Mr. Zage, Mr. Imai and Mr. Bhanji. All seven are Outside Directors.

(6) Executive Officer, etc., appointments

a. Directors (11): One in-house Directors, ten Outside Directors; 10 males, 1 female.

b. Executive officers (15): 13 males, 2 females

3. Reasons for Adoption of Current Corporate Governance System (Updated)

(1) Reasons for adoption of current system

The Company's basic policies and goals for corporate governance are the enhancement of efficiency and transparency in management and maximization of the corporate value from the viewpoint of the shareholders. Under these policies, following the introduction of the corporate executive officer system in 1998 and the in-house company system in 1999, the Company established non-statutory Nomination Committee and Compensation Committee in June 2000. In June 2001, the Company appointed three Outside Directors and shortened the term of office of directors to one year, and had since promoted measures to reform its management structure. Then, in June 2003, the Company adopted the "Company with Committees" system (Currently, a Company with Nominating Committee, etc. The same applies hereafter.). As a Company with Nominating Committee, etc., the Company separates the functions of determining and supervising basic management policies from the function of business execution, thereby seeking to strengthen the supervisory function of management, increase transparency, and improve management flexibility.

In April 2022, the Board of Directors resolved to establish Special Committee, in order to engage with potential investors and sponsors and review strategic alternatives. For details on the status of the activities of the Special Committee and the review of strategic alternatives, please refer to "(1) Enhancement of Shareholder Value", "5. Other Special Circumstances which may have Material Impact on Corporate Governance", "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" above.

(2) Roles and responsibilities of Outside Directors

Outside Directors also serve as members of the Board of Directors and are responsible for supervising the execution of duties by Executive Officers, etc. In addition, as members of the Nomination Committee, Audit Committee, Compensation Committee and Special Committee, composed exclusively of Outside Directors, they determine the content of proposals for the election and dismissal of Directors to be submitted at shareholder meetings, supervise the execution of duties by Executive Officers, determine the content of individual compensation, and support the Board in its decision making independently, in order to enhance the Company's corporate value for its shareholders and other stakeholders, etc., to be provided to each Executive Officer. Furthermore, decisions of some

of the important matters that are generally decided on by the Board of Directors have been delegated to each Committee in order to maintain high transparency. The Nomination Committee, Audit Committee, Compensation Committee and Special Committee are chaired by Outside Director.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights (Updated)

	Supplementary Explanations
Early Notification of General Shareholder Meeting	In principle, the Company sends out shareholder meeting convocation notices at least three weeks in advance of the meeting. For the most recent shareholder meeting convened in June 2023, the convocation notice was sent out 21 days in advance of the meeting. In order to provide information to shareholders as early as possible, the convocation notice for the shareholder meeting held in June 2023 was disclosed on the Company website 1 day before the notice was sent out.
Scheduling AGMs Avoiding the Peak Day	The Company seeks to hold shareholder meetings on a date earlier than dates when many other companies hold their meetings.
Allowing Electronic Exercise of Voting Rights	Shareholders may exercise their voting rights via the Internet.
Participation in Electronic Voting Platform	Institutional investors may vote through the electronic voting platform operated by ICJ, Inc.
Providing Convocation Notice in English	English versions of convocation notices and business reports are posted on the Company website.

2. IR Activities (Updated)

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company has formulated and released a disclosure policy. https://www.global.toshiba/ww/ir/corporate/overview/disclosure.html
Regular Investor Briefings for Individual Investors	In consideration of individual investors, the Company provides video feeds (including live streaming) of briefings held, including quarterly briefings on earnings releases and management policy briefings.
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds analyst briefings on the same day as quarterly earnings announcements and other briefings for analysts and Investors. In the fiscal year 2022, all briefings were held online due to COVID-19 pandemic. As for communication with major shareholders and major institutional investors in Japan and overseas, which has been conducted in the past, video- and tele-conferencing systems were utilized, and Executive Officers, including the President, met with them. In addition, the Outside Directors have met with major shareholders and major institutional investors in Japan and overseas to promote constructive dialogue.
Regular Investor Briefings for Overseas Investors	With respect to briefing sessions regarding financial results, management policy and business, the Company makes available presentation materials in English, on its website, and the Company provides video feeds (including live streaming) in English during such briefings (including QA sessions). Under COVID-19 pandemic, the Executive Officers, including the President, meet mainly with major shareholders in the U.S., Europe,

	and Asia, utilizing video- and tele-conference system, to explain business activities and management policies. As mentioned above, the Outside Directors also actively participate in efforts to communicate with overseas investors.
Posting of IR Materials on Website	The Company endeavors to provide fair, timely, and easily understood information that will help investors make investment decisions through its IR website. With respect to briefing sessions regarding financial results, management policy and business, the Company makes available presentation materials, both in Japanese and English, on its website. In addition, the Company provides video feeds (including live streaming) both in English and Japanese during major briefings (including QA sessions), reflecting demand from investors. English: https://www.global.toshiba/ww/ir/corporate.html Japanese: https://www.global.toshiba/jp/ir/corporate.html
Establishment of Department and/or Manager in Charge of IR	Five employees are assigned to IR-related duties.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Implementation of Environmental Activities, CSR Activities etc.	The Company has established the Sustainability Management Division and is advancing sustainability management to implement sustainability activities that are in line with global standards and to enhance corporate value. The Company is working to solve social issues through business and corporate activities to contribute to the sustainable development of society. It reports on initiatives such as environmental activities, compliance, respect for human rights, diversity and inclusion and sustainable procurement activities in its annual integrated report and annual sustainability report as well as on its website. It also strives to communicate with various stakeholders including its customers, shareholders, suppliers, and local communities. Integrated reports: https://www.global.toshiba/ww/ir/corporate/finance/annual-report.html Sustainability website: https://www.global.toshiba/ww/sustainability/corporate.html Environment website: https://www.global.toshiba/ww/environment/corporate.html For more information on initiatives on sustainability, please refer to section “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information,” “1. Basic Views,” [Disclosure Based on the Principles of the Corporate Governance Code], [Supplementary Principle 3.1.3 Initiatives on Sustainability] of this Report.
Other	<Diversity Promotion> The Group believes that the maximization of the capabilities and strengths of diverse employees is critical for active innovation and corporate growth, and has been proactively promoting diversity since 2004. Currently, one of the directors and two of Executive Officers are females. For more information on diversity promotion, please refer to section “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information,” “1. Basic Views,” [Disclosure

	Based on the Principles of the Corporate Governance Code], [Supplementary Principle 2.4.1 Diversity in the Promotion to Core Human Resources] of this Report as well.
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

Company develop Internal Control System based on resolution of the Board of Directors, and ensure that Subsidiaries, regardless of the scale of their operations, develop Internal Control Systems based on those of the Company, as follows.

(1) Systems to Ensure the Appropriateness of Business Operations of Company and its Subsidiaries
The Board of Directors resolved systems to ensure the appropriateness of business operations as follows:

① 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 Company 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 Executive Officer in charge of the Internal Audit Division or Vice President of the Internal Audit Division periodically reports to the Board of Directors of Company on internal audit results.
- c. The Audit Committee of Company periodically interviews Executive Officers, and the Vice President of the Internal Audit Division periodically reports to the Audit Committee on internal audit results.
- d. Executive Officers report to the Audit Committee of Company on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.
- e. Company has established the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers (The term "officer(s)" includes the Corporate Officer(s). The same shall apply hereinafter.) and employees and ensures, through continuous execution of officer education, etc., that Executive Officers of Company comply with the Toshiba Group Standards of Conduct.
- f. Company 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.

② 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 Company 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 Company 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.

③ Rules and other systems concerning risk of loss management

- a. In accordance with the Basic Rules for Risk Management and Compliance, the Chief Risk & Compliance Officer (hereinafter referred to as the "CRO") of Company formulates and promotes measures concerning risk management of the 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 the Group by confirming and improving the effectiveness of such measures. The Executive Officer in charge of the Legal & Compliance Division shall be appointed as the CRO.
- b. Executive Officers of Company formulate and promote measures necessary for continuously clarifying business risk factors of the Group and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.

④ System to ensure that Executive Officers efficiently execute their duties

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

- b. The Board of Directors of Company delegate authority and responsibilities to each Executive Officer in an appropriate manner, and Executive Officers clarify the authority and responsibilities of the Executive Officers, the Corporate Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.
- c. Executive Officers of Company set concrete targets and roles for organizations, the Corporate Officers and employees.
- d. Executive Officers of Company 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 Company appropriately evaluate the performance of the Group by means of the Performance Evaluation Committee.
- f. Executive Officers of Company promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.

⑤ 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 Company 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 Company formulates and promotes measures of the 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 for Risk Management and Compliance.
- c. Company establishes a whistle-blower system in which the officers and employees of Company are able to make a report to the business execution side of Company if they become aware of an illegal act of Company, and the Executive Officer of Company 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, Company establishes a whistle-blower system in which the Audit Committee of Company directly receives internal reports and endeavors to collect information on problems early.

⑥ System to ensure the appropriateness of business operations of the corporate group composed of Company 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. Company establishes a system in which its subsidiaries report to Company in accordance with the Operational Communication Arrangement, etc. in the event that material issues arise in their business operations.
- c. Company 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. Company executes internal audits on the accounting treatment processes and business processes of its subsidiaries.
- f. Company appropriately and effectively manages the systems and business processes common throughout the Group and establishes a system in which shared resources are appropriately and effectively allocated.
- g. Under the relevant license agreements, Company 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 Company.

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

① Directors and employees assigned to assist the Audit Committee in the performance of its duties

- a. In order to assist the Audit Committee of Company 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).
- ② 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 Company, 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.
- ③ System for reporting to the Audit Committee
 - a. Directors, Executive Officers, Corporate Officers and employees of Company 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 Company periodically report their situations and other matters to the Audit Committee of Company through the Toshiba Group Auditors Liaison Organization, etc. In addition, Company establishes the system in 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. Company establishes a whistle-blower system in which the officers and employees of Company and officers and employees of its domestic subsidiaries are able to make a report to the Audit Committee of Company 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 Company 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.
- ④ 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 the Group who have made a report to the Audit Committee of Company must not be treated disadvantageously on the grounds that they have done so.
- ⑤ 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 Company 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, Company promptly settles such expenses or debts. Company 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, Company increases the budget after examination by the relevant departments at the request of the Audit Committee's members.
- ⑥ 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 Vice President 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 Vice President 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 Vice President of the Internal Audit Division and the Executive Officer who serves as the Executive Officer in charge of the Internal Audit Division. The Vice President of the Internal Audit Division and the Executive Officer who serves as the Executive Officer in charge 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.

2. Basic Views on Eliminating Anti-Social Forces

In order to prevent the damage that can be inflicted by antisocial groups, the "Toshiba Group Standards of Conduct" was revised based on the resolution of the Board of Directors in June 2006 to clearly specify the rejection of any involvement in business activities with antisocial groups. The management system was constructed on this basis, and the Company is devoted to establishing sound company management.

(1) Establishment of control environment

Following an incident in 1997 which involved illegal profits being provided to sokaiya (groups of racketeers) (otherwise known as the "Beach House Incident"), the Company resolved at a meeting of the Board of Directors (November 1997) to end relations with antisocial groups such as sokaiya and subsequently sent notifications indicating the ending of relations under the name of the Company's president to about 700 companies with which the Company was involved at that time that were considered to be antisocial groups. In addition, a division in charge of dealing with antisocial groups was established within the Legal & Compliance Division of the Company, which supports handling of contacts from outside parties who obstruct the lawful and appropriate corporate activities of the Company.

In addition, the Company revised the "Toshiba Group Standards of Conduct" starting in July 2006 to explicitly state the rejection of the involvement of antisocial groups in the Company's business activities, with the purpose of ensuring that any relationships with antisocial groups are ended with further certainty, and implemented various measures such as adding similar articles to the standard contracts of the Company.

(2) Thorough assessments of risk

By explicitly stating the Company's rejection of the involvement of antisocial groups in business activities, the "Toshiba Group Standards of Conduct" clarifies the Company's awareness of the risks of becoming involved in antisocial groups.

The Company seeks to thoroughly reject the involvement of antisocial groups in business activities throughout the Company such as by distributing the "Toshiba Group Standards of Conduct" booklet to all employees, obtaining written pledges on compliance, and providing continuous education to all employees.

(3) Promotion of control activities

The Company promotes awareness-raising activities for all employees by providing training for all employees from the perspective of ensuring a complete prohibition on contact with antisocial groups, and preparing guidelines for dealing with antisocial groups. In addition, the Company has also established disciplinary measures for persons violating the "Toshiba Group Standards of Conduct," and takes steps to ensure complete compliance with these standards.

(4) Clarification of information communication

In addition to establishing in-house regulations and clarifying internal systems and policies for dealing with antisocial groups, relevant departments also gather and communicate related information, to ensure complete awareness throughout the Company. In addition, the Company has also established points of contact with the police, corporate attorneys, and third-party organizations such as

the National Center for the Elimination of Boryokudan and ensures that the communication of information with these bodies proceeds smoothly, thereby establishing a system that enables appropriate and timely handling of contacts from antisocial groups.

(5)Monitoring activities

As part of measures to ensure the smooth operation of the internal control systems it has built, the Company has appointed a CRO (Chief Risk & Compliance Officer) to manage the operation of these systems.

(6)Building of close relationships with external bodies

The Company takes steps to build close relationships with the police, corporate attorneys, and third-party organizations such as the National Center for the Elimination of Boryokudan, including establishing points of contact with these bodies and exchanging information as required.

V. Other

1. Adoption of Anti-Takeover Measures (Updated)

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

Company 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.

2. Other Matters Concerning to Corporate Governance System

[System for timely disclosure of corporate information]

The status of the Company's internal system for timely disclosure of corporate information is as described below.

The Company has stipulated in the "Toshiba Group Standards of Conduct" that "Toshiba Group companies shall endeavor to obtain the understanding of stakeholders, including customers, shareholders and the local community, with respect to corporate activities, products and services, and further improve public recognition of Toshiba Group and its corporate image by means of positive and timely corporate communications activities on business information, such as corporate strategy and financial data" and has adopted this as the Group's basic policy. In addition, the Company has stipulated in the Corporate Governance Guidelines that "The Company will provide timely and appropriate disclosure pursuant to the Companies Act, the Financial Instruments and Exchange Act, other applicable laws and regulations, the rules of financial instruments exchanges, and the like. In addition to this, the Company will fully consider voluntary disclosure and endeavor to maintain and improve its long-term relationships of trust with its shareholders, investors, and other stakeholders." This stipulation, together with regulations on timely disclosure procedures that define detailed responsibilities relating to timely disclosure, defines the Company's basic stance on information disclosure.

The Company has established the Information Disclosure Office, a dedicated organization for information disclosure, under the Corporate Communications Division. In addition, it has assigned a person in charge of information disclosure at each corporate staff division, the organizations within the Company that manage information, and has established an Information Disclosure Promotion Committee at each Key Group company. In doing so, it has put in place a system such that timely disclosure information pertaining to decided facts and occurred facts is communicated to the Information Disclosure Office in a timely and appropriate manner. The general executive or the general manager of the Corporate Communications Division, the person responsible for information handling, determines the necessity of timely disclosure of information collected and examined at the

Information Disclosure Office and executes timely disclosure following final approval by the President and CEO. Timely disclosure of matters requiring a resolution of the Board of Directors is made following a resolution of the Board of Directors.

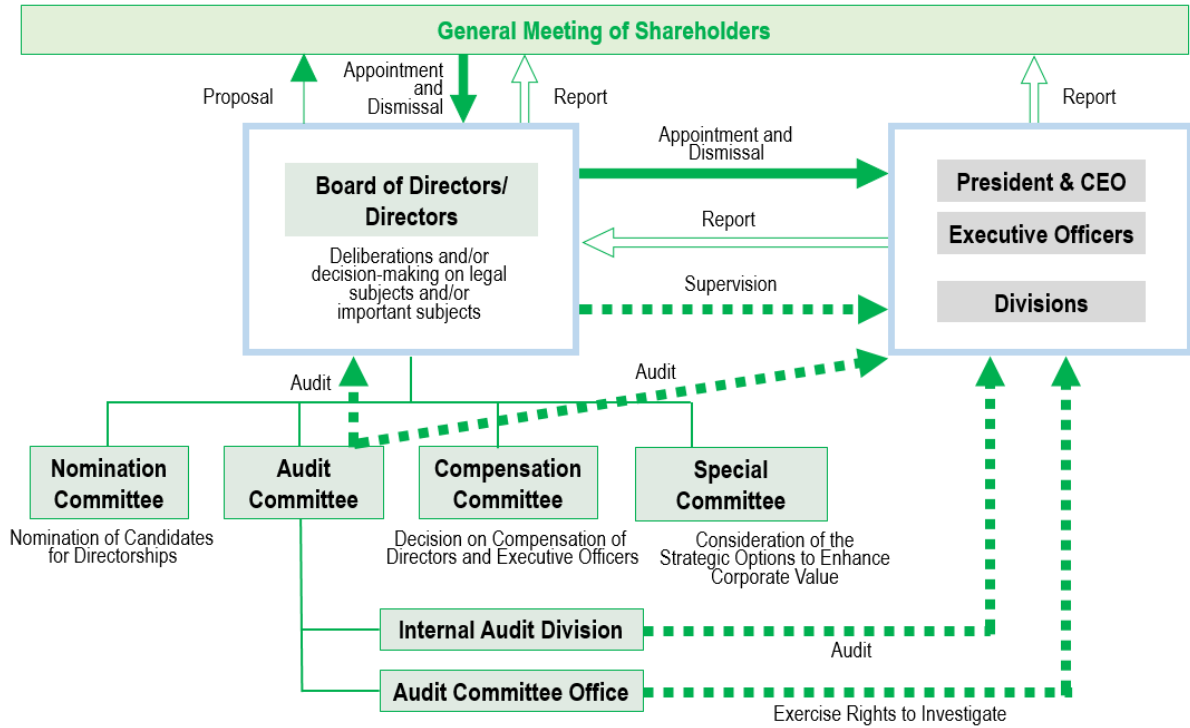
In order to thoroughly gather and examine information that may be subject to timely disclosure, the Company has established numerical criteria as independent notification criteria which is stricter than the timely disclosure criteria stipulated by the Tokyo Stock Exchange and other security exchanges, and gathers information within the scope of this criteria at the Information Disclosure Office. The Company aims to implement a comprehensive timely disclosure information gathering system and realize timely disclosure without omission by having the Key Group companies and corporate staff divisions report corporate information within the scope of the notification criteria.

The Finance & Cash Management Division, Accounting Division, and Corporate Communications Division together prepare summary statements of financial results and other disclosure documents, and a public announcement is made following a resolution by or reporting to the Board of Directors. The Company makes every effort to provide earnings announcements as soon as possible. In the process of settling the accounts (including quarterly accounts), the Finance & Cash Management Division and Accounting Division appropriately verify the necessity of disclosure of any change in earnings forecasts (including dividend forecasts). If it is necessary to consider disclosure of a change in earnings forecasts, the matter is communicated by the Finance & Cash Management Division and Accounting Division to the Information Disclosure Office, and a public announcement is made following approval by the President and CEO and a resolution by or reporting to the Board of Directors.

In accordance with the Regulations for Prevention of Insider Trading, the Company obtains a comprehensive written pledge concerning insider trading and information management from managers of relevant divisions and Executive Officers. Also, it obtains specific written pledges from other employees as needed. The Company provides education on insider trading regulations and timely disclosure as needed, and furthermore endeavors to familiarize employees with insider trading regulations and timely disclosure.

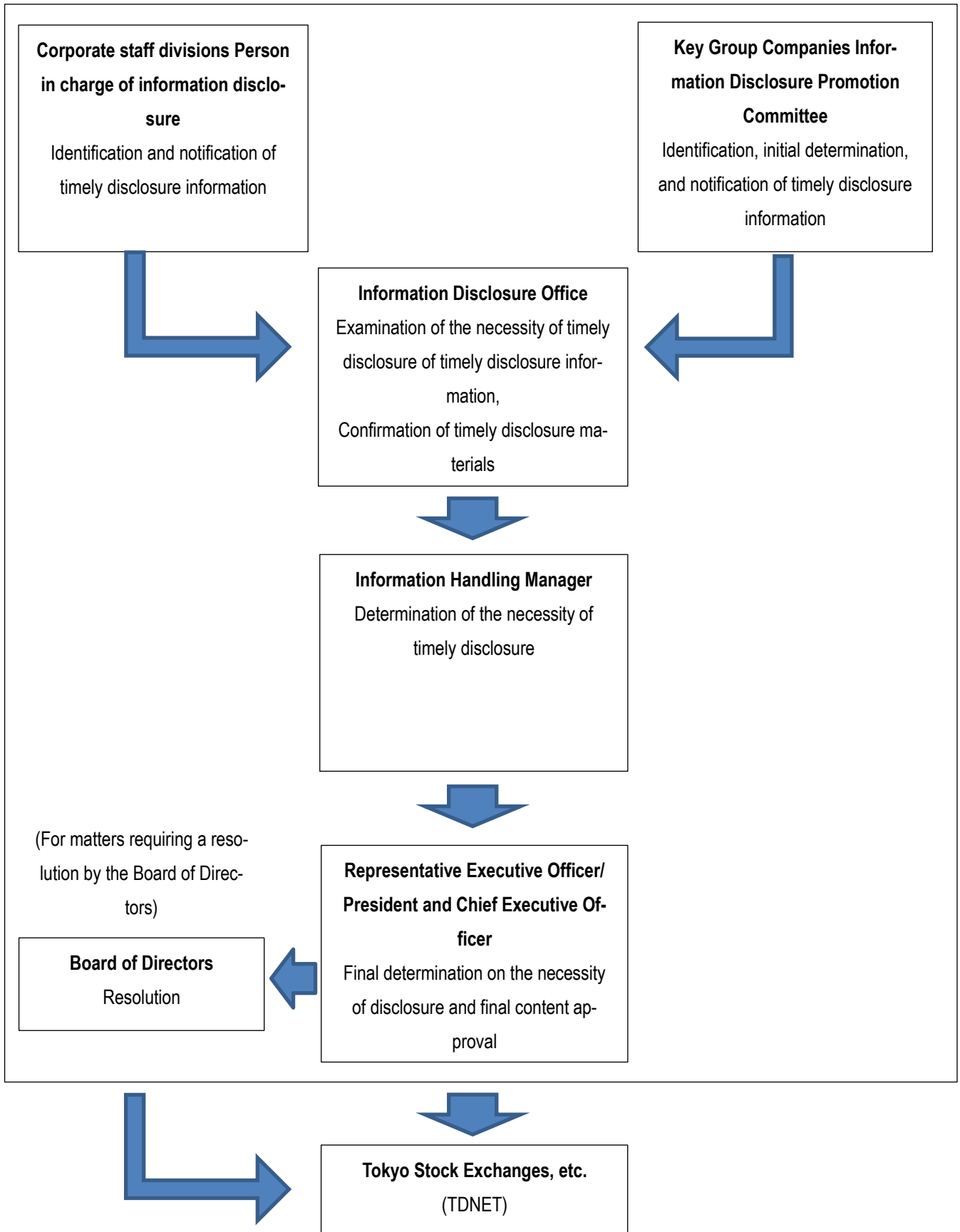
In addition to the above, the Company has set up the Risk Consultation Hotline and put in place a mechanism that enables anyone to directly provide information about acts suspected to be violations of laws and regulations (including acts pertaining to accounting) to the Legal & Compliance Division, an outside attorney, or the Audit Committee.

Corporate Governance Structure



Internal System for Timely Disclosure Procedures

1. Internal System for Decided Facts and Occurred Facts



2. Internal System for Earnings Releases, Dividends, and Earnings Forecasts

