

# Message from CEO



**Taro SHIMADA**

Representative Executive Officer,  
President and CEO

The tender offer for shares of Toshiba Corporation conducted by TBJH Inc. which took place from August 2023, has now been completed. Since 2021, Toshiba has been reviewing strategic alternatives. The Board of Directors and Executive Officers held many serious discussions over what path the Toshiba Group should take and what is the best option for our various stakeholders. We concluded that the best way forward is to privatize Toshiba to build a stable business foundation and gain the unified support of shareholders. Going forward, Toshiba will strive to enhance corporate value over the medium- to long-term under its new shareholder structure.

Toshiba Group aims to achieve carbon neutrality and a circular economy through digitalization.

Digital technology is an important means of enhancing corporate value. As the digital economy evolves, new social value will be created in the future having various companies get connected across industrial boundaries. Toshiba has identified its own digital evolution (DE), digital transformation (DX) and quantum transformation (QX) strategies.

DE, which is the first stage, involves digitalizing infrastructure to enhance services and recurring businesses. This is to be followed by DX, which is a stage to build platforms based on DE, forming a cycle where earnings rapidly expand. Beyond that, various platforms will be created under the DX stage, and QX will emerge, in which optimal solutions are identified from a complex interplay of platforms.

Let's look at Toshiba Group's growth potential over the short-, medium- and long-term. First in the short-term, we intend to expand our facilities in order to address strong demand for the power semiconductors and rechargeable batteries that are so vital to the achievement of carbon neutrality.

Over the medium-term horizon, we aim to expand digital business driven by our infrastructure assets. We will achieve DE and DX through software defined transformation that separates apps, software and hardware and builds platforms. Furthermore, we are taking the lead on various initiatives in the quantum field to help generate the QX that society expects to be implemented from 2030 onwards, and in regard to quantum cryptography communications, commercial demonstrations are underway around the world.

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Over the long-term, we intend to provide the technologies and solutions required to achieve carbon neutrality and turn those activities into future pillars of earnings. Not only will we strive to reduce CO<sub>2</sub> emissions, but we will also focus on carbon negative activities that involve the removal of CO<sub>2</sub>, such as CO<sub>2</sub> capture, transport, storage, and utilize, so we can provide customers with a variety of technologies, products and solutions for both CO<sub>2</sub> reduction and removal.

Toshiba's key strength that will support this growth lies in its technological diversity. This is not the mere result of a single technology creating a single product, but of combining various technologies that we have amassed in the laboratory. The way to create unprecedented products and services is to combine technologies from multiple fields. To ensure we successfully link high-potential technologies to our business, we intend to break down organizational barriers, "not-invented-here syndrome," and any other internal and external rigidities, and to promote various internal reforms.

"Committed to People, Committed to the Future." Toshiba Group is made up of people who feel naturally empowered when they see this Basic Commitment. It is my job to build a stable management platform after privatization, and show how transforming the company from a medium- to long-term perspective will enable us to grow as a company that is able to contribute to the realization of a sustainable society.

To achieve growth in a sustainable manner, we will continue to place the highest priority on life, safety, and compliance (observance of laws, regulations, social norms, and ethics) and strive to strengthen our environment, social, and governance (ESG) activities in order to build an ethical and transparent management platform.

I would like to take this opportunity to ask Toshiba's multifaceted stakeholders for their kind understanding of our Group's unwavering Basic Commitment and determination and for their continued support.

November 2023

## Message from the Chairperson of the Board of Directors

In September 2023, the tender offer by TBJH Inc. for shares of Toshiba Corporation was successfully completed. The Board of Directors had supported this tender offer and recommended that shareholders tender their shares. We express our deep appreciation to many shareholders for their understanding of the company's position.

Going forward, as a privately owned company, Toshiba will continue to enhance its corporate value.

Since becoming Chairperson, I have said that Toshiba is a "good company," with its wonderful corporate philosophy of "Committed to People, Committed to the Future," and excellent employees who dedicate themselves for the benefit of customers and society, but yet not a "strong company." And to transform Toshiba to a strong company, we went through a process of almost a year that concluded with privatization.

All of the Directors shared the mission to build a strong Toshiba. With the Special Committee composed entirely of Outside Directors playing the key role, we put a great deal of time and effort into overseeing Mr. Shimada, the CEO, and his executive team, to ensure that the process was fully competitive and fair. We were able to achieve a fair and transparent process, maintain a competitive environment and reach a result. We believe that our shareholders are convinced of that, and we now feel that we have fulfilled our obligations as the Board.

For Toshiba to execute a consistent business strategy over the medium- to long-term and to succeed in its transformation to become a strong company, it is necessary to build a stable management base, and privatization will contribute to enhancing Toshiba's corporate value. The privatization is a major milestone, however, it is not the goal.

Guided by its corporate philosophy of "Committed to People, Committed to the Future," Toshiba has a vision for contributing to the achievement of carbon neutrality and a circular economy through digitization, and technological diversity backed by its history that makes this possible. Toshiba's role in contributing to the realization of a sustainable society will not change. Toshiba's most important management resource is its excellent employees, like those I have met myself in our labs, factories and other facilities, in Japan and overseas. It is important to focus on intangible assets such as human capital, which are not recorded on the balance sheet, and to bring out the full value of such assets. When trying to overcome difficulties, I believe that it is the power of people that counts.

I am convinced that Toshiba, having gone through privatization, and by focusing on business and management that promotes growth, will be able to realize its potential and accomplish a true revival, and grow once again.

November 2023



**Akihiro WATANABE**

Outside Director  
Chairperson of the Board of Directors