

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

Business Report

From April 1, 2022 to March 31, 2023

1. Business Environment and Results of the Group

Operation and Results of the Group

During FY2022, the global economy picked up moderately, particularly in the U.S. and China. In Europe, however, the pick-up has been slowing down. In the domestic economy, private consumption, including the service industry, has picked up moderately as whole, and business fixed investment has picked up moderately as whole, though stagnation was observed in some area. And, exports from Japan continue to remain weak.

In FY2023, the global economy is expected to continue to recover steadily and picked up moderately. However, there are certain forecasted downside risks. There are downside risks due to monetary tightening in the U.S., downside risks due to trends in the real estate market in China, and downside risks due to monetary tightening and the energy situation in Europe. While the domestic economy is expected to pick up under the condition of the new normal. However, the downturn in the overseas economy is a risk domestically. And there are also risks such as inflation, supply-side constraints and fluctuations in the financial and capital markets.

In these conditions, Toshiba Group's net sales increased by 24.7 billion yen to 3,361.7 billion yen (US\$25,087.0 million). Energy Systems & Solutions recorded higher sales by due to the difference in progress of projects to enhance safety measures in nuclear power systems, progress of construction projects in thermal and hydro power business and growth in transmission and distribution systems. Infrastructure Systems & Solutions recorded higher sales in railways and industrial systems. Building Solutions recorded higher sales in elevators overseas business and lighting, offset by lower sales in the elevators domestic business. This business was also impacted by the sale of air conditioning business during the year. Retail & Printing Solutions recorded higher sales in both the retail and printing businesses. Electronic Devices & Storage Solutions recorded higher sales in semiconductors but was offset by declines in mobile and desktop markets. This was compounded by lower sales in the HDD market and nearline HDD market adjustment. Digital Solutions recorded higher sales due to growth in system projects in both public and private sectors. The growth in the business was despite the sale of Chubu Toshiba Engineering.

Operating income was 110.5 billion yen (US\$825.0 million), a decrease of 48.4 billion yen. Infrastructure Systems & Solutions, Digital Solutions and Others recorded higher operating income, but Energy Systems & Solutions, Building Solutions, Retail & Printing Solutions, Electronic Devices & Storage Solutions recorded lower operating income.

Income before income taxes and noncontrolling interests was 50.1 billion yen lower at 189.0 billion yen (US\$1,410.2 million). By the sale of air conditioning business, partial

transfer of affiliates stock, and special dividend, income before income taxes and noncontrolling interests was recorded higher, but by a decrease in equity earnings from Kioxia, etc, income before income taxes and noncontrolling interests was recorded lower.

Net income attributable to shareholders of the Company decreased by 68.1 billion yen to 126.6 billion yen (US\$944.6 million), mainly due to the impact of reversal of deferred tax assets of a consolidated subsidiary.

In terms of dividends for the fiscal year under review, in August 2022 the Company paid a special dividend of 160 yen per share to shareholders registered as of June 30, 2022, and in December 2022 it paid a dividend (interim) of 60 yen per share to shareholders registered as of September 30, 2022.

Performance by Segment

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

(Yen in billions)

	Net Sales		Operating Income (Loss)	
		Change*		Change*
Energy Systems & Solutions	669.5	110.5	30.4	△5.2
Infrastructure Systems & Solutions	693.2	38.5	45.0	3.3
Building Solutions	448.1	△150.9	5.9	△20.4
Retail & Printing Solutions	513.1	59.9	△4.1	△15.8
Electronic Devices & Storage Solutions	797.1	△62.7	42.9	△22.8
Digital Solutions	235.6	5	27.0	2.6
Others	232.8	16.3	△42.0	10.7
Eliminations	△227.7	8.1	5.4	△0.8
Total	3,361.7	24.7	110.5	△48.4

(* Change from the year-earlier period)

Energy Systems & Solutions

Main Businesses	As of March 31, 2023
Nuclear power generation systems, Solar Photovoltaic systems, Thermal power generation systems, Transmission & Distribution systems, Hydroelectric power generation systems	

Business Overview

The Energy Systems & Solutions segment saw higher sales. Power Generation Systems recorded higher sales, as Nuclear Power Systems recorded higher sales due to the difference in progress of projects to enhance safety measures, etc., and Thermal & Hydro Power Systems saw higher sales due to the difference in progress of orders received, etc. Transmission & Distribution Systems also saw higher sales as, Transmission & Distribution Systems and Solar Photovoltaic Systems recorded higher sales.

In terms of profit and loss, the segment as a whole saw a decrease in operating income. While Transmission & Distribution Systems saw an increase in operating income from the impact of higher sales, Power Generation Systems recorded lower operating income due to analysis of project costs by Toshiba Plant Systems & Services Corporation, and review of provision for Power Generation Systems product warranty, etc.

Topics

(1) Development of Lightweight, Compact, High-Power Superconducting Motor Prototype for Mobility Applications

Toshiba Energy Systems & Solutions Corporation has developed a compact, lightweight, and high-power superconducting motor that is the first in the world to achieve the high-speed rotation required for large mobility applications such as aircraft.

As global environmental awareness grows, movements to reduce greenhouse gas emissions, such as CO₂, are accelerating rapidly in the mobility industry, including among aircraft and automobile manufacturers. The aviation industry has set a goal of reducing emissions of CO₂ to zero (net-zero carbon) by 2050. However, in addition to changing over to sustainable aviation fuel (SAF), the evolution of whole aviation systems is required, and the industry needs to develop lightweight and high-powered motors.

Toshiba Energy Systems & Solutions Corporation has developed a prototype for a compact, high-speed superconducting motor with a high-power output of 2 MW, bringing together its manufacturing technology for high-speed rotating machines and superconductivity technology that it has fostered over many years. The motor is less than 1/10th the weight and size of a conventional motor with the same level of power output. The motor is the first of its kind in the world, developed through the integrated strength of the Toshiba Group. It has earned strong recognition for its future possibilities, and was awarded the grand prize in the Total Solutions Category at the CEATEC AWARD 2022.

Going forward, we will work to make motors with even greater improvements, and by combining them with the products and services of the Toshiba Group, we will provide new value to the mobility industry and contribute to the realization of a carbon-neutral society.

(2) Toshiba Energy Systems & Solutions Corporation Begins Sales of Japan's First Environmentally Friendly Gas-Insulated Switchgear That Uses Natural Origin Gases

Toshiba Energy Systems & Solutions Corporation delivered a gas-insulated switchgear that uses natural origin gases to TEPCO Power Grid, Inc., and the switchgear began operations in February 2023.

This order is a replacement for equipment at TEPCO Power Grid, Inc.'s Fuchu Substation in Tokyo and is Japan's first environmentally friendly gas-insulated switchgear that uses natural origin gases to be used at a TSO (transmission system operator).

Gas-insulated switchgears are devices that interrupt so large current and prevent it from affecting other power equipment in the event of an anomaly in the transmission system and are essential equipment underpinning social infrastructure. As its electrical insulating medium, rather than sulfur hexafluoride (SF₆), a greenhouse gas, this equipment uses a mixture of nitrogen and oxygen, which are safe and have no global warming impact even in the event of a leak. This product is the result of joint development that Toshiba Energy Systems & Solutions has been pursuing with Meidensha Corporation since 2020. Having completed the prescribed type testing, sales of the product are now underway.

Toshiba Group has been working on gas-insulated switchgears since the 1960s, and has a great deal of expertise in their overall product development. Meanwhile, for more than 15 years, we have been conducting research and development of equipment that uses natural origin gases as a measure to reduce environmental impact.

In view of the ongoing adoption of environmental regulations governing the use of SF₆ gas for electric power equipment in Europe, North America, and other regions, we will expand our lineup of electric power equipment that uses natural origin gases, starting with gas-insulated switchgears, which are easy to handle and pose no environmental risk, under the AEROXIA® brand in Japan and overseas. By actively developing environmentally friendly products, the Toshiba Group will continue working to help achieve carbon neutrality.

(3) Toshiba Energy Systems & Solutions Corporation Wins Contract for IoT Services Using EtaPRO™ for an Indonesian Geothermal Power Plant

Toshiba Energy Systems & Solutions Corporation, through its Indonesian subsidiary Toshiba Asia Pacific Indonesia, has won a contract for an Indonesia's state-owned geothermal power company, PT Geo Dipa Energi, for an IoT service for the power generation facilities at its Patuha geothermal power plant. This service uses IoT and AI technologies, including predictive failure diagnosis and performance monitoring at the plant.

The system provided through this service employs EtaPRO™, a monitoring software for plant operation acquired by the Company in FY2021, and represents the world's first commercial application of EtaPRO™ at a geothermal plant.

The service uses AI to analyze real-time power plant operation data obtained from various sensors and detect signs of anomalies that may cause problems during normal operation. In doing so, it reduces the number and duration of power plant shutdowns. A demonstration project showed that it was able to reduce the rate at which problems occurred by over 20%. Compared to thermal power plants, the detection of anomalies in geothermal power plants is difficult, given the unstable condition of the steam flowing into the turbine, but this service allows the detection of anomalies even under those conditions.

By deploying this service worldwide, Toshiba Energy Systems & Solutions Corporation aims to reduce the customer's cost of power generation by helping improve power plants' utilization rates, thereby promoting the spread of geothermal power generation and helping to achieve carbon neutrality.

Infrastructure Systems & Solutions

Main Businesses	As of March 31, 2023
Water supply and sewage systems, Power distribution systems, Road systems, Communication & broadcast systems, Telecommunication systems, Security & automation systems, Railway systems, Motor & drive systems	

Business Overview

The Infrastructure Systems & Solutions segment higher sales overall. Public Infrastructure recorded lower sales due to decreased volume in the social systems business, but Railways and Industrial Systems reported higher sales mainly due to increased volume by recovery from market downturn caused by COVID-19 and exchange rate changes, etc. in the industrial systems.

In terms of profit and loss, the segment as a whole saw higher operating income. While Public Infrastructure saw lower operating income due to lower sales in social systems business, Railways and Industrial Systems saw an increase, reflecting higher sales in the industrial systems and by impact of the absence of the previous year's restructuring, etc.

Topics

(1) Toshiba Infrastructure Systems & Solutions Corporation Wins Order for Multi-Parameter Phased Array Weather Radar

Toshiba Infrastructure Systems & Solutions Corporation won order for two sets of multi-parameter phased array weather radar, "MP-PAWR" from the National Institute of Information and Communications Technology Radio Research Institute.

This equipment adds multi-parameter capabilities of estimating rain volume through radar waves emitted simultaneously both vertically and horizontally to the phased-array weather radar installed in Suita, Osaka and Kobe, Hyogo. Through these added capabilities, the two sets of weather radar are able to perform high-speed, three-dimensional measurements of rain clouds in 30 to 60 seconds and to measure rainfall with extreme precision.

In recent years, serious disasters caused by localized torrential rain and tornadoes have become a social issue. However, with these added capabilities, the accuracy of rainfall measurement has increased, and we are able to accurately and quickly detect the signs of torrential rain and estimate rain volume. In addition, by realizing network observation for the first time as a multi-parameter phased array weather radar, the observation range will be expanded, and even if rainfall observation accuracy deteriorates during heavy rainfall events, the other radar will cover it and ensure accuracy. Therefore, it is also expected to accelerate research and demonstration for use in flood prevention activities and evacuation orders for residents in the Kansai region.

Going forward, we plan to install additional multi-parameter phased array weather radar in new regions and contribute to reducing the damage caused by torrential rains.

(2) Local 5G Research and Business Co-Creation Initiatives

Differently from "public 5G" by which carriers provide nationwide communication services, in addition to the features of 5G wireless including high-speed, high-capacity, low-latency, and multi-connections, "local 5G" is built and operated independently by vendors for designated areas and uses. As such, it has expected benefits in a wide range of fields, but also has issues such as obstructions causing lost signals and signals leaking outside of coverage areas.

To resolve these issues, Toshiba Infrastructure Systems & Solutions Corporation is conducting verification testing with various universities and companies.

In March 2022, with Nakao Research Laboratory of the Department of Systems Innovation, School of Engineering, The University of Tokyo, we began joint research to evaluate the effectiveness of the use of technological knowhow to eliminate radio shielding as well as the company's proprietary Distributed Antenna System (DAS), and participated in a technological evaluation of a local 5G system on public roadways.

We also launched joint research with the Metropolitan Expressway Co., Ltd and Nokia Solutions and Networks Japan G.K. on building a local 5G wireless communication area to contribute to collecting accurate information during disasters and to speed operations during normal times, evaluating the feasibility of developing local 5G on metropolitan highways within about one year.

Furthermore, from November 2022 through February 2023, with Sharp Corporation, BIG RED FARM, Niikappu-cho, Hokkaido, EXEO Group, Inc., CHOWA GIKEN Corporation, YANMAR AGRIBUSINESS CO., LTD., Nagoya Broadcasting Network Co., Ltd., and Dogin Regional Research Institute Co., Ltd., we conducted verification testing of grazing land management using local 5G at BIG RED FARM Meiwa in Niikappu-cho, Hokkaido.

In August 2022, we opened "Creative Circuit L5G™," the co-creation center to conduct verification testing of applications using local 5G at our Fuchu Complex. At the co-creation center, everyone including those from outside the Company can experience applications envisioning local 5G at infrastructure facilities. Toshiba Infrastructure Systems & Solutions Corporation is also working at the co-creation center to collect data using 5G wireless lines from devices in operation, such as robots and automatic guided vehicles (AGV) that had previously been difficult to collect, aiming to create added value in the use of AI, etc.

Going forward, we aim to aggressively develop 5G in various directions.

(3) Optimizing Timetables and Train Operations Using AI on the Tokyo Tama Intercity Monorail

Toshiba Infrastructure Systems & Solutions Corporation and the Company have provided results in the optimization of timetables and train operations using AI to Tokyo Tama Intercity Monorail Co., LTD.

The optimization implemented by Toshiba Infrastructure Systems & Solutions Corporation uses the transportation optimization AI developed by Toshiba Corporate Research & Development Center using the timetables data assets of the Group's transit scheduling ICT solution TrueLine® introduced at Tokyo Tama Intercity Monorail Co., LTD.

Railway companies combine train inspection and cleaning plans with plans to allocate trains to timetables for efficient operations. However, understanding which trains are usable and responding to different timetables on weekdays, weekends and holidays are extremely complex. This process has required workers with specialized knowledge and experience, as well as a significant amount of labor in recreating plans when even a single change occurs. Toshiba Infrastructure Systems & Solutions Corporation has performed multiple evaluations using AI together with Tokyo Tama Intercity Monorail Co., LTD., confirming the ability to create plans for the efficient inspection and cleaning of trains and management plans that evenly distribute inspection periods. Through these results, various everyday work planning has become simpler, and plans can be changed quickly in the event that they are disrupted. We have also confirmed results in reducing operating costs, and these results have been applied in revisions of timetables.

Toshiba Infrastructure Systems & Solutions Corporation will continue contributing to the operations of railway companies through our various digital technologies starting with TrueLine®, which uses the Group's AI.

Building Solutions

Main Businesses	As of March 31, 2023
Elevators, Light fixtures, Industrial light parts	

Business Overview

Sales of elevator overseas business, and lighting increased, but due to impact of air conditioning business deconsolidation and lower sales in elevator domestic business, the Building Solutions segment saw lower sales overall.

In terms of profit and loss, lighting saw higher operating income, but due to impact of air conditioning business deconsolidation and lower operating income in elevator business the segment as whole saw lower operating income.

Topics

(1) Expanding Our Lineup of the Antibacterial, Deodorizing UVish Series

Toshiba Lighting & Technology Corporation has added the UVish Ceiling Recess Type to its UVish series lineup of disinfecting and deodorizing devices that feature the double effect of UV-LED that emits ultraviolet C waves considered highly effective in inactivating viruses and bacteria together with photocatalysis. Sales of the UVish Ceiling Recess Type were launched in March, 2023.

Prior to the UVish Ceiling Recess Type, disinfecting and deodorizing devices had generally been placed on the floor. However, when placing devices on the floor, there were various challenges. For example, obstructions to wheelchairs and walking in social welfare facilities, concerns about tampering by children and accidents from contact or falling in kindergartens and nursery schools, and space limitations in restroom booths have made installation difficult. By installing the UVish Ceiling Recess Type in the ceiling, these concerns are resolved, allowing the disinfecting and deodorization of spaces where devices previously could not be installed.

Additionally, Toshiba Lighting & Technology Corporation further expanded the UVish series lineup with the sales launch of the UVish Floor Type 200, which can cover larger spaces than previous devices of up to 200 m³.

(2) SPACEL Wins the GOOD DESIGN AWARD 2022

Toshiba Group company's SPACEL machine-room-less elevators won the GOOD DESIGN AWARD in the GOOD DESIGN AWARD 2022, an awards program to promote integrated design held by the Japan Institute of Design Promotion. The award was given to a joint application by the Company and Toshiba Elevator and Building Systems Corporation, and the following points received a positive evaluation.

- A system for development and the ability to realize continuous evolution of a single brand for more than 20 years that has produced elevators that are disaster-resilient, safe, and people-friendly
- The achievement of a high level of completeness in which a wide range of knowhow and design considerations are reflected in the various elements making up the space and function, based on a fundamental framework with a consideration of social issues
- Large indicators provide information in a manner that is intuitive and clearly visible, making conditions easy to gather in the confined space of an elevator and providing a sense of calm and comfort

- Attention to detail, as for example in the unique functions that fill the gaps around the door, providing various solutions to a range of user conditions

Retail & Printing Solutions

Main Businesses	As of March 31, 2023
POS systems, Multi-function peripherals	

Business Overview

The Retail Business and the Printing Business both recorded higher sales, resulting in an overall increase in sales.

In terms of profit and loss, the segment as a whole saw lower operating income, as Printing Businesses saw a decrease in operating income by impact of impairment loss on goodwill, etc.

Topics

(1) The Electronic Receipt Service Smart Receipt® Surpasses One Million Members

In October 2022, Smart Receipt®, developed and operated by Toshiba Tec Corporation and supported by Toshiba Data Corporation, surpassed one million members.

Smart Receipt® is a service that provides an electronic version of receipts created when purchasing products and manages and provides them as data. Users can verify and manage their purchase history from their smartphones. The service increases the convenience of shopping for users and reduces the issuing costs and environmental burden of paper receipts for stores introducing the service.

The service has been driven by increasing contactless needs due to the spread of COVID-19 and the promotion of digital transformation (DX) in society, with members rapidly expanding by approximately 3.4 times in the two years from 2020, reaching 363 participating merchants and 12,111 stores as of October 2022.

Smart Receipt® allows purchase data on the electronic receipt to be used the next time the user shops, providing better shopping experiences to consumers and supporting the management of stores and manufacturers by making customers more visible. We will continue to create and provide new value to customers using electronic receipts, contribute to conserving resources and protecting the environment, and expand our contribution to realizing a sustainable society.

Electronic Devices & Storage Solutions

Main Business	As of March 31, 2023
Power devices, Analog ICs, Small-signal devices, HDDs, Optoelectronic devices, Semiconductor manufacturing equipment, In-vehicle digital & logic, Parts materials	

Business Overview

The Electronic Devices & Storage Solutions segment as a whole saw lower sales. While Semiconductor saw higher sales from firm markets, mainly in industrial use, etc., HDDs & Others saw lower sales due to shrinkage in mobile and desktop HDD markets and nearline HDD market adjustment, etc.

In terms of profit and loss, the segment as a whole saw lower operating income. While Semiconductor saw higher operating income reflecting higher sales, HDDs & Others saw lower operating income due to lower sales and provision for product warranty, etc.

Topics

(1) Launch of Third-Generation SiC (Silicon Carbide) MOSFETs That Contribute to Higher Efficiency of Industrial Equipment

As a new power semiconductor product, Toshiba Electronic Devices & Storage Corporation has commercialized third-generation SiC MOSFETs (*1) with low resistance during operation (on-resistance) and significantly reduced switching losses.

Power semiconductors, whose role is to supply and manage power, are essential components for boosting the energy-saving features of all types of electrical equipment, and for achieving carbon neutrality, and demand is projected to continue expanding against the backdrop of the continued electrification of automobiles, higher voltage and lower power consumption requirement for industrial equipment, etc. SiC is attracting attention as a next-generation power semiconductor material with higher voltage, higher current and lower loss than conventional Si (silicon).

The new product reduces on-resistance per unit area by approximately 43% (*2) and switching losses by approximately 20% (*2). The third-generation SiC MOSFETs, which achieve both reduced on-resistance and reduced switching losses, will contribute to further achieving larger capacity and improving the efficiency of industrial equipment.

Going forward, Toshiba Electronic Devices & Storage Corporation will continue to expand its power semiconductor product lineup and expand its production facilities, aiming to realize a carbon-free society by providing more user-friendly, high-performance power devices.

(*1) MOSFET stands for Metal Oxide Semiconductor Field Effect Transistor, a type of transistor structure.

(*2) Compared to second-generation SiC MOSFETs. According to testing conducted by Toshiba Electronic Devices & Storage Corporation.

(2) Construction of New Manufacturing Facility for Silicon Nitride Balls

Toshiba Materials Co., Ltd. has decided to construct a new manufacturing facility for silicon nitride balls on the premises of its headquarters. Production is scheduled to begin in November 2023 with an investment in excess of 5 billion yen. This investment will increase production capacity to 150% of the FY2021 level at full capacity.

With the electrification of automobiles, the market is demanding shorter charging times and lower costs. In response, there is increasing adoption of high voltage batteries and integration of motors with inverters (devices with power circuits that generate alternating current of different frequencies from either direct or alternating current). However, electrolytic corrosion (damage to a bearing caused by a current flowing through it) of motor bearings used in such

units has become a problem, and this may hinder the development of highly reliable and widespread electric vehicles. For this reason, in recent years, one of the most effective solutions has been the adoption of hybrid bearings which consists of ceramic balls that have the advantages of excellent strength and superior wear resistance in place of standard steel balls, and steel inner and outer races.

Toshiba Materials Co., Ltd. manufactures silicon nitride balls recognized for their reliability and for delivering the highest mechanical performance. Its experience and record of success in bearing balls that meet demands for high-speed rotation and anti-electrolytic corrosion, including machine tools, wind power generators and rolling stock, have won the company about 50% of the world market. With significant increases in demand for bearings for electric vehicles on the horizon, Toshiba Materials Co., Ltd. has now decided to make this significant investment in increasing capacity.

Toshiba Materials Co., Ltd. will continue stable supply of high-quality products, and will contribute to increased use of environmentally friendly electric vehicles.

(3) GOOD FACTORY AWARD® From the Japan Management Association

Buzen Toshiba Electronics Corporation has been awarded the 11th GOOD FACTORY AWARD® for 2023 by the Japan Management Association. This is the first time that a manufacturer in the Kyushu region has received this award. It is also the first time in seven years that the Toshiba Group has won the award.

The GOOD FACTORY AWARD® consists of four different awards. In recognition of its management system and human resource development, Buzen Toshiba Electronics Corporation was selected for the Factory Management Award, which recognizes an overall high level of factory management and well-balanced factory operations.

Digital Solutions

Main Businesses	As of March 31, 2023
Digital solutions services	

Business Overview

The Digital Solutions segment as a whole saw higher sales. While there was an impact of the sale of Chubu Toshiba Engineering Corporation, system projects for public and private sectors both grew.

In terms of profit and loss, the segment as a whole saw higher operating income. While there was impact of the sale of Chubu Toshiba Engineering Corporation, system projects for public and private sectors both went strong.

Topics

(1) Promotion of Quantum-Related Businesses

Toshiba Digital Solutions Corporation is promoting businesses that utilize quantum technology, such as Quantum Key Distribution (QKD) and SQBM+™, a quantum-inspired optimization solution.

QKD is the technology to distribute the encryption keys that are used to protect important confidential data. Theoretically impossible to intercept the encryption key, it protects the data communication infrastructure from the threat of cyber attacks and enables secure data communication.

The Company is also working on quantum-inspired optimization technology inspired by quantum phenomena. This is proprietary technology of the Company for “combinatorial optimization,” which derives the optimal solution from a vast number of alternatives. For many social and industrial challenges, combinatorial optimization is essential for selecting the optimal items from an enormous range of choices; for example, optimizing financial transactions, the movement of industrial robots, travel and transmission routes, and molecular design for drug discovery. Through collaborations with research institutions such as universities as well as with companies, the Toshiba Group has been conducting verification experiments, etc. to solve social issues in a variety of fields. Drawing on the knowledge gained through these efforts, we were able to provide systematized SQBM+™ as a solution. In April 2022, the Company launched the trial service of the world’s first QKD-secured metro network for commercial use in London, UK, and in August 2022, the Company received an order from Japan’s National Institute of Information and Communications Technology (NICT) for QKD and SQBM+™ for the Tokyo QKD Network. Going forward the Group will continue to contribute to the implementation of quantum technology in society and the creation of new industries.

(2) Launch of Meister SRM™ Portal, a Supply Chain Platform

Toshiba Digital Solutions Corporation has started offering the Meister SRM™ Portal supply chain platform, which is a new service of its Meister SRM™ strategic procurement solution. In order to respond to unpredictable changes in the business environment, manufacturers need to take steps to strengthen their supply chains. Suppliers are also required to communicate closely with each other in order to develop new partners, understand the risk of production stoppages in the event of disasters, and monitor the status of their carbon neutrality measures. The Meister SRM™ Portal is a cloud service that connects companies involved in manufacturing and supports the business activities of companies in the supply chain. By allowing companies subscribing to the service to disseminate and share information about

themselves and to connect autonomously, the service makes the supply chain network visible and facilitates the understanding of risks in the supply chain and the expansion of networks of business partners. In cooperation with partners, we also provide services for calculating and visualizing greenhouse gas emissions, as well as business matching services for manufacturing. In October 2022, Mitsui Sumitomo Insurance Company, Limited linked its newly built insurance sales system to the Meister SRM™ Portal and began offering a mechanism to purchase comprehensive general liability insurance for the manufacturing industry over the Internet. We plan to continue expanding our services through the Meister SRM™ Portal.

Going forward, the Toshiba Group will continue to contribute to the strengthening and upgrading of supply chains by connecting companies involved in manufacturing, facilitating the dissemination and sharing of information between these companies, and providing a variety of services that support business activities in a coordinated and integrated manner.

(3) Establishment of a System to Strengthen the Smart Manufacturing Business

On April 1, 2023, Toshiba Digital Solutions Corporation and Toshiba Infrastructure Systems & Solutions Corporation established the Smart Manufacturing Division with the goals of strengthening Toshiba's capacity to respond to digital transformation (DX) in the manufacturing industry, where market expansion is expected, and promoting business growth. In response to uncertain social conditions and labor shortages, the manufacturing industry is accelerating its investment in digitalization for business continuity, including visualization and remote control and operation of factories, plants, and buildings, as well as supply chain resiliency. In addition, it is expected that DX investment in data utilization will continue to expand, including data linkage and system integration that encompasses a series of flows from design and development to production and maintenance. Furthermore, in order to respond to new social issues such as carbon neutrality, it is more necessary than ever to address issues that cut across the boundaries of IT, such as the optimal operation of facilities, the use of renewable energy, and resource reuse, as well as systems that control and operate control equipment in factories, plants, and buildings, and related technologies (OT: Operational Technology).

The Toshiba Group has established a structure to provide IT and OT solutions for the manufacturing industry in an integrated manner through the collaborative business operations of the Smart Manufacturing Division, which was co-established within both Toshiba Digital Solutions Corporation, which specializes in the IT domain, and Toshiba Infrastructure Systems & Solutions Corporation, which specializes in the OT domain. By leveraging the latest digital technology centered on the Meister series as well as technologies we have cultivated over many years in the industrial domain, we plan to accelerate our efforts to expand our Smart Manufacturing business, focusing on the DX market in the manufacturing industry.

Others

Main Businesses	As of March 31, 2023
Battery, etc.	

Business Overview

The segment as a whole saw higher sales and rise in operating income.

Topics

(1) Ranked No. 1 in Japan, the U.S. and Europe in Overall Patent Strength for Lithium-Ion Battery-Related Technologies

An independent survey by Patent Result Co., Ltd. in September 2022 ranked Toshiba No. 1 in Japan, the United States and Europe for patents covering oxide-based negative electrode technology for lithium-ion batteries.

Toshiba began R&D in oxide-based negative electrodes before 2000, with a focus on Lithium Titanium Oxide (LTO) negative electrodes. Toshiba first applied the technology in the SCiB™, the lithium-ion battery it brought to market in 2008. Typical lithium-ion batteries have carbon-based negative electrodes, but Toshiba recognized that LTO, an oxide-based negative electrode, offered excellent characteristics in six crucial areas: safety, long life, rapid charging, high input and output, low-temperature performance, and a wide effective SOC (*1).

SCiB™ has been highly evaluated for its excellent safety, long life, and rapid charge/discharge characteristics, and is currently used in a wide range of applications including hybrids and other types of passenger cars, commercial vehicles such as electric vehicle (EV) buses, trains, ships, electric power, energy, and industrial equipment such as AGVs (*2). SCiB™ also helps to reduce emissions of carbon dioxide (CO₂) and nitrogen oxides (NO_x), and is expected to be further utilized in the accelerating global effort to realize a carbon-neutral society.

Going forward, we will continue to promote research and development of battery technologies that realize safe, secure, and efficient energy utilization and actively pursue further patent activities.

(*1) SOC: State of charge. The batteries can be used at 0 to 100% state of charge, reducing the required battery footprint.

(*2) AGV: Automatic guided vehicle

Toshiba Group's Sustainability Initiatives

(1) The Toshiba Group and Sustainability

The cornerstone text of the Basic Commitment of Toshiba Group is “Committed to People, Committed to the Future.” This underlines Toshiba Group’s timeless commitment to contributing to the development of society through its business activities and is the very essence of sustainability management, which aims to realize a sustainable society. We will combine the creative power and technological expertise we have built up over the years to tackle social issues that are becoming increasingly complex and serious with the aim of launching a new future.

(2) Toshiba Group's Sustainability Management

In 2021, the Toshiba Group established the Toshiba Group Sustainability Policy in order to consider the long-term impact of our corporate activities on society and to further advance our efforts to help solve social issues and strengthen activities that contribute to the sustainability of society. In line with the Sustainability Policy, we have adopted the perspectives of the SDGs and other social issues and identified the material issues to be addressed from a medium- to long-term perspective as shown in the figure below. The Toshiba Group is committed to achieving carbon neutrality and a circular economy for the sake of people and the Earth for tomorrow. Specifically, we will build an “infrastructure that benefits all of us” to protect safe and secure lives for people everywhere and a “a society connected by data” for social and environmental stability by making maximum use of the power of data. In addition to “responding to climate change” to achieve carbon neutrality, we recognize “strengthening cyber resilience,” which is indispensable for promoting data business, “strengthening R&D to stimulate innovation,” which forms the foundation of our business, and “securing, retaining, and training human resources” as material issues that are particularly relevant to our business, and we will address all our material issues including these with integrity.

(Notes)

1. The Company states the matters concerning the business results of the Group based on the consolidated financial statements pursuant to the provisions of Article 120, paragraph (2) of the Ordinance for Enforcement of the Companies Act.
2. Toshiba's consolidated financial statements are based on U.S. generally accepted accounting principles ("GAAP") pursuant to the provisions of Article 120-3 of the Ordinance on Accounting of Companies. Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses, and impairment loss on goodwill from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Legal settlement costs, etc. are not included in it.
3. The Group indicated a "net income (loss) attributable to shareholders of the Company" under the U.S. GAAP as the net income (loss).
4. The Memory business is classified as discontinued operations for the Group's consolidated statements of operations in accordance with ASC 205-20 "Presentation of Financial Statements - Discontinued Operations." Net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests are calculated by reflecting the results of this business. In addition, this business is also classified as discontinued operations for the Group's consolidated balance sheet and is indicated separately. Results of the past fiscal year have been revised to reflect these changes.
5. Descriptions such as "World's first," "Japan's first" and "World's highest" are based on data surveyed by the Group as of the time of announcement and release, unless otherwise noted.

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

◎ Enhancement of Shareholder Value

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

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 (the “Potential Partners”) and review strategic alternatives. The Company initiated a process (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. (“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. (the “Tender Offeror”), a third-tier subsidiary of JIP, for the common shares of the Company (the “Company Shares”) (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.

Until the commencement of the Tender Offer, the Board of Directors of the Company intends to request an opinion from the Special Committee, and based on such opinion, to reconsider and to make its decisions on whether to recommend shareholders to tender their shares in 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.

◎ Our Vision

Based on Basic commitment of the Toshiba Group, committed to people, committed to the future, the Group intends to continue contributing to the development of society by combining the knowledge and capabilities accumulated over years of experience in a wide

range business, ranging from infrastructure to electronic devices, with its strength in information processing, digital and AI technologies, and providing services and solutions that can help to solve issues facing the world today.

In June 2022, the Company announced Toshiba Group Management Policy to harness the power of digital and data to contribute to achieving carbon neutrality and a circular economy. The Company recognizes that it faces two challenges: internal rigidity, which is the result of years of operation by the business unit that started the business and has not adapted to the current era of digitalization and service orientation, and external rigidity, which is the result of trying to launch proprietary technologies solely on its own without collaborating with external parties. We will continue our efforts to overcome these challenges.

In addition, as the digital economy evolves, new social value will be created in the future having various companies get connected across industrial boundaries. In order to respond to these changes, the Company is transforming itself into a company that makes data services a pillar of revenue by realizing the development into digital evolution (DE), which enhances services and recurring businesses, digital transformation (DX), which builds platforms based on DE, and quantum transformation (QX), which is a quantum world where various platforms themselves are connected across industries.

◎ Improvement of Internal Controls Process

In July 2022, a US subsidiary of Toshiba Corporation (the “Subsidiary”) suffered an outflow of funds amounting to approximately US\$3.6 million (approximately 500 million yen), due to fraudulent instructions being received from a third party who represented himself as a senior executive of the Company. The Subsidiary has recorded a loss in the second quarter of FY2022, to cover the damage from this incident, with a maximum impact of approximately 500 million yen. In response to this incident, the Company implemented measures to prevent recurrence, including Group-wide corrective training and inspections of rules and procedures. In February 2023, a Representative Executive Officer and Director of the Company resigned from the positions of Representative Executive Officer and Executive Officer. An investigation by the Audit Committee revealed that in 2019, prior to his appointment as an Executive Officer, said Representative Executive Officer and Director had repeatedly submitted entertainment expenses without reporting the actual names of the parties with whom he had business meals or drinks in violation of Toshiba Group rules. In response to this incident, the Company is promoting measures such as strengthening rules for managing entertainment expenses and conducting exhaustive checks related to the use of entertainment expenses.

The Company takes these matters seriously and will continue to improve and strengthen its internal control system initiatives.

◎ Climate Change

The Group sees impacts from climate change as material risks and, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we are analyzing impacts on our business. We predict physical risks, such as an increase in natural disasters due to global warming, and risks associated with the transition to the 1.5°C scenario, such as the rising cost of responding to regulations, loss of sales opportunities due to delays in responding technologically, and impaired reputation from delays in responding to climate change. As such, we are striving to strengthen our frameworks and activities for addressing these risks. At the same time, we view the growing demand for decarbonized energy technologies and energy-saving products and services as an opportunity to contribute to the realization of carbon neutrality put forth as one of our business strategies. We are promoting

the creation of energy technologies such as renewable energy, energy aggregation, and CO₂ separation and collection technologies, as well as highly energy-saving social infrastructure products and building-related products, while at the same time we have decided to suspend new orders for coal-fired thermal power plant construction work. 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 periodically reported to the Board of Directors.

As the Group's medium- to long-term goals and as stated in our Environmental Future Vision 2050, the Group seeks to achieve carbon neutrality throughout the value chain by FY2050, and to reduce GHG emissions by 70% by FY2030 compared to the FY2019 level. To achieve this, we will actively invest in energy-saving and renewable energy facilities and procure electricity derived from renewable energy sources in the Group's business activities, aiming to hold total GHG emissions to 980,000 t-CO₂ in FY2023 and to improve energy-derived CO₂ emissions intensity by 1% per annum. Furthermore, in our products and services, we aim to continue developing and delivering products and services that contribute to GHG reductions in society. We aim to reduce GHG emissions (Note 1) during energy supply by 13.6% in FY2023 (versus FY2019), while aiming for a 43 million t-CO₂ contribution to GHG reduction (cumulative from FY2021) through the adoption of renewable energies and a 57 million t-CO₂ contribution to GHG reduction (cumulative from FY2021) during product use (Note 2). We will also work on reducing GHG emissions derived from products and service purchased in cooperation with our suppliers.

(Notes)

1. The items subject to the target are products and services associated with power supply, such as power generation plants
2. The items subject to the target are products and services associated with power consumption, such as social infrastructure products

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

(1) The Group (Consolidated)

Item	181st Period	182nd Period	183rd Period	184th Period (current period)
	FY2019	FY2020	FY2021	FY2022
Net sales (Billions of yen)	3,389.9	3,054.4	3,337.0	3,361.7
Net income (loss) (Billions of yen)	(114.6)	114.0	194.7	126.6
Net income (loss) per share (Yen)	(236.39)	251.25	442.05	292.56
Total assets (Billions of yen)	3,383.4	3,500.6	3,734.5	3,539.3

(Note)

Net income (loss) attributable to shareholders of the Company in accordance with U.S. Generally Accepted Accounting Standards (“U.S. GAAP”), is presented as Net income (loss) in this section.

(2) The Company (Non-consolidated)

Item	181st Period	182nd Period	183rd Period	184th Period (current period)
	FY2019	FY2020	FY2021	FY2022
Net sales (Billions of yen)	75.0	74.4	86.4	94.4
Net income (loss) (Billions of yen)	6.7	101.2	87.6	230.8
Net income (loss) per share (Yen)	13.87	222.99	199.02	533.41
Total assets (Billions of yen)	1,461.2	1,725.0	1,640.1	1,683.6

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

The Company intends to maintain an average consolidated dividend payout ratio of at least 30% (Note), and shareholders' equity in excess of the appropriate level of shareholders' equity will be used to provide shareholder returns, including share repurchases. The appropriate level of shareholders' equity shall be verified by the Board of Directors at regular intervals.

With regard to shares of KIOXIA Holdings Corporation, while seeking to maximize shareholder value we will convert these to cash as quickly as operationally possible and return the entire amount of net cash thus obtained to shareholders, to the extent that it does not infringe applicable laws and regulations.

Furthermore, the Company will continue to review the evaluation of the appropriate level of capital based on the change in business strategy and circumstance, and will also use appropriate leverage to continually improve capital allocation, in order to further enhance shareholder returns and the long-term value of the Company.

In terms of dividends for the fiscal year under review, in August 2022 the Company paid a special dividend of 160 yen per share to shareholders registered as of June 30, 2022, and in December 2022 it paid a dividend (interim) of 60 yen per share to shareholders registered as of September 30, 2022. As result of such dividend, total amount of dividend per share is 220 yen. We have decided not to distribute a dividend (year-end) with a record date of March 31, 2023, in light of the planned tender offer by TBJH Inc. for the common shares of the Company.

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

4. Outline of Main Group Companies

As of March 31, 2023

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
Energy Systems & Solutions	Toshiba Energy Systems & Solutions Corporation	22,602 (Millions of yen)	100.0	Development, manufacturing, sale, and service of products and systems relating to the energy business	Kawasaki
	Toshiba Plant Systems & Services Corporation	11,876 (Millions of yen)	100.0	Engineering, construction, trial operation, alignment, maintenance, and service of power systems and social infrastructure & industrial systems	Kawasaki
Infrastructure Systems & Solutions	Toshiba Infrastructure Systems & Solutions Corporation	10,000 (Millions of yen)	100.0	Development, manufacturing, sale, and service of products and systems relating to the social infrastructure business	Kawasaki
Building Solutions	Toshiba Elevator and Building Systems Corporation	21,407 (Millions of yen)	80.0	Elevator development, sales, design, manufacturing, installation, maintenance, repair, and renovation, as well as building facility-related construction and services	Kawasaki
	Toshiba Lighting & Technology Corporation	2,400 (Millions of yen)	99.9	Development, manufacturing, sales, and services of light equipment and industrial light sources	Yokosuka, Kanagawa
Retail & Printing Solutions	Toshiba TEC Corporation	39,970 (Millions of yen)	52.3	Development, design, manufacturing, sale, and maintenance of retail information systems and office equipment	Shinagawa-ku, Tokyo
Electronic Devices & Storage Solutions	Toshiba Electronic Devices & Storage Corporation	10,000 (Millions of yen)	100.0	Development, manufacturing, sale, and related businesses of discrete semiconductors, analog semiconductors, logic ICs, HDDs, and related products	Minato-ku, Tokyo
Digital Solutions	Toshiba Digital Solutions Corporation	23,500 (Millions of yen)	100.0	System integration and development, manufacturing, and sale of ICT solutions using IoT/AI and quantum technologies	Kawasaki

Segment	Name of Company	Paid in Capital	Voting Rights Ratio (Percentage)	Main Business	Location
Others	Toshiba America, Inc.	1,884 (U.S. dollars)	100.0	Holding company and operating company in the U.S.	U.S.
	Toshiba (China) Co., Ltd.	249,362 (Thousands of CNY)	100.0	Operating company in the China and East Asia	China
	Toshiba of Europe Ltd.	12,532 (Thousands of pounds sterling)	100.0	Operating company in the Europe, Middle East and Africa	U.K.
	Toshiba Asia Pacific Pte. Ltd.	6,784 (Thousands of Singapore dollars)	100.0	Operating company in the Asia-Pacific	Singapore

(Notes)

1. The Company has 253 consolidated subsidiaries (including the companies listed above) in accordance with U.S. GAAP, and 130 affiliated companies accounted for by the equity method. Important affiliated companies accounted for by the equity method include KIOXIA Holdings Corporation and WingArc1st Inc.
2. The registered headquarters of Toshiba Electronic Devices & Storage Corporation is in Minato-ku, Tokyo, but the headquarters itself is in Kawasaki City.
3. As the Company sold 55 % of the issued shares of Toshiba Carrier Corporation in August 2022, said company was removed from the consolidated subsidiaries.
4. In March 2023, Toshiba Lighting & Technology Corporation reduced its capital.
5. Voting rights ratio includes those which are held indirectly.

5. Shares and Stock Acquisition Rights of the Company

As of March 31, 2023

- (1) **Total Number of Authorized Shares:** 1,000,000,000
- (2) **Total Number of Issued Shares:** 433,137,955

- (3) **Total Number of Shareholders:** 228,229

(4) Principal Shareholders

Name of Shareholder	Number of shares (in thousands)	Shareholding ratio (percentage)
The Master Trust Bank of Japan, Ltd. (Trust Account)	48,011	11.1
SUNTERA (CAYMAN) LIMITED AS TRUSTEE OF ECM MASTER FUND	20,000	4.6
CHINOOK HOLDINGS LTD	15,392	3.6
Custody Bank of Japan, Ltd. (Trust Account)	12,846	3.0
BCSL CLIENT RE BBPLC NYBR	12,500	2.9
Nippon Life Insurance Company	11,035	2.6
GOLDMAN SACHS INTERNATIONAL	10,714	2.5
Toshiba Employees Shareholding Association	9,531	2.2
GOLDMAN, SACHS & CO. REG	8,086	1.9
CGMI PB CUSTOMER ACCOUNT	7,683	1.8

(Notes)

- For the purpose of calculation of shareholding ratio in the above table of principal shareholders, treasury shares(511,457shares) are excluded from total number of issued shares (denominator).
- The change report on large-volume holdings offered for public inspection on March 4, 2021 notes that a total of 11 companies as noted in the table below, including BlackRock Japan Co., Ltd., held 23,720K shares as of February 26, 2021 (percentage of stock certificates, etc. held: 5.21%). However, as the Company was unable to confirm the beneficial ownership or number of shares held as of the end of the fiscal year under review, these companies are not included in the table above.

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

3. 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 was unable to confirm the beneficial ownership or number of shares held as of the end of the fiscal year under review, Effissimo Capital Management Pte Ltd. is not included in the above table.
4. The change report on large-volume holdings offered for public inspection on 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 the end of the fiscal year under review, 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

5. 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 was unable to confirm the beneficial ownership or number of shares held as of the end of the fiscal year under review, 3D Investment Partners Pte. Ltd. is not included in the above table.

(5) Shareholding Ratio by Category:

As of March 31, 2023

AS OF March 31, 2025

Category	Status of share (100 shares per share unit)								Status of share below the share unit
	Government and local public entities	Financial institutions	Securities companies	Other entities	Overseas entities and others		Individuals and others	Total	
					Other than individuals	Individuals			
The number of shareholders	—	60	64	1,356	757	369	183,115	185,721	—
Shares (Share unit)	—	1,029,227	294,610	71,938	2,133,880	2,916	782,778	4,315,349	1,603,055
Ratio of share unit (Percentage)	—	23.85	6.83	1.67	49.45	0.07	18.14	100.00	—

(Notes)

1. The number of treasury stock of 511,457 is described in 5,114 share units in “Individuals and others” and in 57 shares in “Status of share below the share unit”
2. 23 share units registered by the name of Japan Securities Depository Center, Incorporated are included in “Other entities” above.

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

There is no relevant item.

(7) Stock Acquisition Rights:

There is no relevant item.

6. Main Lenders of the Toshiba Group

As of March 31, 2023

Lender	Loans Outstanding (Billions of yen)
Sumitomo Mitsui Banking Corporation	101.7
Mizuho Bank, Ltd.	101.3
Sumitomo Mitsui Trust Bank, Limited	60.1

7. Financing of the Toshiba Group

In the fiscal year under review the Group was able to secure sufficient liquidity, and did not conduct any material fund procurement in the form of borrowing, capital increases, or issuance of corporate bonds.

8. Capital Expenditure of the Toshiba Group

(1) Overview

While further strengthening core earning power, the Group is focusing on business areas where market growth can be expected, even among the products that form the foundation of our core infrastructure and industry. During the fiscal year under review, the Group executed capital expenditures of 191.2 billion yen (order basis, including intangible fixed assets; the same applies hereafter).

As shown in the table below, the two divisions of Electronic Devices & Storage Solutions and Others (including those shared group-wide) have made significant investments. In particular, in Electronic Devices & Storage Solutions, the Company invested in the construction of power semiconductors (new manufacturing facilities, production lines, etc.) and increased production capacity for fine ceramics products. Others (including those shared group-wide) invested in the renovation of IT systems and the construction of a new R&D building to increase operational efficiency.

In Electronic Devices & Storage Solutions, investments were made to increase production capacity of power semiconductors (300-mm wafer production line, etc.) and fine ceramics products. Other investments were made for IT system renewal to improve the operational efficiency, and for construction of new R&D facility.

(Billions of yen)

Segment	Capital Expenditures
Energy Systems & Solutions	6.8
Infrastructure Systems & Solutions	11.8
Building Solutions	7.1
Retail & Printing Solutions	6.1
Electronic Devices & Storage Solutions	117.2
Digital Solutions	1.6
Others	40.6
Total	191.2

(2) Primary Capital Expenditures

	Segment	Outline
Completed during the term	Energy Systems & Solutions	<ul style="list-style-type: none"> Investment in geothermal power generation facilities (Nakao Chinetsu Hatsuden Corp.)
	Building Solutions	<ul style="list-style-type: none"> Construction of new building (Fuchu Factory) (Toshiba Elevator and Building Systems Corporation)
	Electronic Devices & Storage Solutions	<ul style="list-style-type: none"> Manufacturing facilities for power semiconductors (Kaga Toshiba Electronics Corporation and Japan Semiconductor Corporation) Nearline HDD manufacturing facilities (Toshiba Electronic Devices & Storage Corporation)
Ordered during the term	Electronic Devices & Storage Solutions	<ul style="list-style-type: none"> Building construction for manufacturing power semiconductors (Kaga Toshiba Electronics Corporation) Manufacturing facilities for power semiconductors (Toshiba Electronic Devices & Storage Corporation and Japan Semiconductor Corporation) Construction of back-end process assembly building for power semiconductors (Toshiba Electronic Devices & Storage Corporation) Manufacturing facilities for developing compound power semiconductors (Toshiba Electronic Devices & Storage Corporation and Japan Semiconductor Corporation) Investment in structural fine ceramics infrastructure and increased production (Toshiba Materials Co., Ltd.)
	Others (shared group-wide)	<ul style="list-style-type: none"> Renewal of IT systems and next-generation platform IT systems (head office and branch offices) Construction of new R&D facilities (Komukai Complex, the Company)

9. Names, Responsibilities, etc. of the Company's Directors / Officers As of March 31, 2023

(1) Directors

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Director	Taro SHIMADA		Chair, Quantum Strategic Industry Alliance for Revolution
Director	Goro YANASE		
Outside Director	Akihiro WATANBE	Chairperson of the Board of Directors; Vice Chairperson of the Nomination Committee; Vice Chairperson of the Special Committee	Outside Director, Maruho Co. Ltd. Representative, Akihiro Watanabe CPA Office
Outside Director	Paul J. BROUGH	Member of the Nomination Committee Vice Chairperson of the Special Committee;	
Outside Director	Ayako Hirota WEISSMAN	Chairperson of the Compensation Committee; Member of the Special Committee	Senior Portfolio Manager, Director of Asia Strategy, Horizon Kinetics LLC Non-Executive Director, Nippon Active Value Fund
Outside Director	Jerome Thomas BLACK	Member of the Nomination Committee Chairperson of the Special Committee;	Advisor, Aeon Co., Ltd.
Outside Director	George Raymond ZAGE III	Chairperson of the Nomination Committee; Member of the Special Committee	Independent Non-Executive Director, Whitehaven Coal Limited; Founder and CEO, Tiga Investments Pte. Ltd.; Commissioner (Non-Executive), PT Lippo Karawaci Tbk; Director, EDBI, Pte. Ltd Director, Grindr Inc.
Outside Director	Katsunori HASHIMOTO	Chairperson of the Audit Committee; Member of the Nomination Committee	Chairperson, DSS Sustainable Solutions Japan, LLC; Professor, Graduate School of Business Administration, Tokyo Metropolitan University

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Outside Director	Mikio MOCHIZUKI	Member of the Audit Committee; Member of the Compensation Committee	Outside Director, Aida Engineering, Ltd.
Outside Director	Ayumi UZAWA	Member of the Audit Committee; Member of the Compensation Committee	Representative of Uzawa CPA Office
Outside Director	Eijiro IMAI	Member of the Compensation Committee; Member of the Special Committee	Managing Director, Farallon Capital Japan LLC Outside Director, BroadBand Tower, Inc.
Outside Director	Nabeel BHANJI	Member of the Special Committee	Senior Portfolio Manager, Elliott Investment Management President, Elliott Opportunity II Corporation

(Notes)

1. On April 7, 2022, the Strategic Review Committee, which was assigned the mission of supporting decision-making by the Board of Directors of the Company, was disbanded and a Special Committee was formed with the aim of engaging with potential investors and sponsors, and considering strategic options.
2. Directors Mr. Satoshi TSUNAKAWA and Mr. Mamoru HATAZAWA, retired from their office due to expiry of the term of office at the closing of the Ordinary General Meeting of Shareholders for the 183rd fiscal period held on June 28, 2022.
3. Director Mr. Taro SHIMADA, and Mr. Goro YANASE and Outside Directors Mr. Akihiro WATANABE, Mr. Mikio MOCHIZUKI, Mr. Ayumi UZAWA, Mr. Eijiro IMAI and Mr. Nabeel BHANJI were newly elected and assumed office at the Ordinary General Meeting of Shareholders for the 183rd fiscal period.
4. Ms. Mariko WATANUKI resigned as Outside Director on June 28, 2022.
5. Mr. Ayumi UZAWA, Member of the Audit Committee, is a Certified Public Accountant, and is equipped with a considerable level of knowledge in finance and accounting.
6. In order to further reinforce reporting and collection of information from the management side, and to fulfill audit activities by the Audit Committee, the Company has appointed Mr. Katsunori HASHIMOTO as the full-time member of the Audit Committee.
7. The following ten Outside Directors are independent directors as defined by the Tokyo Stock Exchange: Mr. Akihiro WATANABE, Mr. Paul J. BROUGH, Ms. Ayako Hirota WEISSMAN, Mr. Jerome Thomas BLACK, Mr. George Raymond ZAGE III, Mr. Katsunori HASHIMOTO, Mr. Mikio MOCHIZUKI, Mr. Ayumi UZAWA, Mr. Eijiro IMAI and Mr. Nabeel BHANJI.

(2) Outside Directors

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

There is no significant relationship to be disclosed between the Company and entities at which Outside Directors hold significant concurrent positions.

- 2) Main Activities

- a. Attendance, statements made, etc. at the Board of Directors meetings and other meetings
During the FY2022, the Board of Directors met 20 times, the Nomination Committee 10 times, the Audit Committee 15 times, the Compensation Committee 13 times and the Special Committee 41 times, and the Outside Directors commented as necessary at those meetings. The Outside Directors received explanations about the matters to be resolved at the board meetings from Executive Sessions, the staff in charge, the administrative office for the Board of Directors, etc. in advance. They also made an effort to communicate and share information with the Executive Officers.

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

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Akihiro WATANABE	Chairperson of the Board of Directors; Vice Chairperson of the Nomination Committee; Vice Chairperson of the Special Committee	<p>After June 28, 2022, when Mr. Akihiro Watanabe was elected, attended 12 (100%) meetings of the Board of Directors held during the fiscal year under review.</p> <p>After 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 has deep knowledge of capital markets and M&A.</p> <p>He used his deep knowledge of capital markets and 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, made 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 supervised the management of the Company.</p> <p>In addition, as Vice Chairperson of the Nomination Committee, and as Vice Chairperson of the Special Committee, he attended 5 (100%) meetings of the Nomination Committee, and 31 (100%) meetings of the Special Committee held after he was elected, and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending all the meetings of the committees he sits on, by actively making comments at those meetings and by taking an active role as Vice Chair of the Nomination Committee and as Vice Chair of the Special Committee.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Paul J. BROUGH	Member of the Nomination Committee Vice Chairperson of the Special Committee;	<p>Attended 20 (100%) meetings of the Board of Directors held during the fiscal year under review.</p> <p>Mr. Paul J. BROUGH is a Chartered Accountant in the United Kingdom. He has significant expertise in finance and accounting, and has many years' experience in M&A as a financial advisor. In addition to his involvement in the liquidation of assets of various Lehman Brothers entities located in Asia, he has significant experience in business restructuring, having served as Chief Restructuring Officer for a number of companies. Mr. Brough also has experience in international business, having served as an executive director and non-executive director for multinational companies.</p> <p>He made a beneficial contribution 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.</p> <p>In addition, as Chairperson of the Special Committee and a member of the Nomination Committee, he attended 40 (98%) meetings of the Special Committee and 10 (100%) meetings of the Nomination Committee held during the fiscal year under review, and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending meetings of the committees, by actively making comments at those meetings, and by taking an active role as a member of the Nomination Committee and as Vice Chair of the Special Committee. .</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Ayako Hirota WEISSMAN	Chairperson of the Compensation Committee; Member of the Special Committee	<p>Attended 20 (100%) meetings of the Board of Directors held during the fiscal year under review.</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.</p> <p>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.</p> <p>In addition, as Chairperson of the Compensation Committee, and as a member of the Special Committee, she attended 12 (92%) meetings of the Compensation Committee, and 39 (95%) meetings of the Special Committee, and has proactively undertaken her duties as a Director of the Company by, amongst other things, attending meetings of the committees she sits on, by actively making comments at those meetings, and by taking an active role as Chairperson of the Compensation Committee and as a member of the Special Committee.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Jerome Thomas BLACK	Member of the Nomination Committee Chairperson of the Special Committee;	<p>Attended 20 (100%) meetings of the Board of Directors held during the fiscal year under review.</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. The Nomination Committee decided to select him as a candidate for Outside Director because 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.</p> <p>In addition, as Chairperson of the Special Committee, and as a member of the Nomination Committee, he attended 41 (100%) meetings of the Special Committee, and 10 (100%) meetings of the Nomination Committee, and made has proactively undertaken his duties as a Director of the Company by, amongst other things, attending all the meetings of the committees he sits on, by actively making comments at those meetings, and by taking an active role as a member of the Nomination Committee and as Chairperson of the Special Committee.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
George Raymond ZAGE III	Chairperson of the Nomination Committee; Member of the Special Committee	<p>Attended 20 (100%) meetings of the Board of Directors held during the fiscal year under review.</p> <p>Mr. George Raymond ZAGE III had been with the prominent investment fund group Farallon Capital Group for 18 years, and had been Farallon Capital Group's Asia head since 2008 as the CEO of Farallon Capital Asia Pte. Ltd. He has experience investing in a number of listed and unlisted companies, and also in startup investment and investment for corporate rehabilitation. With his experience in investment fund, he is expected to bring to the Board of Directors his expertise in business portfolios, business restructuring, M&A, capital markets, and capital allocation.</p> <p>He had 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>In addition, as Chairperson of the Nomination Committee, and as a member of the Special Committee, he attended 10 (100%) meetings of the Nomination Committee, and 40 (98%) meetings of the Special Committee, and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending the meetings of the committees he sits on, by actively making comments at those meetings, and by taking an active role as Chairperson of the Nomination Committee and as a member of the Special Committee.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Katsunori HASHIMOTO	Chairperson of the Audit Committee; Member of the Nomination Committee	<p>Attended 20 (100%) meetings of the Board of Directors held during the fiscal year under review.</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, and has both considerable experience and high level of insight as a manager.</p> <p>He had been beneficially contributing to the analysis of the Company's strategic alternatives and providing appropriate supervision of the management of the Company as Chairperson of the Audit Committee.</p> <p>In addition, as Chairperson of the Audit Committee, and as a member of the Nomination Committee and Special Committee, he attended 15 (100%) meetings of the Audit Committee and 10 (100%) meetings of the Nomination Committee and 10 (100%) meetings of the Special committee by leaving its office, and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending all the meetings of the committees he sits on, by actively making comments at those meetings, by taking an active role as Chairperson of the Audit Committee and as a member of the Nomination Committee and a member of the Special Committee, and by attending meetings of the Special Committee as an observer and supervising the process of consideration of strategic alternatives.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Mikio MOCHIZUKI	Member of the Audit Committee; Member of the Compensation Committee	<p>After June 28, 2022, when Mr. Mikio Mochizuki was elected, attended 12 (100%) meetings of the Board of Directors held during the fiscal year under review.</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 a Japanese manufacturer, and 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, accounting, etc. to appropriately carry out auditing of the Company as a member of the Audit Committee.</p> <p>In addition, as a member of the Audit Committee and Compensation Committee, he attended 9 (100%) meetings of the Audit Committee and 8 (100%) meetings of the Compensation Committee held after he was elected, and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending all the meetings of the committees he sits on, by actively making comments at those meetings, by taking an active role as a member of the Audit Committee and as a member of the Compensation Committee, and by attending meetings of the Special Committee as an observer and supervising the process of consideration of strategic alternatives.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Ayumi UZAWA	Member of the Audit Committee; Member of the Compensation Committee	<p>After June 28, 2022, when Mr. Ayumi Uzawa was elected, attended 12 (100%) meetings of the Board of Directors held during the fiscal year under review.</p> <p>The Company is to appoint an accounting professional as an outside director. 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. Since the Company is a company with three committees, members of the Audit Committee need to be a Director, and it is essential to have a Japanese certified public accountant as a member of the Audit Committee in light of the roles of the Audit Committee in determining the content of proposals for the election and dismissal of an accounting auditor and giving opinions on the methods and results of the accounting auditor's audit.</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, has deep knowledge regarding discovery and prevention of recurrence of misconduct.</p> <p>He utilized his deep knowledge regarding finance, accounting, and auditing, and his high-level insight regarding discovery and prevention of recurrence of misconduct to make a beneficial contribution to the analysis of the Company's strategic alternatives to enhance corporate value, and appropriately carry out auditing of the Company as a member of the Audit Committee.</p> <p>In addition, as a member of the Audit Committee and Compensation Committee, he attended 9 (100%) meetings of the Audit Committee, and 8 (100%) meetings of the Compensation Committee held after he was elected, and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending all the meetings of the committees he sits on, by actively making comments at those meetings, by taking an active role as a member of the Audit Committee and as a member of the Compensation Committee, and by attending meetings of the Special Committee as an observer and supervising the process of consideration of strategic alternatives.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Eijiro IMAI	Member of the Compensation Committee; Member of the Special Committee	<p>After June 28, 2022, when Mr. Eijiro Imai was elected, attended 12 (100%) meetings of the Board of Directors held during the fiscal year under review.</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 Bain Capital Group and Farallon Capital Group for a total of about 15 years, 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.</p> <p>He used 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 supervise the management of the Company.</p> <p>In addition, as a member of the Compensation Committee and Special Committee, he attended 8 (100%) meetings of the Compensation Committee, and 31 (100%) meetings of the Special Committee held after he was elected, and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending all the meetings of the committees he sits on, by actively making comments at those meetings, and by taking an active role as a member of the Compensation Committee and as a member of the Special Committee.</p>

Name	Responsibility	Status of attendance, comments, and overview of duties performed in relation to the roles expected of Outside Directors
Nabeel BHANJI	Member of the Special Committee	<p>After June 28, 2022, when Mr. Nabeel Bhanji was elected, attended 12 (100%) meetings of the Board of Directors held during the fiscal year under review.</p> <p>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.</p> <p>He meaningfully contributed to the evaluation of strategic alternatives that could unlock value at the Company, bringing transparency and credibility to the process.</p> <p>In addition, as a member of the Special Committee, he attended 30 (97%) meetings of the Special Committee and has proactively undertaken his duties as a Director of the Company by, amongst other things, attending the committees on which he sits, by actively making comments at those meetings, and by taking an active role as a member of the Special Committee.</p>

3) Limited Liability Contracts

The Company has entered into a liability limitation agreement with each of the following ten Outside Directors under which, with regard to the liability set forth in Article 423, Paragraph 1 of the Companies Act, compensation to be paid by any of them shall be limited to the higher of a pre-determined amount of at least 10 million yen and the minimum liability set forth in Article 425, Paragraph 1 of the Companies Act: Mr. Akihiro WATANABE, Mr. Paul J. BROUGH, Ms. Ayako Hirota WEISSMAN, Mr. Jerome Thomas BLACK, Mr. George Raymond ZAGE III, Mr. Katsunori HASHIMOTO, Mr. Mikio MOCHIZUKI, Mr. Ayumi UZAWA, Mr. Eijiro IMAI and Mr. Nabeel BHANJI.

(3) Executive Officers

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer President and Chief Executive Officer ^(*)	Taro SHIMADA	CEO	

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer Corporate Executive Vice President and Chief Financial Officer	Masayoshi HIRATA	General Executive, Finance & Cash Management Div.; Accounting Div.; General Executive, Project Monitoring & Oversight Div.	
Representative Executive Officer Corporate Executive Vice President	Takayuki KONNO	General Executive, Marketing Div.; General Executive, Battery Div.; General Executive, Branch Offices; Assistant to Corporate Senior Vice President, Mr. Yotsuyanagi (Toshiba Plant Systems & Services Corporation); Responsible for Infrastructure Systems Business; Responsible for Building Solutions Business; Responsible for the Americas	Representative Director and President and CEO, Toshiba Infrastructure Systems & Solutions Corporation
Representative Executive Officer Corporate Executive Vice President	Hiroyuki SATO	Responsible for Electronic Devices & Storage Business; Responsible for Europe, Middle East and Africa Responsible for China and East Asia	Representative Director and President and CEO, Toshiba Electronic Devices & Storage Corporation
Executive Officer Corporate Senior Vice President	Keiichi YUMITA	General Executive, Information Systems Div.; General Executive, Business Process Re-engineering Div.	
Executive Officer Corporate Senior Vice President	Tsutomu KAMIJO	General Executive, Procurement Div.; General Executive, Corporate Production Planning Div.; Assistant to Corporate Vice President, Mr. Sata (Corporate Manufacturing Engineering Center)	

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Executive Officer Corporate Senior Vice President	Shunsuke OKADA	General Executive, Cyber-Physical Systems x Design Div.; Responsible for Digital Solutions Business	Director and President and CEO, Toshiba Digital Solutions Corporation; Director, WingArc1st Inc.
Executive Officer Corporate Senior Vice President	Takamasa MIHARA	General Executive, Sustainability Management Div.; General Executive, Human Resources & Administration Div.; General Executive, Corporate Communication Div.	Director, Toshiba TEC Corporation
Executive Officer Corporate Senior Vice President	Tadasu YOTSUYANA GI	General Executive, WEC Div., Responsible for Energy Systems Business, Responsible for Asia Pacific	Representative Director and President and CEO, Toshiba Energy Systems & Solutions Corporation
Executive Officer Corporate Vice President	Ayumi WADA	General Executive, Legal & Compliance Div.	
Executive Officer Corporate Vice President	Yutaka SATA	General Executive, Corporate Technology Planning Div.; General Executive, Research & Development Center; General Executive, Corporate Manufacturing Engineering Center; General Executive, Digital Innovation Technology Center	
Executive Officer Corporate Vice President	Yuko HIRAI	General Executive, Internal Audit Div.; Vice President, Audit Committee Office	
Executive Officer Corporate Vice President	Masaki HARUYAMA	General Executive, Strategic Planning Div.; General Executive, Infrastructure Services Promotion Div.	

(Notes)

1. Mr. Naofumi TANI resigned as Executive Officer on April 30, 2022
2. Representative Executive Officer, Corporate Executive Vice President Naoya SAKURAI, Executive Officer, Corporate Senior Vice President Hideaki ISHII, Executive Officer, Corporate Senior Vice President Takao KONISHI, and Executive Officer, Corporate Vice President Hitoshi OOTSUKA retired from their respective offices due to expiry of the term of office at the closing of the first meeting of the Board of Directors held after the 183rd Ordinary General Meeting of Shareholders.
3. Mr. Tadasu YOTSUYANAGI, Ms. Ayumi WADA, Mr. Yutaka SATA, and Ms. Yuko HIRAI were newly elected as Executive Officers at the first meeting of the Board of Directors held after the 183rd Ordinary General Meeting of Shareholders and assumed office.
4. Mr. Goro YANASE resigned as Executive Officer and as Representative Executive Officer on February 14, 2023.
5. Mr. Masaki HARUYAMA was newly elected as Executive Officer at the meeting of the Board of Directors on February 14, 2023 and assumed office.
6. The following changes occurred on April 1, 2023.

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer President and Chief Executive Officer ^(*)	Taro SHIMADA	CEO	
Representative Executive Officer Corporate Executive Vice President and Chief Financial Officer	Masayoshi HIRATA	General Executive, Finance & Cash Management Div.; Accounting Div.; General Executive, Project Monitoring & Oversight Div.	
Representative Executive Officer Corporate Executive Vice President	Takayuki KONNO	General Executive, Marketing Div.; General Executive, Battery Div.; General Executive, Branch Offices; Assistant to Corporate Senior Vice President, Mr. Yotsuyanagi (Toshiba Plant Systems & Services Corporation); Responsible for Infrastructure Systems Business; Responsible for Building Solutions Business; Responsible for the Americas	Representative Director and President and CEO, Toshiba Infrastructure Systems & Solutions Corporation

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Representative Executive Officer Corporate Executive Vice President	Hiroyuki SATA	Responsible for Electronic Devices & Storage Business; Responsible for Europe, Middle East and Africa Responsible for China and East Asia	Representative Director and President and CEO, Toshiba Electronic Devices & Storage Corporation
Executive Officer Corporate Senior Vice President	Keiichi YUMITA	General Executive, Information Systems Div.; General Executive, Business Process Re-engineering Div.	
Executive Officer Corporate Senior Vice President	Tsutomu KAMIJO	General Executive, Procurement Div.; General Executive, Corporate Production Planning Div.; Assistant to Corporate Vice President, Mr. Sata (Corporate Manufacturing Engineering Center)	
Executive Officer Corporate Senior Vice President	Shunsuke OKADA	General Executive, Cyber-Physical Systems x Design Div.; General Executive, Digital Innovation Technology Center; Assistant to Corporate Vice President, Mr. Haruyama (Next Business Development Div.); Responsible for Digital Solutions Business	Director and President and CEO, Toshiba Digital Solutions Corporation; Director, WingArc 1st Inc.
Executive Officer Corporate Senior Vice President	Takamasa HIHARA	General Executive, Sustainability Management Div.; General Executive, Human Resources & Administration Div.; General Executive, Corporate Communication Div.	Director, Toshiba TEC Corporation
Executive Officer Corporate Senior Vice President	Tadasu YOTSUYAN AGI	General Executive, Negative Emission Project Team; General Executive, WEC Div.; Responsible for Energy Systems Business; Responsible for Asia Pacific	Representative Director and President and CEO, Toshiba Energy Systems & Solutions Corporation

Assignment	Name	Responsibility	Status of significant concurrent holding of positions
Executive Officer Corporate Vice President	Ayumi WADA	General Executive, Legal & Compliance Div.	
Executive Officer Corporate Vice President	Yutaka SATA	General Executive, Corporate Technology Planning Div.; General Executive, Research & Development Center; General Executive, Corporate Manufacturing Engineering Center; Assistant to Corporate Vice President, Mr. Haruyama (Next Business Development Div.); Assistant to Corporate Senior Vice President, Mr. Okada (Digital Innovation Technology Center)	
Executive Officer Corporate Vice President	Yuko HIRAI	General Executive, Internal Audit Div.; Vice President, Audit Committee Office	
Executive Officer Corporate Vice President	Masaki HARUYAMA	General Executive, Strategic Planning Div.; General Executive, Next Business Development Div.	

7. An asterisk (*) indicates that the Executive Officer concurrently serves as a Director.

8. CEO is an interim appointment, meaning that the Board of Directors will monitor performance and the status of business execution, and confirmation of the appointees in their respective positions is subject to achievement of satisfactory results.

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

The following outlines the Board of Directors' and committees' principal activities held in FY2022.

1) State of activities of the Board of Directors

- In April 2022, a Special Committee ("SC") was formed to engage with potential investors and sponsors and explore strategic alternatives.
- In March 2023, the Board of Directors resolved to consult with SC (i) whether the certain series of transactions, including a tender offer for the common shares of the Company, conducted by TBJH Inc. for the purpose to make TBJH become the sole shareholder of the Company and have the Company privatized (the "Transaction"), would contribute to the enhancement of the Company's corporate value, (ii) whether the procedures for consideration, discussion and negotiation of the Transaction were fair, (iii) whether the methods and terms of the Transaction are fair and appropriate, (iv) whether the Transaction is not disadvantageous for general shareholders of the Company in light of (i) through (iii), and (v) whether or not the Board of Directors

should support the tender offer and recommend that shareholders tender their shares in the tender offer in light of (i) through (iv).

- In March 2023, with respect to the tender offer by TBJH Inc. for the Company's common shares, with the utmost respect for the contents of the report submitted by the SC in response to the aforementioned consultation, the Company resolved to express its opinion supporting the tender offer, if commenced, as of March 2023.
- The Board of Directors was provided with reports on business plans, budget, risk control information and the state of duty execution by Directors and Executive Officers pursuant to applicable laws and regulations, the Articles of Incorporation, the Board of Directors Regulations, etc.

2) State of activities by committees

a. Nomination Committee

- The Nomination Committee deliberated candidates for successors to Executive Officer, President and CEO.
- The Nomination Committee deliberated on the composition of the Board of Directors.
- The Nomination Committee deliberated on the election of Chairperson of the Board of Directors to be submitted to the Board of Directors.

b. Audit Committee

- The Audit Committee audited the state of the execution of duties by executives, by attending the Board of Directors and other key meetings and by making inquiries to Executive Officers and other personnel, with a focus on the state of observance of corporate ethics and laws and regulations and preventing the recurrence of inappropriate accounting conduct. In addition, the Audit Committee received reports regularly from the Internal Audit Division on their audit results, and from the Legal & Compliance Division and the Project Audit Division on their state of activities, thereby verifying the state of implementation of internal control system. All of the full-time and part-time Audit Committee members attended all hearings and reporting sessions, checked materials and minutes, and participated actively in audit activities.
- Audit Committee members, led by Chairperson of the Audit Committee, collected information actively, which involves attending important meetings (such as corporate management meetings, Risk-Compliance Committee meetings, and Annual Securities Report Disclosure Committee meetings). In addition, Mr. Hashimoto worked to enhance communication with each department through meetings with executives in each department. The information collected was shared with the Audit Committee members in a timely manner.
- The member of Audit committee attended the Special Committee as an observer to oversee engagement with potential investors and sponsors and the fairness of consideration of strategic alternatives.
- Regarding events that have a major impact on business performance during the period, particularly the appropriateness of reserves for estimated losses was directly checked by the relevant departments and explained by the Accounting Department and the accounting auditor.
- Based on the results of audits by group companies from the Internal Audit Department, it was pointed out that organizational initiatives for governance, risk management, and internal control at domestic and overseas Group companies should be considered on the executive side.

- With regard to the inappropriate accounting conduct, the Company continued the claim for damages filed in the Tokyo District Court in November 2015 against five former executives, including those with experience as President. The first trial judgment was handed down in March 2023, and as a result from measures to be taken the Audit Committee decided to be appeal in April 2023.
 - Through the whistleblowing system operated by the Audit Committee, the committee received 32 whistleblowing reports and responded. The Audit Committee was briefed on details and status of responses of all 197 reports to the whistleblowing contact point on the Company's executive side. The committee has prioritized the reports related to accounting and compliance to verify their investigation results and status of improvements. In addition, the Audit Committee received a number of reports concerning the past use of entertainment expenses spend by Executive Officer, investigated them.
 - Through liaison meeting with Group company auditors, as well as through education and the like, the Audit Committee worked to improve audit quality of the Company and Group companies by bolstering coordination with Group company's auditors.
 - Regarding the evaluation of the effectiveness of the Board of Directors, which is one of the measures to prevent recurrence based on the recommendations of the investigation report of the Governance Enhancement Committee received in November 2021, the Audit Committee took the initiative to draft a basic policy for such evaluation and selected a third-party evaluator.
- c. Compensation Committee
- The Compensation Committee deliberated on the provision of the performance-linked compensation for Executive Officers, etc. according to their performance evaluation for FY2021.
 - The Compensation Committee deliberated on revisions to the Compensation Policy and the Officer Compensation Rules.
 - The Compensation Committee deliberated on the details of the individual compensation to be paid to Directors and Executive Officers from July 2022.
 - The Compensation Committee deliberated on the extraordinary compensation for Directors.
 - The Compensation Committee deliberated on the compensation plan for Directors and Officers.
- d. Special Committee
- On April 7, the Company established a Special Committee, in order to engage with potential investors and sponsors and review strategic alternatives, and on April 21, a resolution was made to solicit proposals on strategic alternatives to enhance the Company's corporate value from potential investors and sponsors who may become potential partners.
 - Solicitation for proposals was conducted in two phases, with the initial phase providing limited disclosure information and soliciting a broad range of non-legally binding proposals, and initial proposals were received from ten potential partners, including Japan Industrial Partners, Inc. (JIP).
 - After selecting and narrowing down several potential partners, including JIP in the second phase, and after conducting several months of management interviews and due diligence, a legally binding proposal was received from JIP on September 30, 2022.

- Subsequently, as a result of discussions on the tender offer price and confirmation of the funding support, discussions with JIP were finalized in mid-March 2023, and the Special Committee submitted its report of findings to the Board of Directors on March 23, 2023, based on a request from the Board of Directors.

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

The Company has entered into a directors and officers liability insurance policy with an insurance company. The scope of individuals covered by this policy is Toshiba directors, executive officers, and directors and auditors of subsidiaries (excluding subsidiaries publicly listed in Japan and their subsidiaries). By resolution of the Board of Directors, the Company bears the full cost of insurance premiums for all individuals covered.

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

When the policy is renewed, the Company plans to renew the policy with the same terms.

(6) Summary, etc. of the indemnity agreement

The Company has entered into a liability limitation agreement as set forth in Article 430-2, Paragraph 1 of the Companies Act, under the terms of which the Company shall compensate expenses under Item 1 of said Paragraph and compensate losses under Item 2 of said Paragraph to the extent permitted by laws and regulations, with each of the following 24 officers: Mr. Taro SHIMADA, Mr. Goro YANASE, Mr. Akihiro WATANABE, Mr. Paul J. BROUGH, Ms. Ayako Hirota WEISSMAN, Mr. Jerome Thomas BLACK, Mr. George Raymond ZAGE III, Mr. Katsunori HASHIMOTO, Mr. Mikio MOCHIZUKI, Mr. Ayumi UZAWA, Mr. Eijiro IMAI, Mr. Nabeel BHANJI, Mr. Masayoshi HIRATA, Mr. Takayuki KONNO, Mr. Hiroyuki SATO, Mr. Keiichi YUMITA, Mr. Tsutomu KAMIJO, Mr. Shunsuke OKADA, Mr. Takamasa MIHARA, Mr. Tadasu YOTSUYANAGI, Ms. Ayumi WADA, Mr. Yutaka SATA, Ms. Yuko HIRAI, and Mr. Masaki HARUYAMA. However, measures have been taken to ensure that the adequacy of the execution of duties by officers, etc. shall not be compromised, which is ensured by excluding from the scope of liability willful misconduct and gross negligence.

10. Compensation Policy and the Amount of Compensation

(1) Compensation Policy

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

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

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.

i. 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.

ii. 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 of the Company as a whole and managed business and Medium-to Long-Term Management Indicators under the charge of the Executive Officers during the fiscal year.
- 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 are used to secure effectiveness as an incentive for medium- to long-term improvement of business performance.

iii. Compensation Standards

Compensation standards are determined at suitable levels as a global company, with the aim of securing highly competent management personnel 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.

(2) Amount of Compensation

Item	Number of Directors/Executive Officers	Total amount (Millions of yen)	Basic compensation (fixed amount) (Millions of yen)		Performance-linked compensation (Millions of yen)	
			Monetary compensation	Stock-based compensation	Monetary compensation	Stock-based compensation
Directors	13	380	284	96	—	—
[Outside Directors]	[10]	[367]	[274]	[93]	—	—
Executive Officers	19	1,206	462	129	246	369

(Notes)

1. The above-mentioned compensations include: 1) compensations for the Directors who retired at the closing of the Ordinary General Meeting of Shareholders held on June 28, 2022, and 2) compensations for the Director and Executive Officers who resigned or retired by the end of March 2023, with regard to the period from April 2022 to their respective resignation/retirement date. And the number of an outside director who is not compensated and a director who is concurrently serving as Executive Officer is not included in the number of directors above.
2. Within the amount of compensation for Executive Officers, the basic compensation is a fixed amount. For performance-linked compensation, the amount of provision reasonably estimated as of the end of March 2023 is stated.
3. The long-term incentive compensation included in performance-linked compensation is calculated over a period of three years, and of the amount estimated to be paid, the portion that will be treated as expenses in FY2022 is stated.
4. Because the amount of long-term incentive compensation paid is determined based on a three-year TSR for the Company and its peer group at the conclusion of the calculation period, the amount stated includes the estimated amount (357 million yen) for which performance will not be finalized until beyond FY2023, and at this point in time payments have not been finalized.
5. Amounts for directors and executive officers who have served as both directors and executive officers are shown separately for the director's portion and for the executive officer's portion, respectively.
6. For Executive Officers who are concurrently serving as directors of subsidiaries, their compensation as director of subsidiaries is not included.
7. Basic Compensation for directors includes lump-sum compensation paid as extraordinary compensation for the work of outside directors.

(3) Matters Regarding Performance-linked Compensation

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

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

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 for 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 for 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:

$$\text{3-year relative TSR} = \frac{\text{our 3-year TSR}}{\text{3-year capitalization-weighted average TSR of the peer group}}$$

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.

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

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

Since the ratio of performance-linked compensation and compensation other than performance-linked compensation is not predetermined and fluctuates according to performance results in the above calculation methods, no policy has been stipulated for its determination.

During the recent fiscal years, targets of indicators relevant to performance-linked compensation are as follows.

- Indicators related to the previous fiscal year's EBITDA (Group-wide, business division in charge)
Target recorded on Company's managerial accounting
- Indicators relating to the previous fiscal year's ROIC (Group-wide)
Target recorded on Company's managerial accounting
- There is no target for individual assessments, and TSR results for three years

During the recent fiscal years, results of indicators relevant to performance-linked compensation are as follows.

- Indicators related to the previous fiscal year's EBITDA (Group-wide, business division in charge)
Actual result (projection) recorded on Company's managerial accounting
- Indicators relating to the previous fiscal year's ROIC (Group-wide)
Result (projection) recorded on Company's managerial accounting.
- The Compensation Committee makes its determination based on comprehensive consideration of non-financial assessments such as individual assessments, initiatives for management, and special contributions.
- TSR results for three years
Comparative assessments of the Company's TSR results, and TSR results for three years for the group of companies subject to comparison

(4) Details of Non-monetary Compensation

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

There was no stock granted to the Company Officers as compensation for execution of duties during the fiscal year under review.

11. The Company's Accounting Auditor

(1) Name of the Company's accounting auditor

PricewaterhouseCoopers Aarata LLC

(2) Amounts of accounting auditor fees

Item	Amount (Millions of yen)
Amount of fees for the fiscal year under review	871
Total amount of money and other financial benefits to be paid to accounting auditors by the Company and its consolidated subsidiaries	1,764

(Notes)

1. The audit contract between the Company and its accounting auditors does not distinguish between an audit fee as defined by the Companies Act and an audit fee as defined by the Financial Instruments and Exchange Act. Therefore, the total amount of these two fee categories is presented above.
2. The Company has paid compensation to PricewaterhouseCoopers Aarata LLC in consideration of advisory services related to building a governance system, which are services other than the services provided for in Article 2, Paragraph 1 of the Certified Public Accountants Act.
3. The Audit Committee interviewed the responsible division about the breakdown, man hours, and other details of 890 million yen paid to PricewaterhouseCoopers Aarata LLC as the fees for the fiscal year under review. As a result, the Audit Committee has furnished its consent with respect to such fees, having acknowledged such fees were incurred in connection with works necessary for the audit.

(3) Matters regarding audits of subsidiaries

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

(4) Policy of the dismissal or non-reappointment of accounting auditors

- i. The Audit Committee will, if it considers that any accounting auditor comes under any of the items of Article 340, paragraph (1) of the Companies Act, dismiss such accounting auditor with the agreement of all Audit Committee members.
- ii. The Audit Committee will, if it considers that any accounting auditor comes under any of the following items, determine the contents of a proposal to be submitted to the General Meeting of Shareholders regarding the appointment of a new accounting auditor and the dismissal and non-reappointment of such accounting auditor:
 - a. If the accounting auditor received an administrative punishment for violation of any law or regulation;
 - b. If the accounting auditor was punished, etc. in accordance with the regulations of the Japanese Institute of Certified Public Accountants;
 - c. If the Company receives from the accounting auditor a notice to the effect that the auditor does not continue the audit engagement with the Company; or
 - d. If the Company intends to make the audit service more proper or more efficient.

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

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

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

- i. System to ensure that Executive Officers' compliance with laws and regulations and the Articles of Incorporation.
 - a. Executive Officers periodically report to the Board of Directors of Toshiba Corp. on their execution of their duties and are required to report on necessary items to the Board of Directors, as necessary.
 - b. The Executive Officer who serves as the General Executive of the Internal Audit Division or the head of the Internal Audit Division periodically reports to the Board of Directors of Toshiba Corp. on internal audit results.
 - c. The Audit Committee of Toshiba Corp. periodically interviews Executive Officers, and the head of the Internal Audit Division periodically reports to the Audit Committee on internal audit results.
 - d. Executive Officers report to the Audit Committee of Toshiba Corp. on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.
 - e. Toshiba Corp. has established the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers (hereinafter officers include Corporate Officers) and employees and ensures, through continuous execution of officer education, etc., that Executive Officers of Toshiba Corp. comply with the Toshiba Group Standards of Conduct.
 - f. Toshiba Corp. separates supervision from business execution by placing the Internal Audit Division under the direct control of the Audit Committee and establishes a system in which the Internal Audit Division effectively performs audits of accounting, compliance inspections and audits of other matters.
- ii. System for retention and management of information concerning Executive Officers' execution of their duties.
 - a. In accordance with the Rules concerning the Document Retention Period, Executive Officers of Toshiba Corp. appropriately retain and manage material documentation, such as information materials for the Management Meetings and decision-making documents, and other documents such as account books and records.
 - b. Executive Officers of Toshiba Corp. run a system that allows Directors to access significant information, such as information materials for the Management Meetings, decision-making documents, financial statements and records and business reports.
- iii. Rules and other systems concerning risk of loss management
 - a. In accordance with the Basic Rules concerning Risk Management-Compliance, the Chief Risk & Compliance Officer (hereinafter referred to as the "CRO") of Toshiba Corp. formulates and promotes measures concerning risk management of Toshiba Group in his/her capacity as the chairman of the Risk-Compliance Committee. In formulating and promoting such measures, the CRO appropriately performs risk of loss management for the entire Toshiba Group by confirming and improving the effectiveness of such measures. The Executive Officer in charge of the Legal Affairs Division holds the position of CRO.

- b. Executive Officers of Toshiba Corp. formulate and promote measures necessary for continuously clarifying business risk factors of Toshiba Group and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.
- iv. System to ensure that Executive Officers efficiently execute their duties
 - a. The Board of Directors of Toshiba Corp. determines the basic management policy and approves the mid-term business plan and annual budgets of Toshiba Group prepared by the Executive Officers.
 - b. The Board of Directors of Toshiba Corp. delegates authority and responsibilities to each Executive Officer in an appropriate manner, and Executive Officers clarify the authority and responsibilities of the Executive Officers, Corporate Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.
 - c. Executive Officers of Toshiba Corp. set concrete targets and roles for organizations, Corporate Officers and employees.
 - d. Executive Officers of Toshiba Corp. make decisions on business operations based on appropriate procedures in accordance with the Board of Directors Rules, the Corporate Decision-Making Rule, and other rules.
 - e. Executive Officers of Toshiba Corp. appropriately evaluate the performance of Toshiba Group by means of the Performance Evaluation Committee.
 - f. Executive Officers of Toshiba Corp. promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.
- v. System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation
 - a. The Representative Executive Officer, President and CEO of Toshiba Corp. ensure, through continuous execution of employee education, etc., that employees comply with the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees.
 - b. The CRO of Toshiba Corp. formulates and promotes measures of Toshiba Group concerning compliance with laws and regulations in his/her capacity as the chairman of the Risk-Compliance Committee in accordance with the Basic Rules concerning Risk Management-Compliance.
 - c. Toshiba Corp. establishes a whistle-blower system in which the officers and employees of Toshiba Corp. are able to make a report to the business execution side of Toshiba Corp. if they become aware of an illegal act of Toshiba Corp., and the Executive Officer of Toshiba Corp. in charge endeavors to detect problems early and deal with them in an appropriate manner by making use of the whistle-blower system. The Toshiba Group Standards of Conduct clearly stipulate that the officers and employees who have used this system must not be treated disadvantageously on the grounds that they have done so. In addition, Toshiba Corp. establishes a whistle-blower system in which the Audit Committee of Toshiba Corp. directly receives internal reports and endeavors to collect information on problems early.
- vi. System to ensure the appropriateness of business operations of the corporate group composed of Toshiba Corp. and its subsidiaries
 - a. The subsidiaries adopt and implement the Toshiba Group Standards of Conduct and establish whistle-blower systems according to the legal systems and circumstances of the countries in which they operate.

- b. Toshiba Corp. establishes a system in which its subsidiaries report to Toshiba Corp. in accordance with the Operational Communication Arrangement, etc. in the event that material issues arise in their business operations.
- c. Toshiba Corp. formulates appropriate measures for internal control, including that of its subsidiaries, and causes its subsidiaries to promote the measures according to their situations.
- d. The subsidiaries establish audit systems such as auditors in accordance with the Toshiba Group Auditors' Audit Policy.
- e. Toshiba Corp. executes internal audits on the accounting treatment processes and business processes of its subsidiaries.
- f. Toshiba Corp. appropriately and effectively manages the systems and business processes common throughout Toshiba Group and establishes a system in which shared resources are appropriately and effectively allocated.
- g. Under the relevant license agreements, Toshiba Corp. in principle obligates its affiliates that are permitted to use "Toshiba" in part of their company names to adopt the Toshiba Group Standards of Conduct.

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

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

- i. Directors and employees assigned to assist the Audit Committee in the performance of its duties

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

- ii. Ensuring independence of employees mentioned in the preceding paragraph from Executive Officers and effectiveness of instructions to such employees

The Audit Committee has the right to approve the appointment, request the dismissal, and veto the dismissal of the head and employees of the Audit Committee Office of Toshiba Corp., and the head of the Audit Committee Office is under the direction of the Audit Committee. The employees of the Audit Committee Office are under the direction of the Audit Committee and the head of the Audit Committee Office.

- iii. System for reporting to the Audit Committee

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

are able to make a report to the Audit Committee of Toshiba Corp. in accordance with the Rules concerning Operation of the System of Reporting to the Audit Committee if they become aware of an illegal act of Toshiba Corp. or such subsidiaries.

- d. The Representative Executive Officer, President and CEO provides members of the Audit Committee designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.

- iv. System to ensure that persons reporting to the Audit Committee are not treated disadvantageously on the grounds that they have made such report

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

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

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

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

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

Internal Audit Division and the Executive Officer who serves as the General Executive of the Internal Audit Division is under the direction of the Audit Committee.

- g. The members of the Audit Committee have the right to access all internal reports made to the whistle-blower system on the business execution side.

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

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

i. State of holding of the Risk-Compliance Committee meetings

To promote the Group’s risk management and compliance related measures, the Company held a Risk-Compliance Committee meeting five times, and determined priority measures and implemented them for one year. At the Risk-Compliance Committee meeting, the risks relating to financial reporting and other risks were reviewed based on a unified management approach, and the statuses of those risks were confirmed.

ii. State of development of the whistleblowing system

In Japan, the Company has established and operates the Toshiba Consultation Hotline (each whistleblower chooses from the external specialist organization as a contact point or the law office as a contact point) as an executive structure with an Audit Committee Hotline put in place as an auditor structure. In addition, overseas, the Company has established and operates the Toshiba Group Overseas Hotline to receive reports from each region, using the operating company of each region as a contact point.

To promote use of the whistleblowing system, we used e-learning, etc., to deepen awareness among all employees of the existence of this system and the strict anonymity of whistleblowers. Whistleblowing reports for FY2022 totaled 165 from Japan and 65 from overseas. Whistleblowing reports were reported to the Audit Committee and the Board of Directors. Accounting-related whistleblowing cases were immediately reported to accounting auditors as well without disclosing the whistleblower’s personal information. Of the reports received, the Company strives to investigate all facts on cases of possible violations of laws and regulations or fraud to identify the cause, and handled such cases rigorously and imposed appropriate disciplinary sanctions on the offenders and implementing such measures to prevent recurrence.

iii. State of implementation of compliance-related training for officers and employees

Compliance awareness-raising training was held for senior executives of Group companies in Japan. We held training on strengthening business risk management, accounting knowledge, and accounting compliance in our training for new vice presidents and general managers of branch offices in Japan, and also incorporated accounting knowledge and accounting compliance training into our training for developing and selecting executives and milestone training on promotion. We also implemented accounting compliance education through the e-learning for employees of Group companies in Japan and overseas.

iv. State of implementation of internal audit

The Internal Audit Division formulated its annual audit policy and annual audit plan pursuant to the Audit Committee’s audit policy. In FY2022, the division conducted

internal audits at four corporate staff divisions and 30 subsidiaries and affiliates according to the above-mentioned audit plan. The findings of such internal audits were reported to the Audit Committee by the head of the Internal Audit Division in a timely manner.

v. State of Audit Committee members' activities and assistance for them

The Audit Committee members monitored and reviewed the state of duty execution by Directors and Executive Officers by attending significant meetings, such as Board of Directors meetings and corporate management meetings, and making inquiries to Executive Officers on 26 occasions in total and to the heads of internal control and internal audit business units on 29 occasions. Moreover, the Audit Committee members received explanations and reports from accounting auditors on audit plans and the state of implementation of audits and their findings. During the course of audit activities, they actively demanded reporting through the Audit Committee Office and the Internal Audit Division that was put under its direct control. The Audit Committee Hotline whose whistleblowing contact point is the Audit Committee Office, received whistleblowing reports totaling 32 before taking action to deal with them.

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

(1) Content of the fundamental policy

We are of the view that, in order for the Toshiba Group to earn an appropriate level of profits to be returned to shareholders and continuously improve its enterprise value and shared benefit of shareholders, the Group must solidify and develop an adequate relationship with stakeholders such as customers, business partners, employees and local communities, etc., not to mention shareholders, and run the organization in ways that pay sufficient attention to the benefit of such stakeholders.

If a party offers to acquire shares in the Group and in order to properly judge the effect the acquisition will potentially have on its enterprise value and shareholders' shared benefit, it is necessary to fully grasp: 1) a synergy effect that will likely be achieved through an organic integration of individual business segments; 2) the actual conditions of the Group; and 3) components of the Group's enterprise value.

In light of the above-mentioned elements, Toshiba's Board of Directors believe that: 1) any such party acquiring, or offering to acquire, a large number of shares in the Company as does not contribute to securing and improving its enterprise value and shareholders' shared benefit is not suitable to be an entity governing the determination of the organization's financial and operational policy; and 2) against such entity's act to acquire a large number of shares in the Company, we must take the necessary and reasonable action, thereby securing enterprise value and shareholders' shared benefit.

Based on the above-mentioned thinking, Toshiba introduced countermeasures against large-scale acquisitions of shares of the Company (so-called "Takeover Defense Measures") in June 2006 before renewing them in June 2009 and June 2012. However, we have stop renewing these countermeasures since June 2015 after carefully considering the renewal in light of: 1) the changing operating environment; 2) the state of progress of the development of the Financial Instruments and Exchange Act; and 3) the opinions of shareholders.

(2) Special Initiatives to Contribute to the Realization of Basic Policies

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

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 (the “Potential Partners”) and review strategic alternatives. The Company initiated a process (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. (“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. (the “Tender Offeror”), a third-tier subsidiary of JIP, for the common shares of the Company (the “Company Shares”) (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.

Until the commencement of the Tender Offer, the Board of Directors of the Company intends to request an opinion from the Special Committee, and based on such opinion, to reconsider and to make its decisions on whether to recommend shareholders to tender their shares in the Tender Offer.

14. The Group’s Employees

As of March 31, 2022

Segment	Number of Employees
Energy Systems & Solutions	14,229
Infrastructure Systems & Solutions	18,971
Building Solutions	16,018
Retail & Printing Solutions	18,875
Electronic Devices & Storage Solutions	20,753
Digital Solutions	7,733
Others	7,017
Group-wide (shared)	3,052
Total	106,648

(Notes)

1. The number of employees of the Company (non-consolidated) is 3,712
2. The number of employees includes retirees as of March 31, 2023.

15. Main Places of Business and Facilities of the Group

As of March 31, 2023

(1) The Company

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

(2) The Group Companies

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

Consolidated Balance Sheet

Consolidated Statement of Operations

Consolidated Statement of Equity

Notes to Consolidated Financial Statement

For the fiscal year ended March 31, 2023

The 184th Term

Toshiba Corporation

Consolidated Balance Sheet

As of March 31, 2023

Assets	(Millions of yen)
Current assets	2,061,868
Cash and cash equivalents	326,690
Notes, accounts receivable and contract assets	841,946
Notes receivable	44,357
Accounts receivable and contract assets	815,910
Allowance for doubtful notes, accounts receivable and contract assets	(18,321)
Inventories	594,156
Other receivables	96,088
Prepaid expenses and other current assets	202,988
Long-term receivables and investments	536,142
Long-term receivables	5,987
Investments in and advances to affiliates	430,450
Marketable securities and other investments	99,705
Property, plant and equipment	491,378
Land	34,624
Buildings	653,956
Machinery and equipment	1,254,586
Construction in progress	34,926
Accumulated depreciation	(1,486,714)
Operating lease right-of-use assets	92,044
Other assets	357,836
Goodwill and other intangible assets	157,551
Deferred tax assets	65,989
Other assets	134,296
Total assets	3,539,268

Consolidated Balance Sheet (Continued)

As of March 31, 2023

Liabilities	(Millions of yen)
Current liabilities	1,368,838
Short-term borrowings	16,281
Current portion of long-term debt	43,669
Notes and accounts payable	448,131
Other payables and accrued expenses	261,846
Current operating lease liabilities	36,631
Accrued income and other taxes	42,011
Advance payments received	327,814
Other current liabilities	192,455
Long-term liabilities	833,363
Long-term debt	332,418
Accrued pension and severance costs	261,791
Non-current operating lease liabilities	59,411
Deferred tax liabilities	62,506
Other liabilities	117,237
Total liabilities	2,202,201
Equity	
Equity attributable to shareholders of the Company	1,247,381
Common stock	200,869
Authorized: 1,000,000,000 shares	
Issued: 433,137,955 shares	
Additional paid-in capital	-
Retained earnings	1,118,763
Accumulated other comprehensive loss	(69,907)
Treasury stock, at cost	(2,344)
511,457 shares	
Equity attributable to non-controlling interests	89,686
Total equity	1,337,067
Total liabilities and equity	3,539,268

Consolidated Statement of Operations

For the fiscal year ended March 31, 2023

	(Millions of yen)
Sales and other income	3,527,148
Net sales	3,361,657
Interest and dividend income	18,827
Other income	146,664
Costs and expenses	3,338,183
Cost of sales	2,471,682
Selling, general and administrative expenses	758,832
Impairment loss on goodwill	20,594
Interest expenses	4,853
Equity in losses of affiliates	43,013
Other expenses	39,209
Income before income taxes and non-controlling interests	188,965
Income taxes:	63,973
Current	49,886
Deferred	14,087
Net income before non-controlling interests	124,992
Less: Net income attributable to non-controlling interests	(1,581)
Net income attributable to shareholders of the Company	126,573

Consolidated Statement of Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive loss	Treasury stock	Equity attributable to shareholders of the Company	Equity attributable to noncontrolling interests	Total equity
Balance at March 31, 2022	200,869	-	1,118,039	(110,011)	(2,263)	1,206,634	160,030	1,366,664
Transfer to retained earnings (accumulated deficit) from additional paid-in capital		383	(383)					
Change in ownership for noncontrolling interests and others		(383)				(383)	(54,696)	(55,079)
Dividends attributable to shareholders of the Company			(125,466)			(125,466)		(125,466)
Dividends attributable to noncontrolling interests							(10,433)	(10,433)
Comprehensive income (loss)								
Net income			126,573			126,573	(1,581)	124,992
Other comprehensive income (loss), net of tax:								
Net unrealized gains and losses on securities				(326)		(326)		(326)
Foreign currency translation adjustments				18,072		18,072	(3,725)	14,347
Pension liability adjustments				19,963		19,963	90	20,053
Net unrealized gains and losses on derivative instruments				2,395		2,395	1	2,396
Total comprehensive income (loss)						166,677	(5,215)	161,462
Purchase, disposal and retirement of treasury stock, net, at cost					(81)	(81)		(81)
Balance at March 31, 2023	200,869	-	1,118,763	(69,907)	(2,344)	1,247,381	89,686	1,337,067

(For reference) Consolidated Statement of Cash Flows

For the fiscal year ended March 31, 2023

	(Millions of yen)
Cash flows from operating activities	34,040
Cash flows from investing activities	(8,811)
(Free cash flow)	25,229
Cash flows from financing activities	(142,347)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	910
Net decrease in cash, cash equivalents and restricted cash	(116,208)
Cash, cash equivalents and restricted cash at the beginning of the fiscal year	442,898
Cash, cash equivalents and restricted cash at the end of the fiscal year	326,690

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

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

(Significant Accounting Policies)

1) Basis of Preparation of the Consolidated Financial Statements

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

2) Inventories

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

3) Marketable Securities and Other Investments

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

Other investments without quoted market prices are stated at cost.

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

4) Method of Depreciation for Property, Plant and Equipment

Depreciation for property, plant and equipment is computed primarily by the straight-line method.

5) Impairment of Long-Lived Assets

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

6) Goodwill and Other Intangible Assets

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

7) Allowance for Doubtful Notes and Accounts Receivable

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

8) Accrued Pension and Severance Costs

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

2. Notes to Accounting Estimates

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

3. Notes to Revenue Recognition

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

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

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

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

The group has 7 business segments, (1) Energy Systems & Solutions, (2) Infrastructure Systems & Solutions, (3) Building Solutions, (4) Retail & Printing Solutions, (5) Electronic Devices & Storage Solutions, (6) Digital Solutions and (7) Others, identified in accordance with the similarities of the nature of the products, the production processes and markets, etc.

Furthermore, in August 2022, the Company sold 55% of the outstanding shares of Toshiba Carrier Corporation (hereinafter “TCC”), a consolidated subsidiary of the Company, to Global Comfort Solutions LLC, a wholly owned subsidiary of US-based Carrier Corporation. As a result, TCC and its subsidiaries were deconsolidated from the Group. Accordingly, the Air-Conditioning business has been excluded from the Building Solutions segment. Therefore, figures for the Air-Conditioning business are not included from August 2022 onwards.

Net sales by goods or services for the fiscal year ended March 31, 2023 are as follows;

The fiscal year ended March 31	Millions of yen
	2023
Energy Systems & Solutions	
Nuclear Power Systems	181,337
Thermal & Hydro Power Systems	268,573
Transmission & Distribution Systems	233,073
Others (Note)	(13,436)
Total	669,547
Infrastructure Systems & Solutions	
Public Infrastructure	384,456
Railways and Industrial Systems	362,893
Others (Note)	(54,115)
Total	693,234
Building Solution	
Building and Facilities	449,639
Others (Note)	(1,571)
Total	448,068
Retail & Printing Solutions	
POS systems, Multi-function peripherals, etc.	513,141
Electronic Devices & Storage Solutions	
Semiconductor	445,407
HDDs & Others	351,681
Total	797,088
Digital Solutions	
Digital Solutions, etc.	235,630
Others	232,690
Eliminations	(227,741)
Consolidated	3,361,657

Note: Eliminations related to internal sales are included.

The Group principally recognizes unbilled amounts due from customers related to made-to-order products under a construction-type or production-type contract with specifications unique to a customer as contract assets that are included in "Notes, accounts receivable and contract assets" and "Long-term receivables" in the consolidated balance sheets. The contract assets as of March 31, 2023 are ¥235,224 million.

The Group also recognizes the amount of consideration received from customers before control of goods or services transfers to customers as contract liabilities that are included in "Advance payments received" and "Other current liabilities" in the consolidated balance sheets. The contract liabilities as of March 31, 2023 are ¥349,148 million.

The total amount of the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2023 is ¥2,132,785 million, and approximately 40% of which is expected to be recognized as revenue within one year.

4. Notes to Consolidated Balance Sheet

- 1) Liabilities on guarantee 2,417 million yen
- 2) Important disputes

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

Damage compensation claims have been demanded against the Company in Japan as well with the plaintiffs claiming to have suffered damage due to inappropriate financial reporting by the Company. The Company accrued a reasonably estimated amount expected to be paid for the damage compensation. Certain of these claims have been pending with several courts including seeking payment by (1) foreign institutional investors of approximately 13,657 million yen in June 2016, 21,759 million yen and 43,561 million yen in April 2017, 9,227 million yen in June 2017, 33,000 million yen and 837 million yen in September 2017 and 4,051 million yen in April 2018, (2) Trust & Custody Services Bank, Ltd (currently Custody Bank of Japan, Ltd.), of approximately ¥14,026 million in March 2017.

The Group has global business operations and is involved from time to time in disputes, including lawsuits and other legal proceedings and investigations by relevant authorities. Due to differences in judicial systems and the uncertainties inherent in such proceedings, the Group may be subject to a ruling requiring payment of amounts far exceeding its expectations. Any judgment or decision unfavorable to the Group could have a materially adverse effect on the Group's business, results of operations or financial condition. However, based on the

information currently available to the Group, Management believes that such legal procedures would not have a material adverse effect on the financial position or the results of operations of the Group.

5. Notes to Financial Instruments

1) Matters concerning financial instruments

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

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

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

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

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

2) Matters concerning market value of financial instruments

The consolidated balance sheet amounts as of March 31, 2023, fair values and their differences are as follows:

		(Millions of yen)	
	Consolidated balance sheet amount	Fair value	Difference
Liabilities concerning financial instruments			
Long-term debt	368,076	368,805	729

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

In assessing the fair value of these financial instruments, the Group uses a variety of methods and assumptions, which are based on estimates of market conditions and risks existing at that time.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair

value into three broad levels as follows;

Level 1 - Quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar assets or liabilities in active markets.

Quoted prices for identical or similar instruments in markets that are not active.

Inputs other than quoted prices that are observable.

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs whose significant inputs are unobservable.

The fair value of long-term debts is estimated from the interest rate applied at the time of borrowing from each financial institution, weighted averaged by period, and the entire amount is classified within Level 3. This is classified within Level 3 because of an unobservable input due to discounted value of future cash flows.

Other financial instruments are generally classified as Level 1 or Level 2, and there is no other significant financial instruments classified as Level 3.

For certain instruments, including cash and cash equivalents, notes, accounts receivable and contract assets, short-term borrowings, notes and accounts payable and accounts other payable and accrued expenses, it is assumed that the carrying amount approximated fair value for the majority of these instruments because of their short maturities. Quoted market prices are used for a number of marketable securities and other investments. Other techniques, such as estimated discounted value of future cash flows, and replacement cost, are used to determine fair value for the remaining financial instruments. These fair values are not necessarily the amounts that could be realized in a current market exchange.

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

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

Net earnings per share attributable to shareholders of the Company:	292.56 yen
— Basic	
Net earnings per share attributable to shareholders of the Company:	292.56 yen
— Diluted	

Diluted EPS is effected by the stock option issued by KIOXIA Holdings Corporation ("KHC"). For the fiscal year ended March 31, 2023, the stock options issued by the companies accounted for under the equity method are excluded from the calculation of diluted net earnings per share attributable to shareholders of the Company, because they have an antidilutive effect.

7. Significant Subsequent Events

The Group has evaluated subsequent events up to May 12, 2023 in accordance with ASC855 “Subsequent Events.” However, there are no significant subsequent events to describe.

8. Shares of KHC

Company’s investment for KHC is classified as investments in affiliated companies accounted for under the equity method. As of March 31, 2023, the total amount of investments for KHC is 268.0 billion yen and the Company’s stake in KHC is 40.6%.

The Company pledges the shares of KHC as collateral to Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Ltd., etc. for outstanding debt obligations including borrowings owed to financial institutions by KHC.

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

	(Millions of yen)
The pretax loss	(191,768)
Net loss	(141,817)
The Group’s equity in losses of affiliates	(57,578)

Non-Consolidated Balance Sheet

Non-Consolidated Statement of Operations

Non-Consolidated Statement of Changes in Net Assets

Notes to Non-Consolidated Financial Statements

For the year ended March 31, 2023

The 184th term

Toshiba Corporation

Non-Consolidated Balance Sheet

As of March 31, 2023

	Assets	(Millions of yen)
Current assets		679,909
Cash and cash equivalents		206,665
Notes receivables		15
Accounts receivables		31,623
Finished products		3,962
Raw materials		7,907
Work in process		4,466
Other receivables		69,194
Deposits paid		351,387
Prepaid expenses		3,589
Other current assets		2,553
Allowance for doubtful accounts		(1,456)
Fixed assets		1,003,656
Tangible fixed assets		71,128
Buildings		25,349
Structures		5,277
Machinery and equipment		9,748
Delivery equipment		134
Tools, fixtures and furniture		3,621
Land		22,099
Lease assets		39
Construction in progress		4,857
Intangible fixed assets		64,886
Software		4,979
Other intangible fixed assets		59,906
Investments and others		867,641
Investment securities		35,241
Security investments in subsidiaries and affiliates		804,758
Other investments		2
Other investments in subsidiaries and affiliates		14,989
Long-term prepaid expenses		22
Prepaid pension costs		1,932
Claims provable in bankruptcy and rehabilitation		1,029
Other assets		10,793
Allowance for doubtful accounts		(1,128)
Total assets		1,683,566

Non-Consolidated Balance Sheet (Continued)

As of March 31, 2023

	Liabilities	(Millions of yen)
Current liabilities		582,086
Accounts payable		17,887
Short-term loans		48,360
Lease obligations		43
Accrued liabilities		15,927
Accrued expenses		26,456
Corporate and other taxes payable		1,600
Advance payments received		19,761
Deposits received		448,903
Other current liabilities		3,145
Long-term liabilities		399,645
Long-term loans		321,380
Allowance for losses on litigation		37,183
Allowance for treatment of PCB waste		11,167
Asset retirement obligations		1,585
Deferred tax liabilities		5,548
Other long-term liabilities		22,780
Total liabilities		981,731
	Net Assets	
Shareholders' equity		693,603
Common stock		200,869
Capital surplus		864
Capital legal reserve		864
Other capital surplus		0
Retained earnings		494,215
Legal retained earnings		25,508
Other retained earnings		468,706
Reserves for deferral of gains on sales of property		491
Retained earnings brought forward		468,214
Treasury stock		(2,344)
Difference of appreciation and conversion		8,230
Net unrealized gains (losses) on investment securities		9,816
Deferred profit (loss) on hedges		(1,585)
Total net assets		701,834
Total liabilities and net assets		1,683,566

Non-Consolidated Statement of Operations

For the year ended March 31, 2023

	(Millions of yen)
Net sales	94,430
Cost of sales	46,980
Gross margin	47,450
Selling, general and administrative expenses	82,315
Net operating loss	34,865
Non-operating income	185,922
Interest income	1,639
Dividend income	160,547
Rental income	11,850
Miscellaneous income	11,885
Non-operating expenses	32,783
Interest expenses	3,534
Foreign exchange losses	10,055
Losses on valuation of shares of subsidiaries and affiliates	3,032
Losses on valuation of investment securities	342
Expenses of assets for rent	6,445
Miscellaneous expenses	9,373
Ordinary income	118,273
Extraordinary gains	113,178
Gains on sales of shares of subsidiaries, affiliates and others	113,178
Net income before income taxes	231,451
Corporate tax, inhabitant tax and business tax	(7,935)
Taxes deferred	8,615
Net income	230,771

Non-Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2023

(Millions of yen)	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings			
		Capital legal reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						Reserves for deferral of gains on sales of property	Retained earnings brought forward	
Balance at beginning of the term	200,869	864	-	864	12,962	520	375,427	388,909
Changes in the term								
Dividends from surplus					12,546		(138,012)	(125,466)
Disposal of reserves for deferral of gains on sales of property						(28)	28	-
Net income							230,771	230,771
Purchase of treasury stock								
Disposal of treasury stock			0	0				
Net changes of items other than shareholders' equity								
Total changes in the term	-	-	0	0	12,546	(28)	92,786	105,305
Balance at end of the term	200,869	864	0	864	25,508	491	468,214	494,215

	Shareholders' equity		Difference of appreciation and conversion			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on investment securities	Deferred profit (loss) on hedges	Total difference of appreciation and conversion	
Balance at beginning of the term	(2,263)	588,379	6,880	(2,586)	4,294	592,673
Changes in the term						
Dividends from surplus		(125,466)				(125,466)
Disposal of reserves for deferral of gains on sales of property		-				-
Net income		230,771				230,771
Purchase of treasury stock	(84)	(84)				(84)
Disposal of treasury stock	2	2				2
Net changes of items other than shareholders' equity			2,935	1,000	3,936	3,936
Total changes in the term	(81)	105,223	2,935	1,000	3,936	109,160
Balance at end of the term	(2,344)	693,603	9,816	(1,585)	8,230	701,834

1. Notes to Significant Accounting Policies

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

(1) Method of valuation of securities

Investment securities in affiliates	Valued at acquisition cost based on the moving average method
Other securities	
Marketable securities	Valued at market value (The difference are recorded directly in net assets and cost of sales is calculated by the moving average method)
Non-marketable securities	Valued at acquisition cost based on the moving average method

(2) Method of valuation of derivatives

Derivatives	Valued at market value
-------------	------------------------

(3) Method of valuation of inventories

Finished products	Valued at acquisition cost either based on the specific identification method or on the moving average method
Raw materials	Valued at acquisition cost based on the moving average method
Work in process	Valued at acquisition cost either based on the specific identification method or on the weighted average method
Amounts carried on the balance sheet are stated after their devaluation based on the lowered profitability.	

(4) Depreciation methods for fixed assets

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

(5) Recognition of allowance

Allowance for doubtful accounts	To account for potential losses on bad debts, allowances for doubtful accounts are recorded. The allowance for doubtful accounts is generally recorded based on the write-off history and also recorded for any specific, known troubled accounts based on the evaluation of their collectability.
Allowance for losses on litigation	To account for the contingent losses that may be incurred in the future with respect to lawsuits or other disputes, a reasonable estimate of potential loss is recorded upon having considered the individual risks in terms of the respective contingencies.
Allowance for retirement benefits	<p>To account for retirement benefits, the estimated amount is based on the accrued pension and severance costs to be incurred at the end of fiscal year.</p> <p>Retirement benefit obligations are calculated on the benefit formula basis to attribute estimated accrued severance costs to the period to the current fiscal year. Prior service cost is amortized by straight-line method over 10 years. Actuarial differences are amortized by straight-line method over 10 years from the fiscal year following the fiscal year in which they arise.</p>
Allowance for treatment of PCB waste	The Company recognizes estimated costs in relation to the disposal of polychlorinated biphenyl (PCB) waste, as obliged by "The Law concerning Special Measures for Promotion of Proper Treatment of PCB Wastes", for the current fiscal year.

(6) Revenue recognition

Revenue is recognized at a point in time for the sale of the products, when the Company has fulfilled its performance obligation to deliver the products agreed to under the sales agreement with the customer. The customer will obtain control over the products once they are delivered. Revenue under construction contracts are recognized based on the progress of the work that is completed and as such the Company will satisfy their performance obligation over time.

The Company has a performance obligation to provide value for the accumulated use of the brand name, by granting a license to each of the Group companies. The performance obligation is satisfied when each Group company records sales, as the revenue amount is recognized by the Company based on an agreed upon rate multiplied by the net sales of each Group company.

(7) Hedge accounting

Accounting method

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

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

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

Measures and objects

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

Policy

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

Evaluation of effectiveness

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

(8) Group tax sharing system

- 1) The Company adopted the group tax sharing system from the current fiscal year.
- 2) The Company adheres to the accounting treatment of corporate taxes and local corporate taxes and the related deferred income tax accounting and disclosures per the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021).

(9) Presentation of amount

Amounts under million are rounded down.

2. Notes to Accounting Estimates

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

Allowance for losses on litigation	37,183 million yen
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3. Notes to Non-Consolidated Balance Sheet

(1) Collateral assets and liabilities secured by collaterals

Collateral assets:

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

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

(2) Accumulated depreciation for tangible fixed assets:	111,439 million yen
---------------------------------------------------------	---------------------

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(3) Liabilities on guarantees

The Company guarantees lease obligations, etc. as follows:

(Millions of yen)

Guarantee	Balance of liabilities on guarantees
Toshiba America, Inc.	1,817
Toshiba Infrastructure System & Solutions Corporation	246
Others	182
Total	2,246

(4) Important disputes

In February 2015, the Company received an order from the Securities and Exchange Surveillance Commission, based on Article 26 of the Financial Instruments and Exchange Act, requiring submission of a report. The Company was then subject to inspection regarding projects that used percentage-of-completion accounting. Later, after establishing the Independent Investigation Committee and conducting the investigation, it was found that the Company had continuously carried out inappropriate accounting and, therefore, the Company filed amendments of the past Annual Securities Reports and other reports. Holders of American Depositary Receipts ("ADRs") filed a class action lawsuit against the Company in the State of California, in the US in relation to the inappropriate financial reporting by the Company. The Company filed a petition with the court for rejection of the lawsuit on the grounds that securities laws of the US do not apply to the above-mentioned securities, among other reasons, and the decision to reject the lawsuit was made as of May 20, 2016 (US time). The plaintiffs lodged an appeal against the judgement on July 25, 2016 (US time), and the appellate instance reversed the judgement of the district court on July 17, 2018 (US time) and issued a judgement to remand the case to the district court to enable the plaintiffs to submit a revised complaint. However, the Company filed an appeal against the judgement with the US Supreme Court on October 15, 2018 (US time). But the request was rejected on June 24, 2019 and returned to the district court. Damage compensation claims have been demanded against the Company in Japan as well with the plaintiffs claiming to have suffered damage due to inappropriate financial reporting by the Company. The Company accrued a reasonably estimated amount expected to be paid for the damage compensation. Certain of these claims have been pending with several courts including seeking payment by (1) foreign institutional investors of approximately 13,657 million yen in June 2016, 21,759 million yen and 43,561 million yen in April 2017, 9,227 million yen in June 2017, 33,000 million yen and 837 million yen in September 2017 and 4,051 million yen in April 2018, (2) Trust & Custody Services Bank, Ltd (currently Custody Bank of Japan, Ltd.), of approximately 14,026 million yen in March 2017.

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

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(5) Monetary receivables and liabilities to subsidiaries and affiliates

Current monetary receivables 405,780 million yen

Current monetary liabilities 471,190 million yen

4. Notes to Non-Consolidated Statement of Operations

(1) Sales to subsidiaries and affiliates 63,800 million yen

(2) Purchases from subsidiaries and affiliates 13,260 million yen

(3) Non-operating transactions amounts with subsidiaries and affiliates 168,623 million yen

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

(1) The class and number of issued shares as of March 31, 2023

Common stock 433,137,955 shares

(2) The class and number of treasury stock as of March 31, 2023

Common stock 511,457 shares

(3) Resolution of dividends

Resolution	Total amount of dividends	Dividend per share	Record date	Effective date
Board of Directors Meeting held on May 13, 2022	30,285 million yen	70 yen	Mar. 31, 2022	Jun. 14, 2022
Board of Directors Meeting held on July 19, 2022	69,222 million yen	160 yen	Jun. 30, 2022	Aug. 8, 2022
Board of Directors Meeting held on November 11, 2022	25,958 million yen	60 yen	Sep. 30, 2022	Dec. 7, 2022
Board of Directors Meeting held on March 23, 2023	0 yen	0 yen	Mar. 31, 2023	—

6. Notes to Deferred Income Tax Accounting

Deferred tax assets have been recognized due to provision for bonuses and non-recognition of the allowance for retirement benefits, etc.

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

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7. Notes to Transaction with Related Parties

Subsidiaries and affiliates

(Millions of yen)

Distinction of subsidiary/ affiliate	Company	Holding ratio of voting rights*1	Relationship	Transaction	Amount	Accounts	Ending balance
Subsidiary	Toshiba International Corporation	100%	Sales of the Company's products	Sales of battery products*2	9,793	Accounts receivable	2,276
Subsidiary	Toshiba Electronic Devices & Storage Corporation	100%	Use of brands, etc. Lending of cash Debt guarantees received	Consideration of use of brands, etc.*3	8,920	Accounts receivable	4,922
				Lending of cash*4*5	—	Deposits paid	122,382
				Receipt of interests*4*5	516	Other receivables	52
				—	—	Debt guarantees received*9	—
Subsidiary	Toshiba Energy Systems & Solutions Corporation	100%	Use of brands, etc. Borrowing of cash Debt guarantees received	Consideration of use of brands, etc.*3	7,115	Accounts receivable	4,733
				Borrowing of cash*4*5	—	Deposits received	193,109
				Payment of interests*4*5	113	Accrued expenses	9
				—	—	Debt guarantees received*9	—
Subsidiary	Toshiba Infrastructure Systems & Solutions Corporation	100%	Use of brands, etc. Lending of cash Debt guarantees received	Consideration of use of brands, etc.*3	7,022	Accounts receivable	3,920
				Lending of cash*4*5	—	Deposits paid	47,853
				Receipt of interests*4*5	181	Other receivables	46
				—	—	Debt guarantees received*9	—
Subsidiary	Toshiba I.S. Corporation	100%	Acceptance of services	Operation and maintenance of systems, etc.*6	22,642	Accrued liabilities	4,597
Subsidiary	Toshiba T1 Projects Corporation	100%	Software development.	Commission of software development, etc.*7	14,253	Accrued liabilities	980
Subsidiary	Kaga Toshiba Electronics Corporation	100%	Lending of cash	Lending of cash*4*5	—	Deposits paid	30,518
				Receipt of interests*4*5	118	Other receivables	11
Subsidiary	Toshiba Trading, Inc.	100%	Lending of cash	Lending of cash*4*5	—	Deposits paid	19,803
				Receipt of interests*4*5	79	Other receivables	7
Subsidiary	Toshiba Industrial Products & Systems Corporation.	100%	Lending of cash	Lending of cash*4*5	—	Deposits paid	18,892
				Receipt of interests*4*5	72	Other receivables	7
Subsidiary	NuFlare Technology, Inc.	100%	Borrowing of cash	Borrowing of cash*4*5	—	Deposits received	55,671
				Payment of interests*4*5	28	Accrued expenses	3
Subsidiary	Toshiba Digital Solutions Corporation	100%	Borrowing of cash Debt guarantees received	Borrowing of cash*4*5	—	Deposits received	54,160
				Payment of interests*4*5	37	Accrued expenses	3
				—	—	Debt guarantees received*9	—
Subsidiary	Toshiba Europe Ltd.	100%	Borrowing of cash	Borrowing of cash*4*5	—	Deposits received	29,651
				Payment of interests*4*5	370	Accrued expenses	67

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Subsidiary	Toshiba America, Inc.	100%	Borrowing of cash	Borrowing of cash *4*5	–	Deposits received	29,466
				Payment of interests *4*5	661	Accrued expenses	123
Subsidiary	Toshiba Plant Systems & Services Corporation	100%	Borrowing of cash	Borrowing of cash *4*5	–	Deposits received	23,079
				Payment of interests *4*5	24	Accrued expenses	0
Affiliate	Kioxia Holdings Corporation	40.6%	Provision of collateral	Provision of collateral*8	–	–	–

(Notes)

- * 1. Voting rights include voting rights held through subsidiaries of the Company.
- * 2. Sales of battery products is determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction.
- * 3. Consideration for use of brands, etc. is determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction.
- * 4. Conditions of lending and/or borrowing of cash are determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction, considering market interest rate.
- * 5. Amounts such as those involving lending and/or borrowing of cash are not stated because such transactions are performed on a recurring basis drawing on cash management systems for the effective utilization of funds within the Group.
- * 6. The operation and maintenance of systems is determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction in relation to the price presented by Toshiba I.S. Corporation.
- * 7. The Commission of software development is determined on the basis of mutual discussion drawing on conditions prevailing in an arms-length transaction in relation to the price presented by Toshiba T1 Projects Corporation.
- * 8. All the shares of Kioxia Holdings Corporation owned by the Company amounting to 83,956 million yen are provided to financial institutions as collateral for loan agreements that Kioxia Holdings Corporation concludes with financial institutions.
- *9. The Company received joint and several guarantees of 777,532 million yen from four subsidiaries against the Company's borrowings or the like.

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8. Notes to Per Share Information

(1) Net assets per share	1,622.26 yen
(2) Net income per share	533.41 yen

9. Notes to Revenue Recognition

This description is omitted because the same content is described in “3. Notes to Revenue Recognition” in the Notes to Consolidated Financial Statements.

10. Notes to Significant Subsequent Events

Not applicable.

Independent Auditor's Report
(English Translation*)

May 12, 2023

Toshiba Corporation
Representative Executive Officer
President and Chief Executive Officer
Taro Shimada

PricewaterhouseCoopers Aarata LLC
Tokyo office

Yoshihisa Chiyoda, CPA
Designated limited liability Partner
Engagement Partner

Masahide Kato, CPA
Designated limited liability Partner
Engagement Partner

Hiroyuki Inoue, CPA
Designated limited liability Partner
Engagement Partner

Takahiro Ohara, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated balance sheet, consolidated statement of operations, consolidated statement of equity, and notes to the consolidated financial statements of Toshiba Corporation for the fiscal year from April 1, 2022 to March 31, 2023.

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

Basis for Opinion

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

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Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with U.S. GAAP with the provision of the second sentence of Article 120, (1) that applies mutatis mutandis to Article 120-3, (3) of the Ordinance on Accounting of Companies, which permits the omission of some disclosure items required under U.S. GAAP, the overall presentation, structure

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and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

** Notes to the Readers of Independent Auditor's Report*

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

(Translation)

AUDIT REPORT (Consolidated Financial Statements)

We, the Audit Committee of the Company, have audited the Consolidated Financial Statements (the Consolidated Balance Sheet, the Consolidated Statement of Operations, the Consolidated Statement of Equity and the Notes to Consolidated Financial Statements) during the 184th fiscal period, from April 1, 2022 to March 31, 2023. We report the method and the results as follows:

1. Method and contents of audit

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

Based on the method above, we have examined the Consolidated Financial Statements for the 184th fiscal period.

2. Results of audit

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

May 12, 2023

Audit Committee
Toshiba Corporation

Audit Committee Member (full-time)
Katsunori Hashimoto
Audit Committee Member
Mikio Mochizuki
Audit Committee Member
Ayumi Uzawa

Note: Mr. Katsunori Hashimoto, Mr. Mikio Mochizuki, and Mr. Ayumi Uzawa are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

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Independent Auditor's Report
(English Translation*)

May 12, 2023

Toshiba Corporation
Representative Executive Officer
President and Chief Executive Officer
Taro Shimada

PricewaterhouseCoopers Aarata LLC
Tokyo office

Yoshihisa Chiyoda, CPA
Designated limited liability Partner
Engagement Partner

Masahide Kato, CPA
Designated limited liability Partner
Engagement Partner

Hiroyuki Inoue, CPA
Designated limited liability Partner
Engagement Partner

Takahiro Ohara, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements, and the supplementary schedules of Toshiba Corporation (hereinafter referred to as the "Company") for the 184th fiscal year from April 1, 2022 to March 31, 2023.

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

Basis for Opinion

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

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Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

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

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

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

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represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

** Notes to the Readers of Independent Auditor's Report*

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

(Translation)

AUDIT REPORT

We, the Audit Committee of the Company, have audited Directors' and Executive Officers' execution of their duties during the 184th fiscal period, from April 1, 2022 to March 31, 2023. We report the method and the results as follows:

1. Method and contents of audit

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

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

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

- b. We have reviewed the contents of the "Basic Policy on the Control of the Company" described in the Business Report (basic policy prescribed in Article 118, Item 3 a) of the Ordinance for Enforcement of the Companies Act).
- c. We monitored and verified whether the accounting auditor kept their independency and conducted appropriate audit, and we received reports from the accounting auditor regarding the execution of their duties and sought explanations as necessary. Also, we have received notice from the accounting auditor that they maintain "systems to ensure appropriateness of execution of duties" (matters described in each item of Article 131 of the Ordinance on Accounting of Companies) in accordance with "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and sought their explanations as necessary.

Based on the method above, we have examined the Business Report, Non-Consolidated Financial Statements (the Non-Consolidated Balance Sheet, the Non-Consolidated Statement of Operations, the Non-Consolidated Statement of Changes in Net Assets, and the Notes to Non-Consolidated Financial Statements), and their related supplementary schedules for the 184th fiscal period.

2. Results of audit

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

- a. The Business Report and its related supplementary schedules present fairly the status of the Company in accordance with the related laws and regulations and the Articles of Incorporation.
- b. Our audit did not detect any misconduct by Directors or Executive Officers concerning the execution of their duties or any material fact constituting a violation of any laws and regulations or the Articles of

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Incorporation.

- c. We conclude that the resolutions of the Board of Directors with respect to the internal control system are appropriate. With respect to the description in the Business Report and the performance of the duties of Directors and Executive Officers regarding the said internal control system, including internal control over financial reporting, we confirm that there is no matter to be pointed out.
- d. We are of the opinion that the “Basic Policy on the Control of the Company” that is set forth in the Business Report is appropriate.

As described in the Business Report, there was an incident in which a subsidiary in the U.S. drained funds based on false instructions by a third party, and the Audit Committee confirmed the preventive measures and their implementation.

As described in the Business Report, it was revealed that the Representative Executive Officer who combined Director had been processing entertainment expenses in violation of the Group's rules prior to assuming the position of Executive Officer. In response to this matter, the Company has decided to promote measures such as strengthening the rules for managing entertainment expenses. The Audit Committee will confirm the implementation status of these measures.

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

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

May 12, 2023

Audit Committee
Toshiba Corporation

Audit Committee Member (full-time)
Katsunori Hashimoto
Audit Committee Member
Mikio Mochizuki
Audit Committee Member
Ayumi Uzawa

Note: Mr. Katsunori Hashimoto, Mr. Mikio Mochizuki, and Mr. Ayumi Uzawa are outside directors prescribed by Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

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