

TOSHIBA

Leading Innovation >>>



Industrial ICT Solutions Company Business Strategy

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Industrial ICT Solutions Company
Representative Executive Officer
Corporate Senior Vice President
Toshiba Corporation

July 6, 2016

- **I . Company Overview**

- II . Our Advantages and Strategy
in IoT Business
(ONE TOSHIBA, Chip to Cloud,
RECAIUS)

- III . TOSHIBA's Endeavors
toward a Connected Society

TOSHIBA Group Restructuring

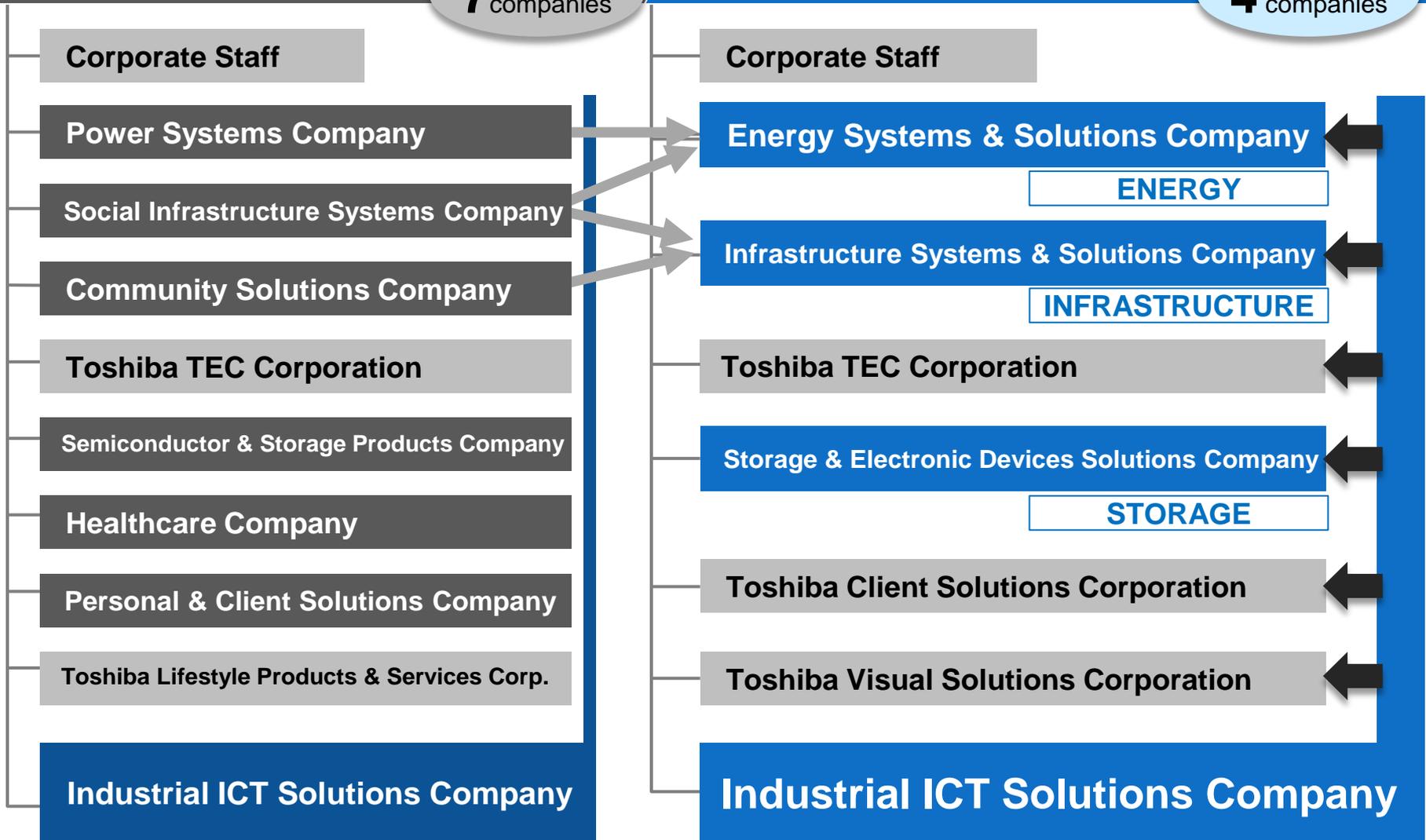
as of 30 June, 2016

~ FY15 structure

7 companies

FY16 new structure

4 companies



Mission and Position in TOSHIBA Group

Lead Toshiba Group to Shift into IoT Service Business and Drive Sustainable Growth



Customers

Industrial ICT Solutions Business

Industrial ICT Solutions Company

Employees
Global 13,000
 Japan 11,500
 Overseas 1,500

Energy Business Domain

Energy Systems & Solutions Company

Infrastructure Business Domain

Infrastructure Systems & Solutions Company

Group Companies

- Toshiba Elevator and Building Systems
- Toshiba Lighting & Technology.
- Toshiba Carrier

Storage Business Domain

Storage & Electronic Devices Solutions Company

as of 30 June, 2016

Group Companies

- Toshiba TEC
- Toshiba Client Solutions
- Toshiba Visual Solutions

Toshiba Solutions

System Integration Service

Information Systems Division

Information System Service Provider for Toshiba Group

IoT Technology Laboratory

Advanced IoT Research and Development

※ Consolidation of Toshiba Group ICT Resources

Business Domain

Shift from Traditional System Integration Business into Service Business by Co-Creating New Models with Customers

**System
Integration**

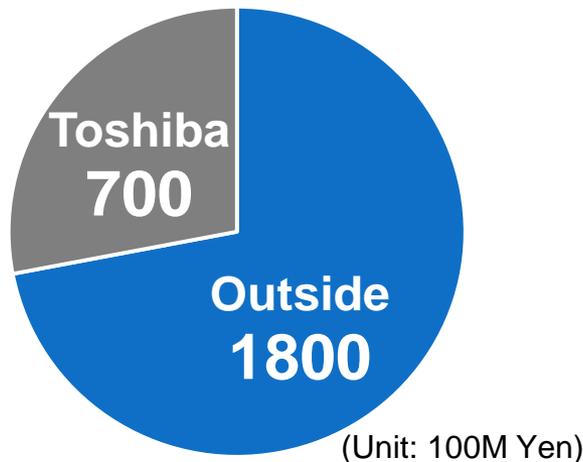
**Shift to Lifecycle
Management Model**

**ICT Services and
Solutions**

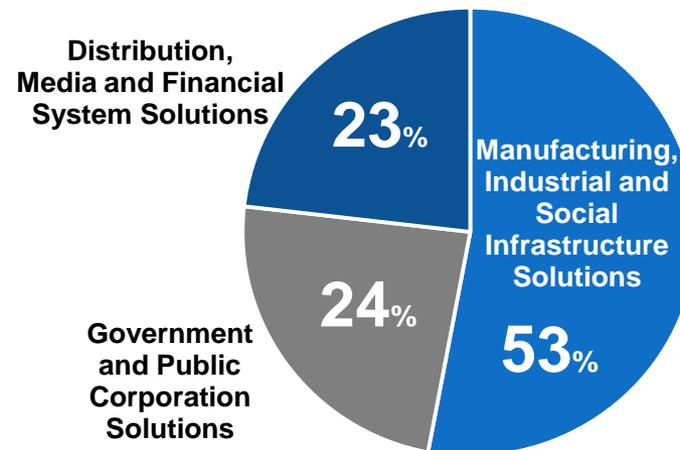
**Build Service Biz Model with
Toshiba Group Synergy to
Serve Outside Customers**

**ICT Services for
TOSHIBA Group**

FY15 Sales by Market Area



FY15 Sales Ratio by Segment



Sales and Profits Plan

FY16 : Net sales decrease due to lower internal business reflecting the impact of TOSHIBA's restructuring

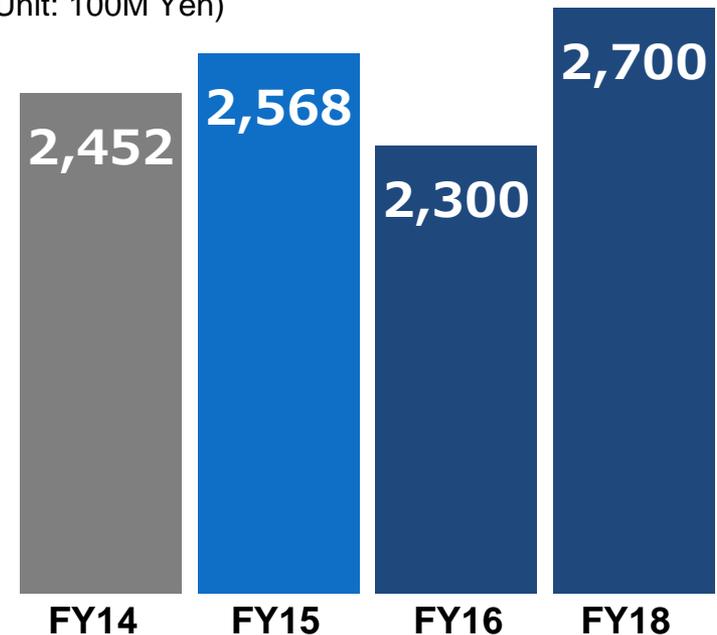
FY18 : Service business growth leveraging Toshiba's ICT strength and customer relations

	FY15 Actuals	FY16 Forecast	FY18 Plan
Net Sales	2,568	2,300	2,700
Operating Income (Loss)	87	170	120
ROS	3.4%	7.3%	4.4%
Free Cash Flow	120	170	70

100M Yen

Net Sales

(Unit: 100M Yen)



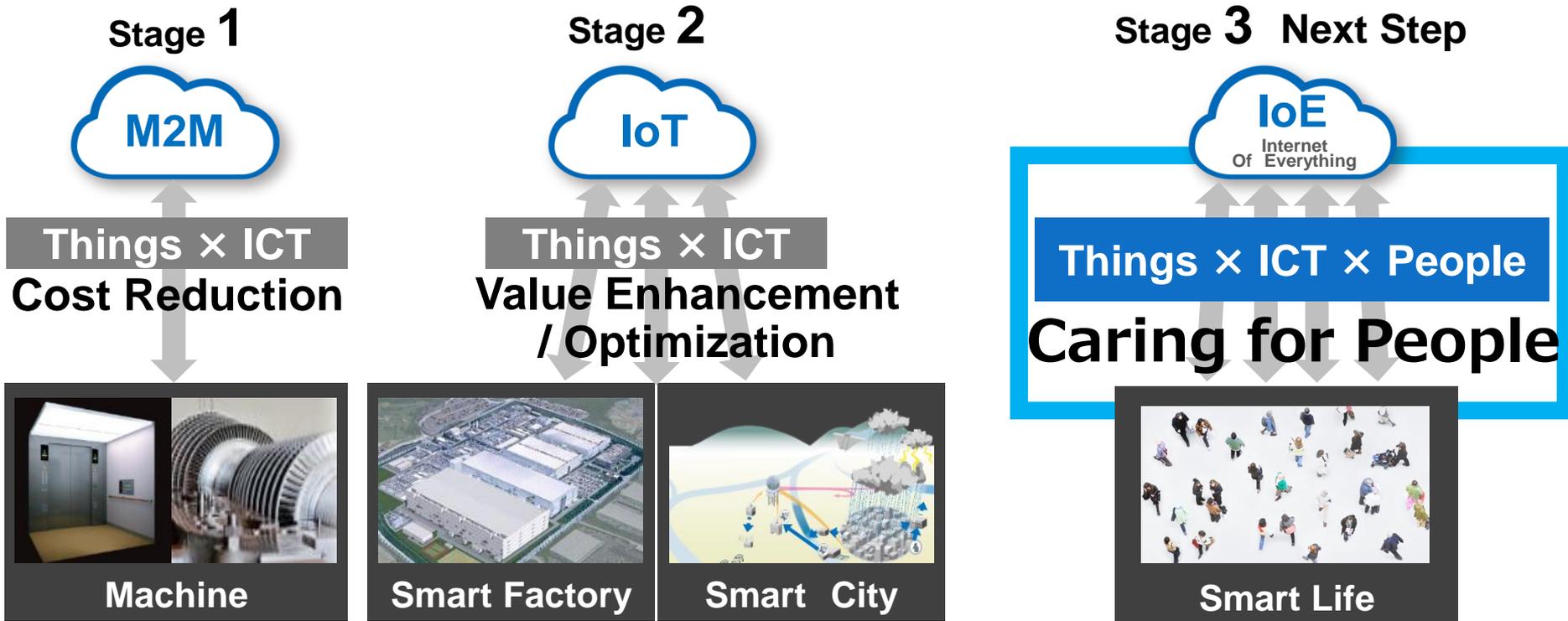
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IoT Stages & TOSHIBA's Goal

M2M / IoT / IoE and moving forward



Chip to Cloud

Semiconductor
Embedded S/W

TOSHIBA
Advantages

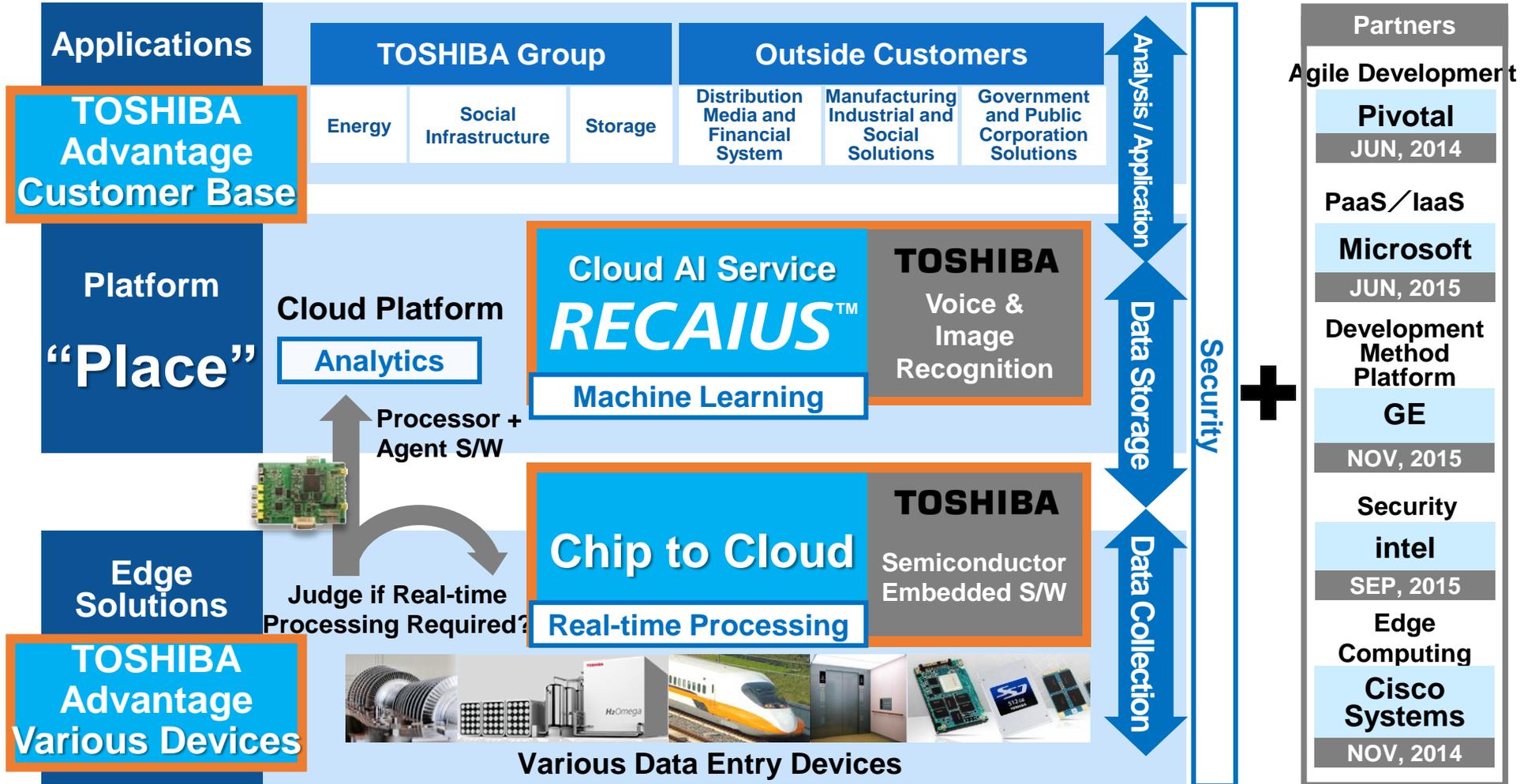
Cloud AI Service
RECAIUS™

Voice &
Image
Recognition

TOSHIBA's IoT Architecture

TOSHIBA IoT Platform is up and running.

"Hardware Selling" ⇒ Life Cycle Management Service (LCM)



RECAIUS : Voice / Image Recognition Service via Cloud

Core Competence Supported by Proven Technologies and Achievement

1960~ 1990~ 2000~ 2015~

Further Expansion

Integrated Cloud AI Service

Voice + Image + AI

Service Business with New User Experience



Under Business Negotiations with 150+ Customers

Example Scenarios

Translation Service at Business Conference



Auto Answering System (Service) for Call Center



Interpretation Service for Non Japanese Tourists



Memo Taking Service & Real-time Support for Maintenance Staff



Communication Robot



Multi-lingual Signage & User Engagement Measurement



TV Program Search by Voice



Walking posture analysis



Home IoT

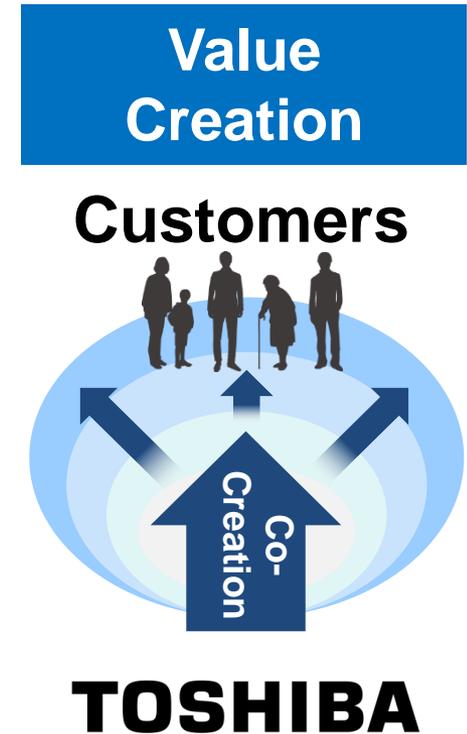
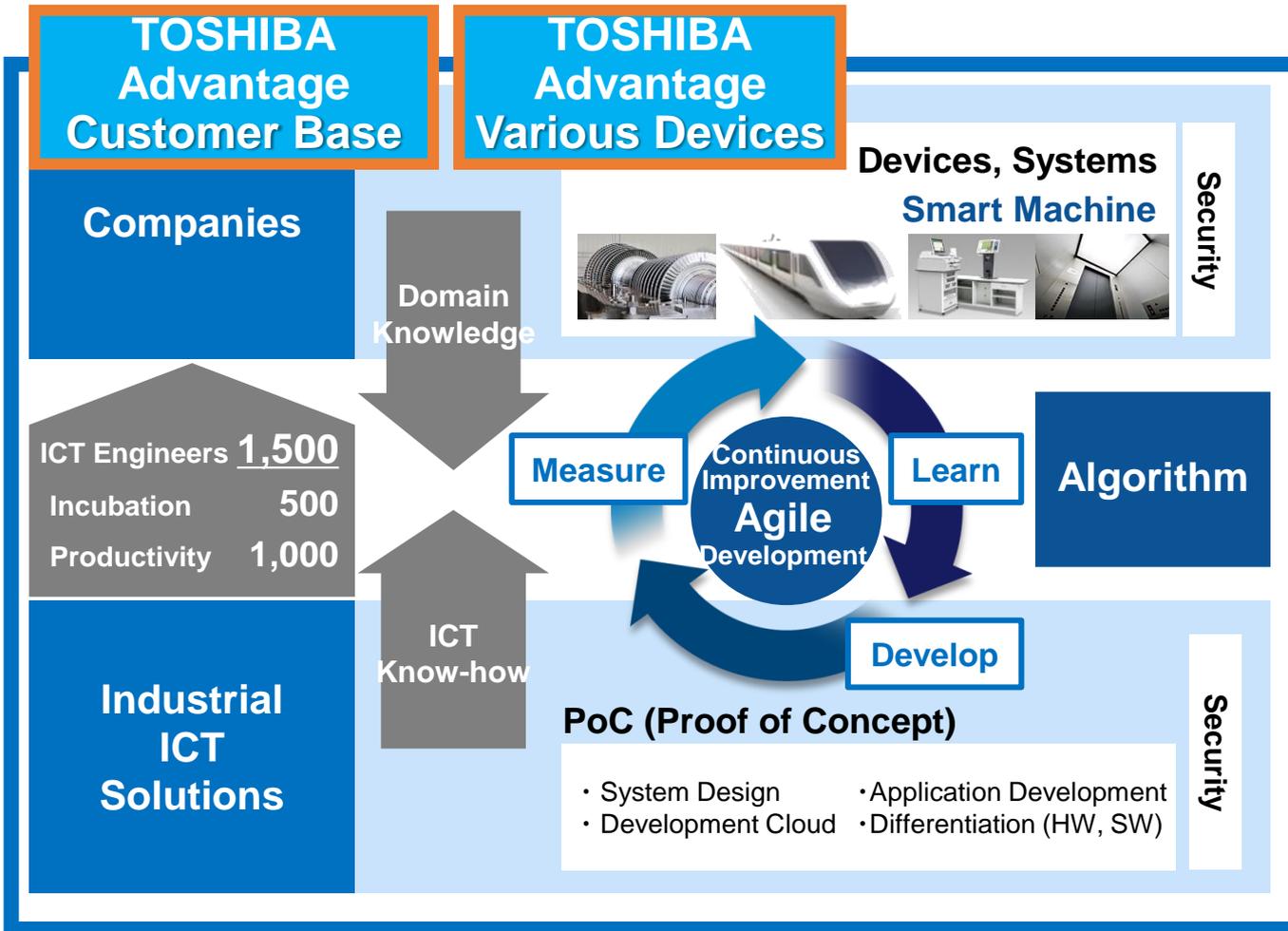


Multi-language video conferencing



One TOSHIBA

Industrial ICT Solutions Company and other Companies to Co-create IoT Service Solutions



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**➤ III. TOSHIBA's Endeavors
toward a Connected Society**

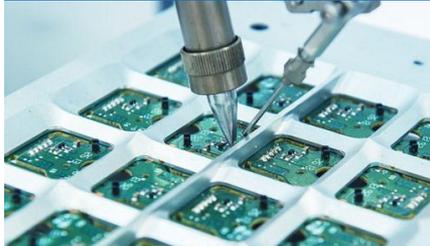
TOSHIBA IoT : Achievements and Example Scenarios

Energy



- Wheeling Calculation of Consumption and Charge
- Remote Monitoring of Solar Power Generation

Manufacturing



- Monitoring Industrial Equipment
- Improvement of Yield Rate and Productivity of Factory

Traffic



- Transportation Program of Railway
- Remote Monitoring of Train Operation

Logistics



- Monitoring and Analysis of Distribution Truckloads

Communities



- Integrated Management of Houses, Buildings and Factory Facilities in a community

Buildings



- Preventive Maintenance of Elevators
- Energy Saving of Air Conditioning and Lighting
- Control of Power Demand

Health



- Controlling the Amount of Activity
- Positive Healthcare

Home



- Measuring Usage of Power, Water and Gas

TOSHIBA Smart Community Center in Kawasaki

Realizing Energy Saving and Comfortable Office Environment
Reduce CO2 Emission by 54%

Accumulating Data via 35,000 Sensors since Nov., 2013



**Model-Based
Air-Conditioning Control**
 Energy-Saving Ratio **Summer 16%**
Winter 13%



**Lighting Control
by Image Composition Sensors**
 Energy-Saving Ratio **13%**



**Control Elevator to Prioritize
Crowded Floor by Image Sensor**
 Shortened Waiting Time **20%**

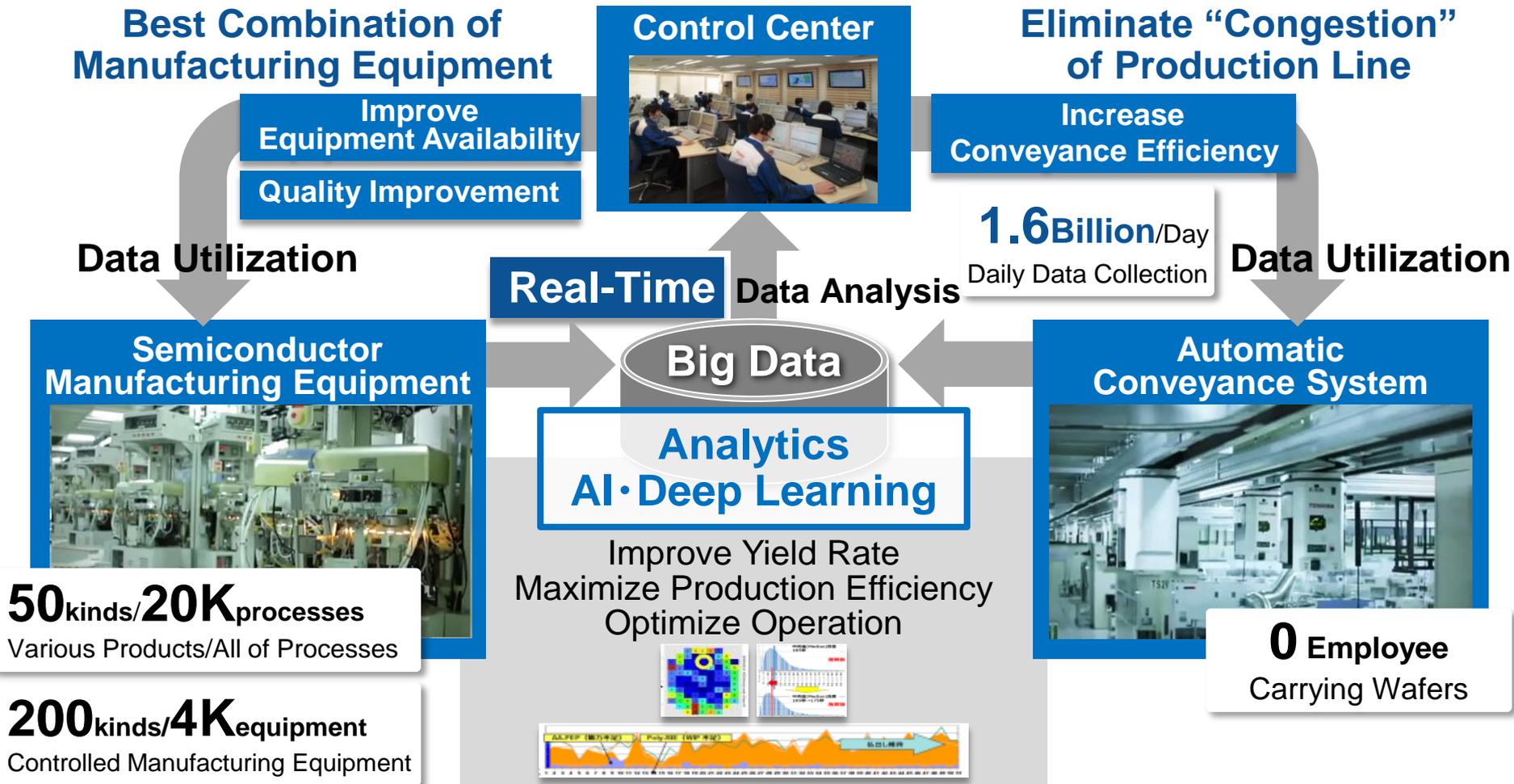


Community EMS

Visualize Energy Use
at Communities
 Visualize Energy at Buildings,
Energy Services

Smart Factory 「Connected Factory」

Big Data Analysis at TOSHIBA Semiconductor Factory Best Operation Selected from Trillions of Options



Online Inheritance Consulting Service

Understanding “5W1H” with Accumulated Know-how Automatic Conversation System



May I help you?
This is Inheritance Consulting Service of Japan Post Bank.
We can guide you through necessary procedure of inheritance.
Please answer the questions on the screen.

It is easy to operate!
Just answer questions.

I can query unfamiliar words.
It's very helpful.

Consulter



Do you have a written will?

Well, I should have.

Is it a notarized will?

Ack! What is it?

A will signed by a notary, a testator and a witness.

Consulter

Japan Post Bank

- Easy-to-follow Navigation (Q&A) Based on Know-how on Inheritance Consulting
- Courteous Responses to Questions by **Voice Synthesis**

Cloud AI Service **RECAIUS™**

Toho Bank

Intelligent Conversation System
A Computer Becomes a Consultant with Bank's Know-how on Inheritance Consulting and the Technology of Voice Recognition and Synthesis

Ultrafast Matching Technology on Big Data

50 times faster than before by Ultrafast Data Processing
Locating a specific person from 10M facial image data in 8.31 mil sec

– TOSHIBA Original Comparison –

Toshiba's Unique **Ultrafast Vector Matching Technology**※
to Realize High-Speed Matching Process

※Patent-Pending

Example

- Search for a Specific Person with Surveillance Image
- Detect Failure/Trouble Patterns and Predict errors
- Besides Image Match, **Voice Match and Text Data Match Are Possible**



Applicable in various areas, including “Big Data Analytics” and “AI Accuracy Improvement” through deep learning

Connecting Things and People TOSHIBA "Caring for People, IoT"



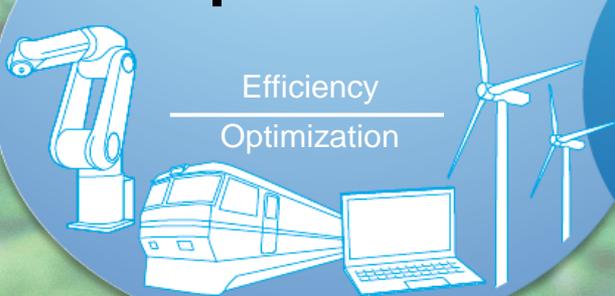
Connecting Things and People

TOSHIBA "Caring for People, IoT"

**Cloud
Computing**
Big Data Processing

Things × ICT × People

Chip to Cloud



**Cloud AI Service
RECAIUS**



Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies and performance of Toshiba Group.
- These forward-looking statements are not historical facts, rather they are based on management's assumptions and beliefs in light of the economic, financial and other data currently available.
- Since Toshiba Group promotes business in various market environments in many countries and regions, its activities are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations.
- Toshiba's fiscal year (FY) runs from April 1 to March 31. All figures are consolidated totals for the 12 months, unless otherwise indicated.

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