

“Our Governance” CEO Remarks

- In response to the report from the Governance Enhancement Committee (“GEC”), I would like to say a few words on behalf of the Company.
- First of all, I would like to express my heartfelt gratitude to the members of the GEC, who have made tremendous effort and spent considerable time, since its establishment, to conduct root cause analysis, clarify responsibilities and provide suggestions for developing measures to prevent reoccurrence.
- I recognize that the GEC, based on the strong belief that redevelopment of governance is essential for the revival of Toshiba, has compiled this report for Toshiba’s future.
- In fact, no issue of illegality was pointed out in the report of the GEC. Having said that I wish to stress that the management feels extremely embarrassed by the conclusion (in the report) that there were acts in violation of business ethics.
- We have just received the final report of the GEC. We will continue to discuss governance seriously within the company based on the contents of the report, including suggestions for developing measures to prevent reoccurrence measures. We believe that these recurrence prevention measures will form the first step to restore the trust of the shareholders which has been damaged.
- One of Toshiba Group’s values is, “Do the Right Thing”. Many employees on the front lines of operations are working day-to-day based on this value. On the other hand, some of the members of the senior management acted quite differently from this value and we should sincerely reflect on this point.
- Corporate management is established on relationships based on trust with all stakeholders. The GEC also indicated the importance of Tone at the Top and for leaders of an organization to demonstrate their commitment to ethical values and integrity. Until now, we have made efforts to create a culture, which acknowledges mistakes and creates an organization where anyone can raise their voice openly to above. But we need to dig deeper and consider the psychological safety of all employees, and continue to make persistent efforts in this regard.
- As we will announce today, Toshiba Group decided on its policy for separation incl. the creation of Energy Infrastructure Business and Storage Device Business as two independently listed companies. This is a drastic change, but as the businesses become separate and independent, the philosophy “Committed to people, Committed to the future”, will be succeeded and each business will have the chance to grow under a new corporate culture. But before this, the enhancement of governance will be the most important issue for management.
- I ask for your continued support. Thank you very much.

###