

March 2020

To Our Shareholders

**Message from New President and
Proper Implementation of Management Reform Plan toward the New “Shibaura Machine”**

I was appointed President and Chief Operating Officer on February 21, 2020. I understand that my mission is to ensure the proper implementation of the Management Reform Plan announced on February 4. Upon the start of the New “Shibaura Machine,” we will significantly enhance our corporate value and meet the expectations of the long-term shareholders by further strengthening our management base and successfully implementing the Management Reform Plan.

The management feels a strong sense of responsibility for our recent sluggish performance, stagnant share prices, and the failure to achieve the targets set in the previous mid-term management plan. Reflecting upon these issues, the new Management Reform Plan is not an extension of our past activities but a new management plan to show our commitment to separate from the Toshiba Group and be reborn as a new company, both in name and operation.

This Management Reform Plan emphasizes top line growth through growth investments totaling 30 billion yen and strengthening of M&A strategies, and the Company foresees growth in both sales and profits for the latter half of the Management Reform Plan. We will also work to enhance shareholder returns and plan to pay a total of 15 billion yen in dividends during the implementation period of this Management Reform Plan. By implementing such measures, the Company will push forward with unflinching determination and resolve to meet its long-term shareholders’ expectations in the shape of investment and shareholder returns.

Please find a document entitled, “Supplementary Material to the Notice of General Meeting of Shareholders (Information we wish to convey to our shareholders)” enclosed together with the Notice of General Meeting of Shareholders. Please refer to the materials that we have sent to contribute to our shareholders’ decisions.

We look forward to the continued support for the new “Shibaura Machine” from our shareholders.

Shigetomo Sakamoto
President and Chief Operating Officer
Toshiba Machine Co., Ltd.