

Chairperson's Letter to Shareholders

Dear Toshiba Shareholders:

It has been almost 10 weeks since the new Board of Directors took office in June 2022. During this time, all 12 members of the new Board of Directors have worked hard to move Toshiba forward. As Chairperson, I am pleased to share my thoughts with you today on behalf of the Board.

Toshiba is built around its corporate philosophy of "Committed to People, Committed to the Future." Since my appointment, I strongly believe that Toshiba is deeply rooted in its management principles and talented employees who work enthusiastically for our customers and society, and is loved by many stakeholders. However, after assuming the office of Chairperson, I have come to realize that while Toshiba is truly a "good" company, it is not a "strong" enough one. Toshiba has to address various challenges in order to become stronger.

That is exactly the reason why the entire Board is assessing strategic alternatives, which include privatization as one option. This is also a process to find the most suitable path forward which will be in the best interests of shareholders and all other stakeholders.

With this in mind, all 12 members of the refreshed Board are aligned and committed to strengthening Toshiba, i.e. maximizing Toshiba's corporate value, through weekly Special Committee meetings and monthly Board meetings which have taken place since the new Board of Directors took office. Set forth below are my observations about the establishment of strong governance, which is important in this review process:

- Our newly formed Board is united in its mission to create a stronger Toshiba and operates as one team with members from diverse backgrounds bringing to bear their individual expertise and perspectives. All 12 board members are among the best in the world. They reflect not only diversity in nationality, gender and age, but also have diverse professional experience, ranging from corporate management, corporate transformation including privatization, corporate culture reform for fraud-related companies, to other forms of professional capital market expertise. In view of the reappointed Board members, who faced challenging management decisions on behalf of Toshiba, combined with the addition of the new Board members, I feel the Board operates with a sense of unity and mutual respect.
- The Board is taking actions proactively in order to understand the foundation of Toshiba's strengths. This commitment is reflected in the fact that many new Board members, including myself, have conducted an intensive tour of Toshiba factories, R&D centers, and other Company sites since their appointment in June, and are also actively engaging with employees.
- To create a stronger Toshiba, and to maximize the company's corporate value, a radical transformation is needed. The Board and Management are combining their efforts to create a stronger Toshiba, and to do so, the Board and Management are considering all possible alternatives, free from the influence of any particular stakeholder. To ensure a healthy and constructive debate among ourselves as a diverse Board and management team, we aim to improve the relationship of trust with our stakeholders, including efforts to exchange information more transparently and to establish a clearer communications policy.

- Discussions with potential investors and sponsors are proceeding in a diligent, transparent and fair manner under an appropriate process. We will maintain such fair process for all those chosen to submit second bid proposals in order to ensure that the Company receives the best proposed strategic alternative from potential investors and sponsors, thereby aiming to maximize Toshiba's corporate value.

As Chairperson of the Board of Directors, I am committed to serving the best interests of Toshiba and all its stakeholders – “Committed to People, Committed to the Future.” I promise to do my utmost to support Toshiba in order to accomplish this goal.

Akihiro Watanabe

Chairperson of the Board of Directors

Toshiba Corporation

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