



**TOSHIBA**

# **FY2020 First Quarter Consolidated Business Results**

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**August 12, 2020**

# Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies, and the performance of Toshiba Corporation (hereinafter “Toshiba” or “the Company”) and its consolidated subsidiaries (hereinafter “Toshiba Group” or “the 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 from the expectations. Please refer to the annual securities report (*Yuukashoken houkokusho*) and the quarterly securities report (*Shihanki houkokusho*) for detailed information on Toshiba Group’s business risk. Both the annual securities report and the quarterly securities report are issued in Japanese only.
- Toshiba Group’s fiscal year (FY) runs from April 1 to March 31. H1 refers to the first six months (April–September); H2 refers to the latter six months (October–March); Q1 refers to the first quarter (April–June); Q2 refers to the second quarter (July–September); Q3 refers to the third quarter (October–December); and Q4 refers to the fourth quarter (January–March).
- All figures are consolidated totals for the first three months of FY2020, unless otherwise stated.
- Results in segments have been reclassified to reflect the current organizational structure as of June 30, 2020, unless otherwise stated.
- Since Toshiba is not involved in the management of Kioxia Holdings (hereinafter “Kioxia”) and is not provided any forecasted business results, Toshiba Group’s forward-looking statements concerning financial conditions, results of operation and cash flow, do not include the impact of Kioxia.

# Key Points

- **YoY core operating income\* significantly increased**
  - FY2019/Q1 9.0 billion yen → FY2020/Q1 37.9 billion yen
- **No divergence in impact of COVID-19 in FY2020/Q1 from previous forecast announced on Jun. 5**
  - Impact on FY2020/Q1 performance  
Previous forecast announced on Jun.5 -46.0 billion yen → Actual -49.3 billion yen
  - No change to forecasted impact -90.0 billion yen in FY2020.
- **YoY operating income decreased, however significantly improved vs. previous forecast announced on June.5**
  - FY2019/Q1 7.8 billion yen → FY2020/Q1 -12.6 billion yen
- **YoY free cash flow improved**
  - FY2019/Q1 39.9 billion yen → FY2020/Q1 83.3 billion yen
- **Amount of orders received remained steady (YoY +5%)**

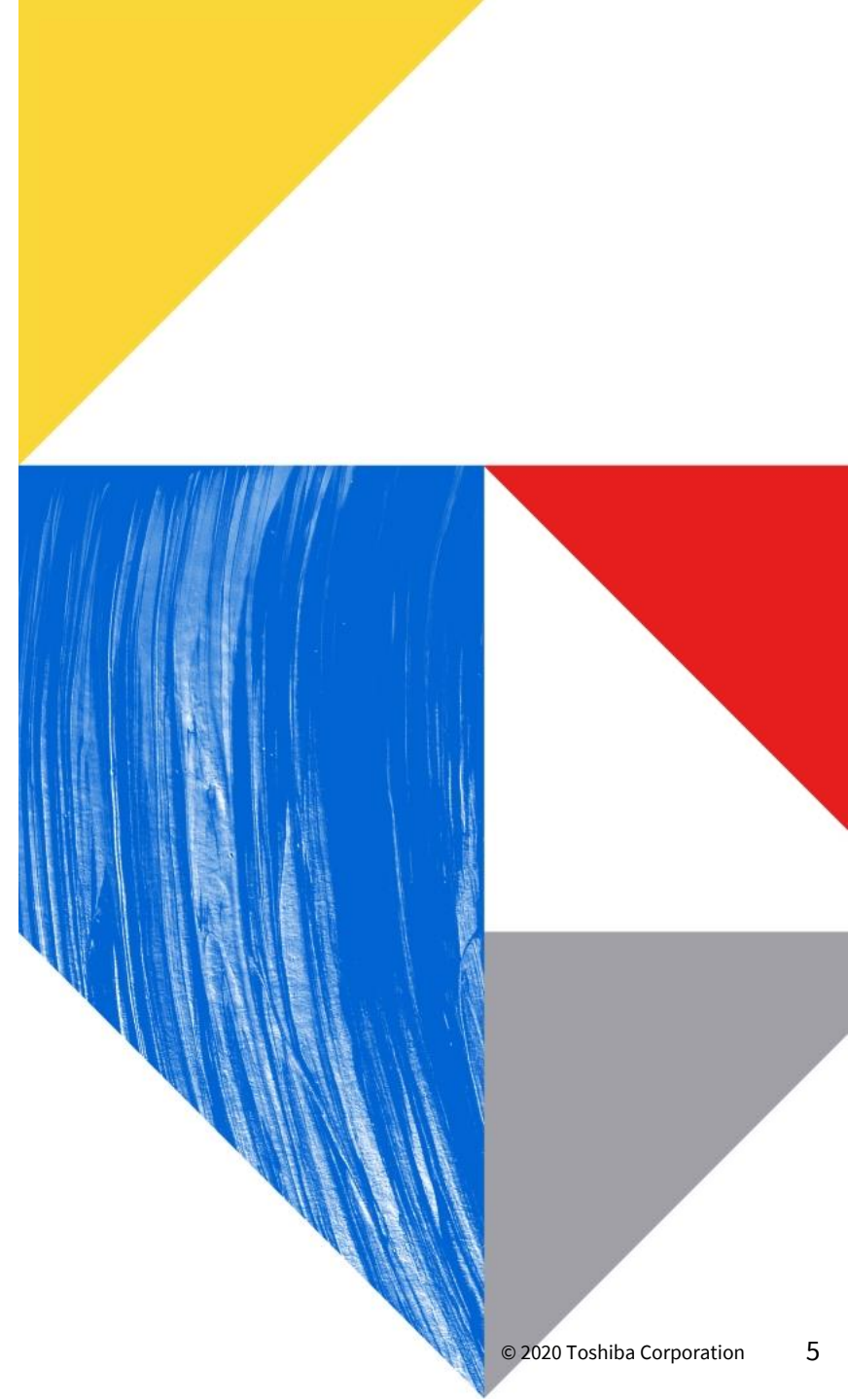
\* Core operating income (loss) means operating income (loss) which is disclosed in the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

# Agenda

- 01 Overall Business Results**
- 02 Business Results by Segment**
- 03 Supplementary Information**
- 04 FY2020 Forecast**

# 01

## Overall Business Results



# FY2020/Q1 Income (Loss) Items

## YoY core operating income significantly increased

(Yen in billions, except earnings (loss) per share)

	FY2019/Q1	FY2020/Q1	Difference	Contributing Factors
				(↗): Better (↘): Worse
Net sales	813.2	<b>599.8</b>	-213.4	(↘) Impact of COVID-19 -149.4, Impact of exchange rate changes -9.6
Growth rate			-26%	Excluding impact of COVID-19 (↘) Energy Systems & SL*, Infrastructure Systems & SL, Building SL, Retail & Printing SL, Digital SL (↗) Electronic Devices & Storage SL, Others
Core operating income (loss) <sup>*1</sup>	9.0	<b>37.9</b>	+28.9	(↗) Infrastructure Systems & SL, Building SL, Retail & Printing SL, Electronic Devices & Storage SL, Others
ROS <sup>*2</sup>	1.1%	<b>5.1%</b>	+4.0%pt	(↘) Energy Systems & SL, Impact of exchange rate changes -1.4
Restructuring cost etc.	-1.2	<b>-1.2</b>	0.0	
Impact of COVID-19	0.0	<b>-49.3</b>	-49.3	
Operating income (loss)	7.8	<b>-12.6</b>	-20.4	(↗) Core operating income (loss) +28.9
ROS	1.0%	<b>-2.1%</b>	-3.1%pt	(↘) Impact of COVID-19 -49.3
EBITDA	27.8	<b>8.5</b>	-19.3	
EBITDA margin <sup>*3</sup>	3.4%	<b>1.4%</b>	-2.0%pt	
Income (loss) before income taxes	-129.7	<b>-3.6</b>	+126.1	(↗) Loss from the transfer of LNG Business +89.3 (Provision in FY19/Q1 -89.3) Change in equity earnings from Kioxia +39.2 (FY19/Q1 Actual -38.1 → FY20/Q1 Actual 1.1)
Net income (loss)	-140.2	<b>-11.3</b>	+128.9	
Earnings (losses) per share attributable to shareholders of the	-264.99 yen	<b>-25.02 yen</b>	+239.97 yen	

\* "SL": Solutions

\*1 Core operating income (loss) means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

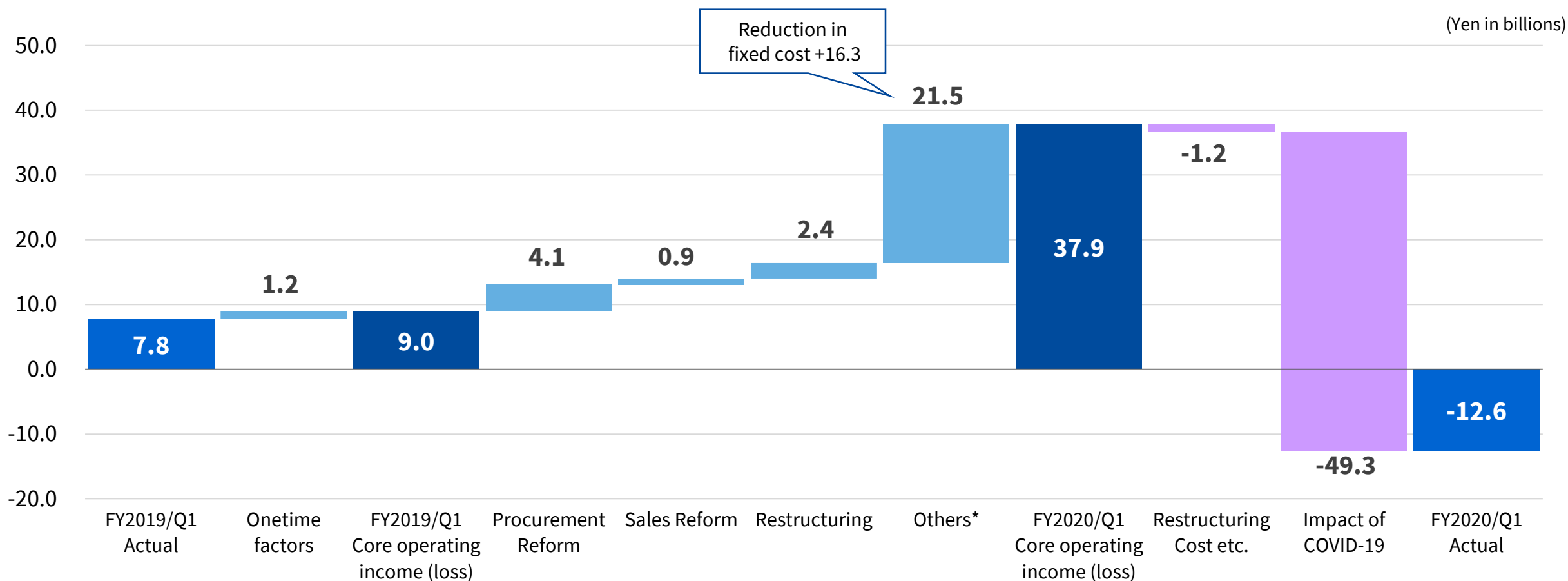
\*2 ROS= Core operating income (loss) / Net sales which is disclosed in the annual securities report and the quarterly securities report, excluding impact of COVID-19

\*3 EBITDA = Operating income (loss) + Depreciation

# Operating Income (Loss), FY2019/Q1 to FY2020/Q1 Analysis

YoY core operating income significantly increased due to reduction in fixed costs, etc.

YoY operating income decreased due to impact of COVID-19, however significantly improved vs. previous forecast announced on June.5



\* Increase/Decrease in sales, Differences in the sales mix, Increase/Decrease in fixed costs, etc.

# Impact of COVID-19 (impact on FY2020/Q1 performance)

No divergence in impact on FY20/Q1 from previous forecast announced on Jun. 5,  
No change to forecasted impact -90.0 billion yen in FY2020.

Business Segment	Major Reasons	Financial Impact
Devices & Storage	Delays in installing semiconductor manufacturing equipment for the China market, Deterioration in operation of HDDs factory and Decreased demand of automotive devices, etc.	<b>-25.2 B yen</b>
Retail & Printing	Decreased demand of MFP and POS system, and Restriction of sales activities, etc.	<b>-10.8 B yen</b>
Infrastructure System	Decreased demand of automotive products in North America and railway systems products in China, and Delays in installation work, etc.	<b>- 5.0 B yen</b>
Building	Postponement of projects, and Delays in installation work, etc.	<b>- 3.7 B yen</b>
Others		<b>-4.6 B yen</b>
<b>Total</b>		<b>-49.3 B yen</b> vs. previous forecast -3.3 B yen

Impact due to delays in installing semiconductor manufacturing equipment for the China market, will recover during FY2020. (Impact: approx. -10.0 billion yen)

HDDs factory in Philippines has restarted from June. (impact: approx. -7.0 billion yen)

Operation rate of factories in Japan deteriorated 10% vs. previous year, due to shift of holidays to FY2020/Q1 by the government request, and impacted to all business segments.



# Non-operating Income (Loss)

YoY non-operating income increased due to improved equity earnings from Kioxia, and the loss on transfer of the LNG business in the comparative period

(Yen in billions)

	FY2019/Q1	FY2020/Q1	Difference	
Net financial income (loss)	-0.2	<b>0.1</b>	+0.3	
Foreign exchange income (loss)	-2.8	<b>0.1</b>	+2.9	
Income (loss) on sale or disposal of fixed assets	-0.6	<b>-0.6</b>	+0.0	
Income (loss) on sale of securities	0.0	<sup>*1</sup> <b>7.7</b>	+7.7	<sup>*1</sup> Price adjustment in relation to the transfer of Toshiba Client Solutions Co., Ltd. (Currently Dynabook Inc.) etc.: 7.1
Settlement costs of lawsuits	-4.8	<b>-1.1</b>	+3.7	
Equity in earnings (losses) of affiliates	-37.7	<b>2.5</b>	<sup>*2</sup> +40.2	<sup>*2</sup> Change in equity earnings from Kioxia: +39.2 (FY19/Q1 Actual -38.1 → FY20/Q1 Actual 1.1)
Others	<sup>*3</sup> -91.4	<b>0.3</b>	+91.7	<sup>*3</sup> Loss from the transfer of LNG Business +89.3 (Provision in FY19/Q1 -89.3)
<b>Total</b>	<b>-137.5</b>	<b>9.0</b>	<b>+146.5</b>	

- Toshiba is not involved in the management of Kioxia and cannot comment on its business performance on its behalf. Accordingly, those details are not discussed herein.

# FY2020/Q1 Cash Flow/Balance Sheet Items

(Yen in billions)

	FY2019/Q1	FY2020/Q1	Difference	Contributing Factors
Free cash flows	39.9	<b>83.3</b>	+43.4	(↗) Improved working capital
	2020/3E	2020/6E	Difference	Contributing Factors
Equity attributable to shareholders of the Company	939.8	<b>917.6</b>	-22.2	(↘) Net income (loss) -11.3 Impact of acquisition of 3 listed subsidiaries' shares to become wholly owned subsidiaries -8.9
Shareholders' equity ratio	27.8%	<b>26.7%</b>	-1.1%pt	Dividend -4.5
Net interest-bearing debt *	18.2	<b>-31.6</b>	-49.8	(↗) Free cash flows +83.3
Net debt-to-equity ratio	2%	<b>-3%</b>	-5%pt	(↘) Impact of acquisition of 3 listed subsidiaries' shares to become wholly owned subsidiaries -33.4
Net interest-bearing debt *	-140.5	<b>-184.4</b>	-43.9	
Net debt-to-equity ratio (Excluding operating leases liabilities)	-15%	<b>-20%</b>	-5%pt	
Exchange rate(US\$) As of the period-end	109 yen	<b>108 yen</b>	-1 yen	

\* A negative in the Net interest-bearing debt amounts indicates a net cash position, whereby cash and cash equivalents exceeds interest-bearing debt.

# Free Cash Flows

Both CF from operating activities and free cash flows improved from previous year

(Yen in billions)

	FY2019/Q1	FY2020/Q1	Difference
Cash flows from operating activities	68.4	<b>103.0</b>	+34.6
Cash flows from investing activities	-28.5	<b>-19.7</b>	+8.8
Free cash flows	39.9	<b>83.3</b>	+43.4
<hr/>			
(Reference)			
Onetime factors *			
Cash flows from operating activities	0.0	*1 <b>-8.7</b>	-8.7
Cash flows from investing activities	0.0	*2 <b>13.4</b>	+13.4
Free cash flows	0.0	<b>4.7</b>	+4.7
<hr/>			
Cash flows excluding onetime factors *			
Cash flows from operating activities	68.4	<b>111.7</b>	+43.3
Cash flows from investing activities	-28.5	<b>-33.1</b>	-4.6
Free cash flows	39.9	<b>78.6</b>	+38.7

EBITDA	
→ CF from operating activities	
<b>EBITDA</b>	<b>8.5</b>
Payment of Loss making projects	-4.5
Tax	-25.8
Others*3	+133.5
<b>CF from operating activities</b>	<b>111.7</b>

\*This is treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.

\*1 Impact of trade term improvements on behalf of subcontractors

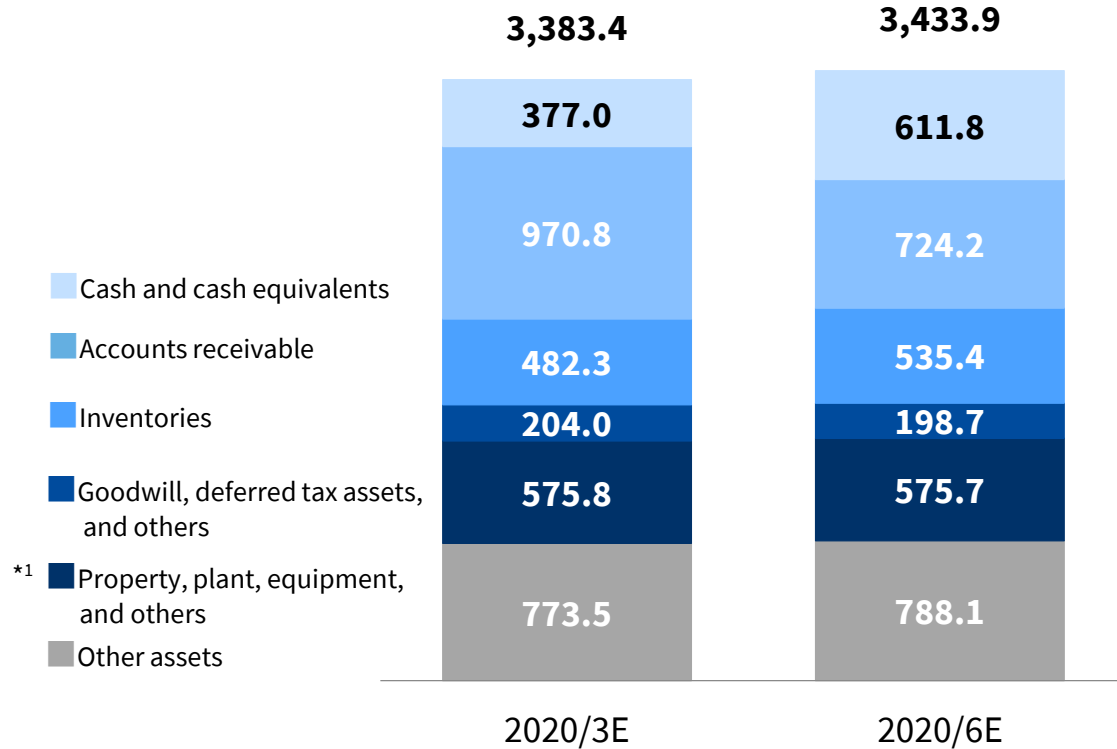
\*2 Partial transfer of marketable securities, Price adjustment in relation to the transfer of Toshiba Client Solutions Co., Ltd. (Currently Dynabook Inc.) etc.

\*3 Mainly improvement of working capital

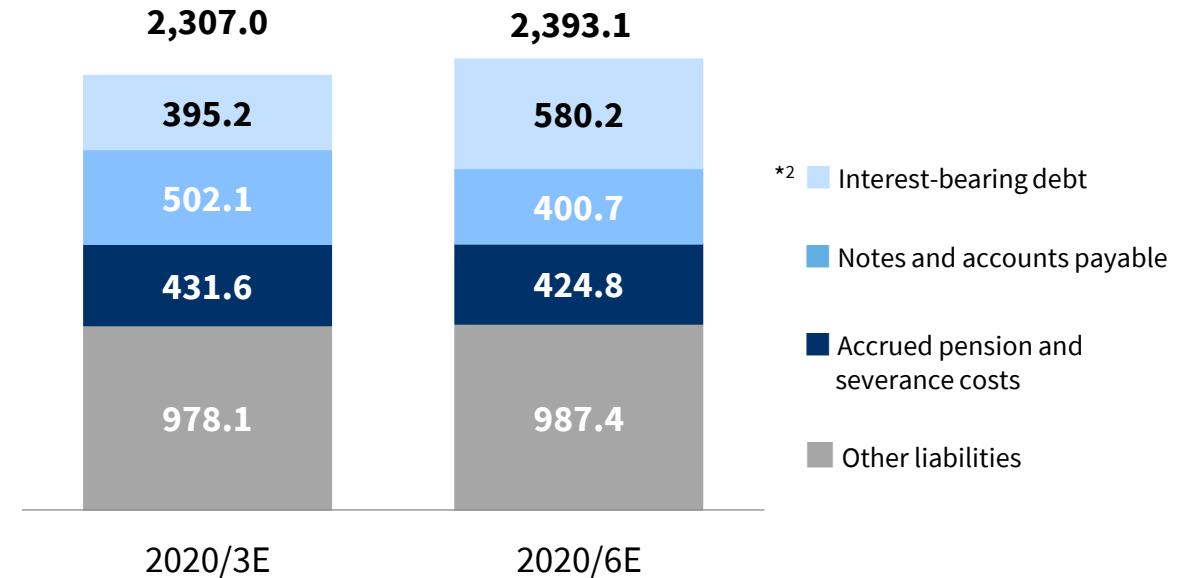
# Balance Sheet

(Yen in billions)

## Assets



## Liabilities



- \*1 Property, plant, equipment, and others
- Other assets

- \*2 Interest-bearing debt
- Notes and accounts payable
- Accrued pension and severance costs
- Other liabilities

\*1 Including right-of-use assets of operating leases  
(2020/3E 155.5 billion yen, 2020/6E 150.2 billion yen)

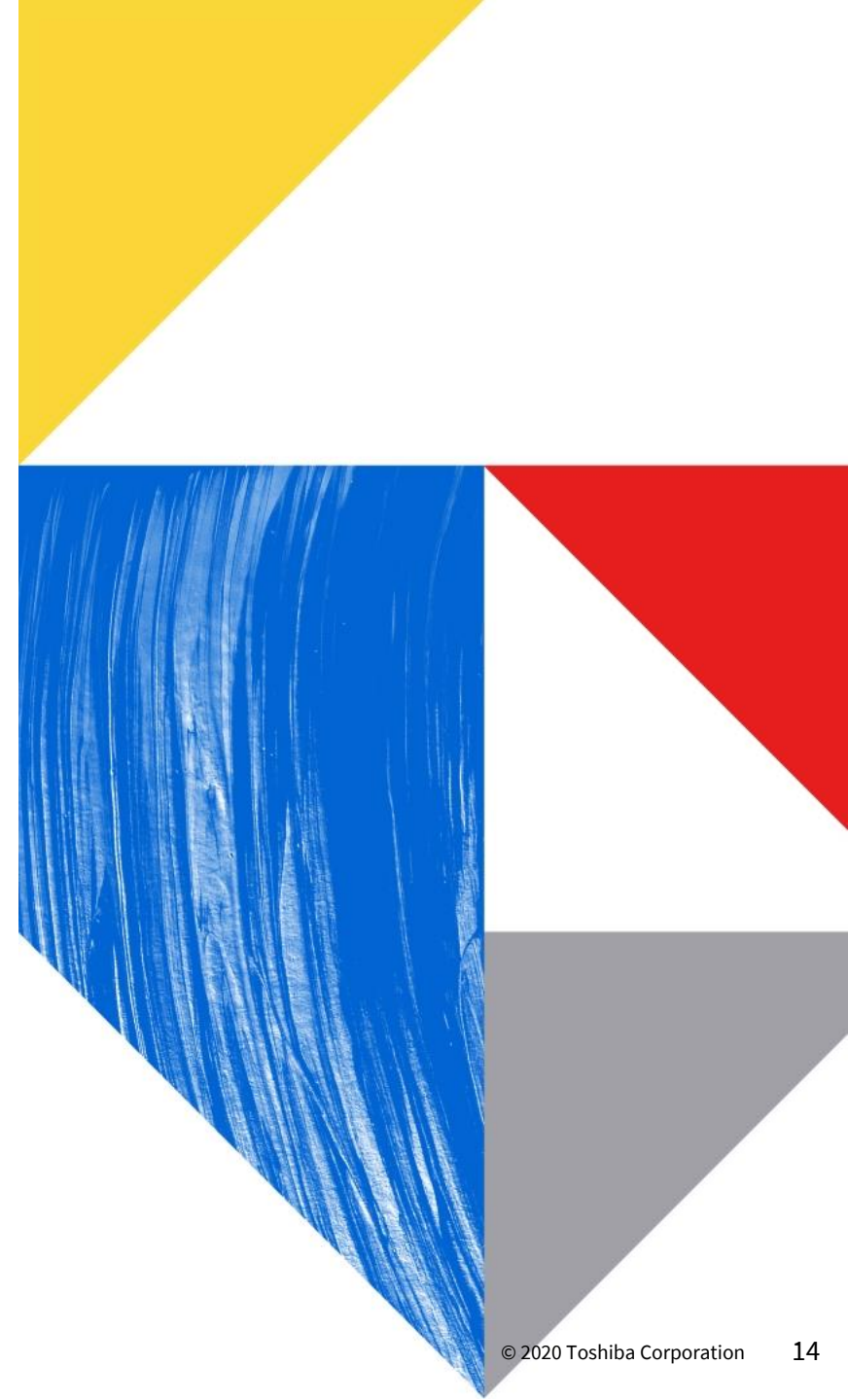
\*2 Including operating leases liabilities  
(2020/3E 158.7 billion yen, 2020/6E 152.8 billion yen)

# FY2020/Q1 Detailed Items

	FY2019/Q1	<b>FY2020/Q1</b>	Difference	(Yen in billions, except earnings (loss) per share)
Net sales	813.2	<b>599.8</b>	-213.4	
Operating income (loss)	7.8	<b>-12.6</b>	-20.4	
Non-operating income (loss)	-137.5	<b>9.0</b>	+146.5	
Income (loss) before income taxes	-129.7	<b>-3.6</b>	+126.1	
Tax expenses	-4.6	<b>-5.6</b>	-1.0	
Net income (loss) from continuing operations before noncontrolling interests	-134.3	<b>-9.2</b>	+125.1	
Net income (loss) from discontinued operations before noncontrolling interests	-5.9	<b>-2.1</b>	+3.8	
Net income (loss)	-140.2	<b>-11.3</b>	+128.9	
Earnings (losses) per share attributable to shareholders of the Company	-264.99 yen	<b>-25.02 yen</b>	+239.97 yen	
Free cash flows	39.9	<b>83.3</b>	+43.4	
	2020/3E	<b>2020/6E</b>	Difference	
Equity attributable to shareholders of the Company	939.8	<b>917.6</b>	-22.2	
Shareholders' equity ratio	27.8%	<b>26.7%</b>	-1.1%pt	
Net assets	1,076.4	<b>1,040.8</b>	-35.6	
Net interest-bearing debt	18.2	<b>-31.6</b>	-49.8	
Net debt-to-equity ratio	2%	<b>-3%</b>	-5%pt	
Exchange rate(US\$) as of the period-end	109 yen	<b>108 yen</b>	-1 yen	

# 02

## **Business Results by Segment**



# FY2020/Q1 Consolidated Business Results by Segment

(Yen in billions)

		FY2019/Q1	FY2019/Q1 Core Basis	FY2020/Q1	FY2020/Q1 Core Basis	Difference Core Basis	growth rate	FY20/Q1 Restructuring cost etc.	FY20/Q1 Impact of COVID-19
Energy Systems & Solutions	Net sales	129.2	129.2	<b>76.2</b>	<b>79.8</b>	-49.4	-38%		-3.6
	Operating income (loss)	-3.4	-3.4	<b>-7.5</b>	<b>-5.4</b>	-2.0		-0.9	-1.2
	ROS	-2.6%	-2.6%	<b>-9.8%</b>	<b>-6.8%</b>	-4.2%pt			
Infrastructure Systems & Solutions	Net sales	148.7	148.7	<b>134.8</b>	<b>147.7</b>	-1.0	-1%		-12.9
	Operating income (loss)	2.3	2.3	<b>2.4</b>	<b>7.4</b>	+5.1			-5.0
	ROS	1.5%	1.5%	<b>1.8%</b>	<b>5.0%</b>	+3.5%pt			
Building Solutions	Net sales	141.2	141.2	<b>122.9</b>	<b>139.3</b>	-1.9	-1%		-16.4
	Operating income (loss)	8.1	8.6	<b>5.6</b>	<b>9.3</b>	+0.7			-3.7
	ROS	5.7%	6.1%	<b>4.6%</b>	<b>6.7%</b>	+0.6%pt			
Retail & Printing Solutions	Net sales	118.3	118.3	<b>85.4</b>	<b>114.7</b>	-3.6	-3%		-29.3
	Operating income (loss)	4.2	4.3	<b>-4.3</b>	<b>6.8</b>	+2.5		-0.3	-10.8
	ROS	3.6%	3.6%	<b>-5.0%</b>	<b>5.9%</b>	+2.3%pt			
Electronic Devices & Storage Solutions	Net sales	197.0	197.0	<b>125.2</b>	<b>201.0</b>	+4.0	+2%		-75.8
	Operating income (loss)	1.2	1.2	<b>-4.6</b>	<b>20.6</b>	+19.4			-25.2
	ROS	0.6%	0.6%	<b>-3.7%</b>	<b>10.2%</b>	+9.6%pt			
Digital Solutions	Net sales	69.2	69.2	<b>45.1</b>	<b>52.1</b>	-17.1	-25%		-7.0
	Operating income (loss)	2.2	2.8	<b>1.3</b>	<b>2.8</b>	+0.0			-1.5
	ROS	3.2%	4.0%	<b>2.9%</b>	<b>5.4%</b>	+1.4%pt			
Others	Net sales	77.3	77.3	<b>62.1</b>	<b>66.5</b>	-10.8	-14%		-4.4
	Operating income (loss)	-9.2	-9.2	<b>-8.0</b>	<b>-6.1</b>	+3.1			-1.9
Eliminations	Net sales	-67.7	-67.7	<b>-51.9</b>	<b>-51.9</b>	+15.8			
	Operating income (loss)	2.4	2.4	<b>2.5</b>	<b>2.5</b>	+0.1			
Total	Net sales	813.2	813.2	<b>599.8</b>	<b>749.2</b>	-64.0	-8%		-149.4
	Operating income (loss)	7.8	9.0	<b>-12.6</b>	<b>37.9</b>	+28.9		-1.2	-49.3
	ROS	1.0%	1.1%	<b>-2.1%</b>	<b>5.1%</b>	+4.0%pt			

\* Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

# Energy Systems & Solutions Results Breakdown

(Yen in billions)

		FY2019/Q1	FY2019/Q1 Core Basis	FY2020/Q1	FY2020/Q1 Core Basis	Difference Core Basis	Contributing Factors
Energy Systems & Solutions	Net sales	129.2	129.2	76.2	79.8	-49.4	Impact of exchange rate changes: -1.6
	Operating income (loss)	-3.4	-3.4	-7.5	-5.4	-2.0	Impact of exchange rate changes: +0.3
	ROS	-2.6%	-2.6%	-9.8%	-6.8%	-4.2%pt	Restructuring: ±0.0
	FCF by segment			15.7			
Nuclear Power Systems	Net sales	24.2	24.2	14.2	14.2	-10.0	(↓) Lower sales due to difference in progress of projects to enhance safety measures
	Operating income (loss)	-1.3	-1.3	-4.3	-4.2	-2.9	(↓) Lower operating income due to lower sales
	ROS	-5.4%	-5.4%	-30.3%	-29.6%	-24.2%pt	
Thermal & Hydro Power Systems	Net sales	51.6	51.6	30.5	31.4	-20.2	(↓) Reduction in thermal power projects in Japan
	Operating income (loss)	-4.6	-4.6	-1.9	-0.6	+4.0	(↗) Reduction of unprofitable projects and improvement of profitability, etc.
	ROS	-8.9%	-8.9%	-6.2%	-1.9%	+7.0%pt	(↓) Lower operating income due to lower sales
Transmission & Distribution Systems	Net sales	59.5	59.5	32.5	35.8	-23.7	(↓) Transmission & Distribution Systems in Japan (↓) Renewable energy business (PV)
	Operating income (loss)	3.8	3.8	-0.8	-0.1	-3.9	(↓) Lower operating income due to lower sales
	ROS	6.4%	6.4%	-2.5%	-0.3%	-6.7%pt	
Others	Net sales	-6.1	-6.1	-1.0	-1.6	+4.5	
	Operating income (loss)	-1.3	-1.3	-0.5	-0.5	+0.8	

• Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.

• Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.



# Infrastructure Systems & Solutions Results Breakdown

## Building Solutions

(Yen in billions)

		FY2019/Q1	FY2019/Q1 Core Basis	FY2020/Q1	FY2020/Q1 Core Basis	Difference Core Basis	Contributing Factors
Infrastructure Systems & Solutions	Net sales	148.7	148.7	<b>134.8</b>	<b>147.7</b>	-1.0	Impact of exchange rate changes: -0.8
	Operating income (loss)	2.3	2.3	<b>2.4</b>	<b>7.4</b>	+5.1	Impact of exchange rate changes: -0.1
	ROS	1.5%	1.5%	<b>1.8%</b>	<b>5.0%</b>	+3.6%pt	Restructuring: +0.3
	FCF by segment				<b>61.9</b>		
Public Infrastructure	Net sales	76.4	76.4	<b>69.7</b>	<b>73.1</b>	-3.3	(↓) Lower sales in the social systems business (↗) Higher sales in the defense and electronic systems business
	Operating income (loss)	1.8	1.8	<b>1.9</b>	<b>3.5</b>	+1.7	(↗) Higher operating income in the defense and electronic systems business due to higher sales and reduction of fixed cost
	ROS	2.4%	2.4%	<b>2.7%</b>	<b>4.8%</b>	+2.4%pt	
Railways and *1 Industrial Systems	Net sales	87.7	87.7	<b>75.9</b>	<b>85.4</b>	-2.3	(↓) Lower sales in the industrial system business
	Operating income (loss)	0.5	0.5	<b>0.5</b>	<b>3.9</b>	+3.4	(↗) Improved profitability due to changes in product mix and reduction of fixed cost
	ROS	0.6%	0.6%	<b>0.7%</b>	<b>4.6%</b>	+4.0%pt	
Others	Net sales	-15.4	-15.4	<b>-10.8</b>	<b>-10.8</b>	+4.6	
Building Solutions							Impact of exchange rate changes: -3.1
	Net sales	141.2	141.2	<b>122.9</b>	<b>139.3</b>	-1.9	(↗) Air conditioning (↓) Elevator and escalator (Japan, Overseas), Lighting
	Operating income (loss)	8.1	8.6	<b>5.6</b>	<b>9.3</b>	+0.7	Impact of exchange rate changes: -0.4 Restructuring: +0.2
	ROS	5.7%	6.1%	<b>4.6%</b>	<b>6.7%</b>	+0.6%pt	(↗) Elevator and escalator (Overseas), Lighting (↓) Elevator and escalator (Japan)
FCF by segment				<b>18.8</b>			

\*1 Including loss from closed businesses

• Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows. © 2020 Toshiba Corporation

• Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

# Electronic Devices & Storage Solutions Results Breakdown

(Yen in billions)

		FY2019/Q1	FY2019/Q1 Core Basis	FY2020/Q1	FY2020/Q1 Core Basis	Difference Core Basis	Contributing Factors
Electronic Devices & Storage Solutions	Net sales	197.0	197.0	<b>125.2</b>	<b>201.0</b>	+4.0	Impact of exchange rate changes: -2.2
	Operating income (loss)	1.2	1.2	<b>-4.6</b>	<b>20.6</b>	+19.4	Impact of exchange rate changes: -1.0
	ROS	0.6%	0.6%	<b>-3.7%</b>	<b>10.2%</b>	+9.6%pt	Restructuring: +1.0
	FCF by segment			<b>-29.5</b>			
Semiconductor* <sup>1</sup>	Net sales	71.4	71.4	<b>60.5</b>	<b>87.6</b>	+16.2	(↗) (D) Market recovery in devices for industrial and automotive (↗) (N) Shift of installing period from FY19
	Operating income (loss)	-3.1	-3.1	<b>-2.8</b>	<b>14.7</b>	+17.8	(↗) (D)(N) Higher operating income due to higher sales
	ROS	-4.3%	-4.3%	<b>-4.6%</b>	<b>16.8%</b>	+21.1%pt	(↗) (S) Restructuring
HDDs & Others* <sup>2</sup>	Net sales	125.6	125.6	<b>64.7</b>	<b>113.4</b>	-12.2	(↘) (R) Lower sales due to change of sales channels
	Operating income (loss)	4.3	4.3	<b>-1.8</b>	<b>5.9</b>	+1.6	(↗) (H) Reduction of expenses
	ROS	3.4%	3.4%	<b>-2.8%</b>	<b>5.2%</b>	+1.8%pt	

\*1 Including sales of discrete semiconductors, systems LSIs, and those by NuFlare Technology(NFT).

\*2 Including sales of HDD, Materials & Devices, and resale of memory products etc.

(D): Discrete semiconductors  
(S): System LSIs  
(N): NuFlare Technology  
(H): HDDs  
(R): Resale of memory products

- Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.
- Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

# Retail & Printing Solutions

## Digital Solutions

		FY2019/Q1	FY2019/Q1 Core Basis	FY2020/Q1	FY2020/Q1 Core Basis	Difference Core Basis	Contributing Factors	(Yen in billions)
Retail & Printing Solutions	Net sales	118.3	118.3	85.4	114.7	-3.6 (↓) (R) Lower sales (↓) (P) Lower sales	Impact of exchange rate changes: -1.9	
	Operating income (loss)	4.2	4.3	-4.3	6.8	+2.5 Restructuring: +0.7 (↑) (R) Higher operating income	Impact of exchange rate changes: -0.2	
	ROS	3.6%	3.6%	-5.0%	5.9%	+2.3%pt (↑) (P) Higher operating income		
	FCF by segment			8.1				
							(R): Retail business (P): Printing business	
		FY2019/Q1	FY2019/Q1 Core Basis	FY2020/Q1	FY2020/Q1 Core Basis	Difference Core Basis	Contributing Factors	
Digital Solutions	Net sales	69.2	69.2	45.1	52.1	-17.1 (↓) System-related projects to the public sector	Impact of exchange rate changes: ±0.0	
	Operating income (loss)	2.2	2.8	1.3	2.8	+0.0 (↑) Reduction of fixed cost	Impact of the sale of business in affiliates Impact of transactions at TSC* <sup>1</sup> -11.7	
	ROS	3.2%	4.0%	2.9%	5.4%	+1.4%pt (↓) Impact of transactions at TSC* <sup>1</sup> -0.4	Impact of exchange rate changes: ±0.0 Restructuring: +0.2	
	FCF by segment			16.3				

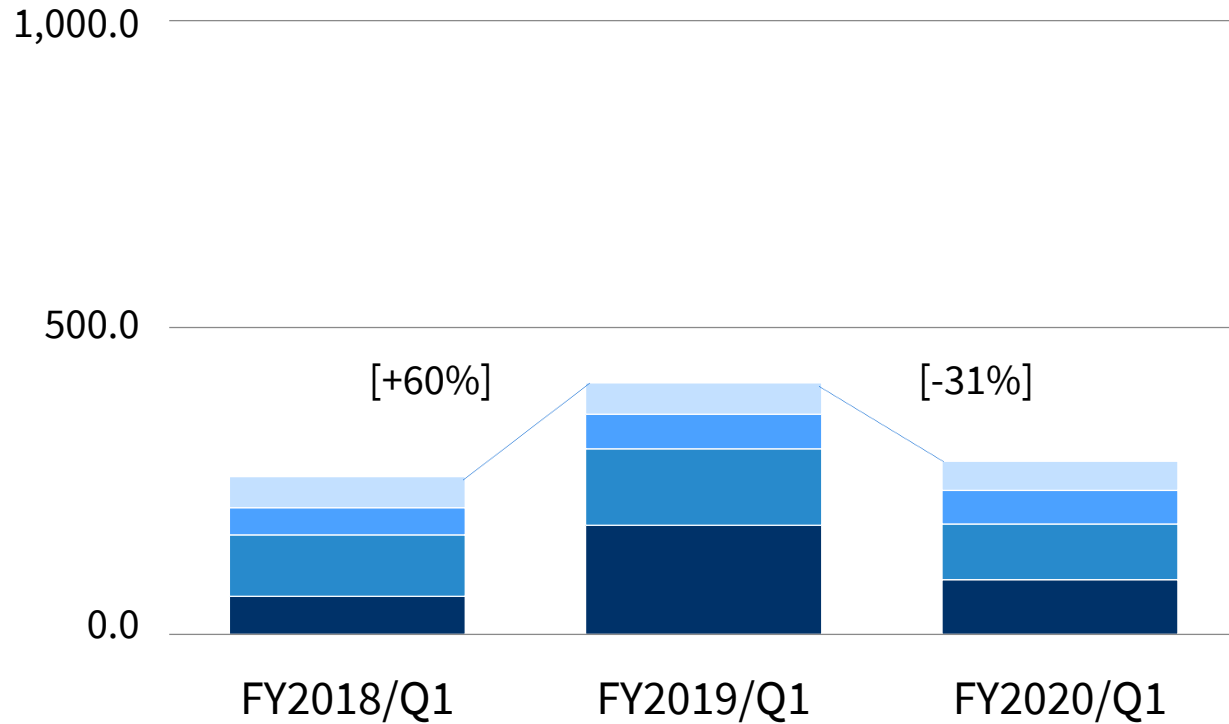
- Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.
- Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.
- \*1 These are transactions in Toshiba IT-Services Corporation, which were disclosed February 14, 2020. 11.7 billion yen in net sales and 0.4 billion yen in operating profit were included in FY2019/Q1 as these transactions, however adjustments were made in FY2019/Q3.

TSC: Toshiba IT-Services Corporation

# Amount of Orders Received, Order Backlog

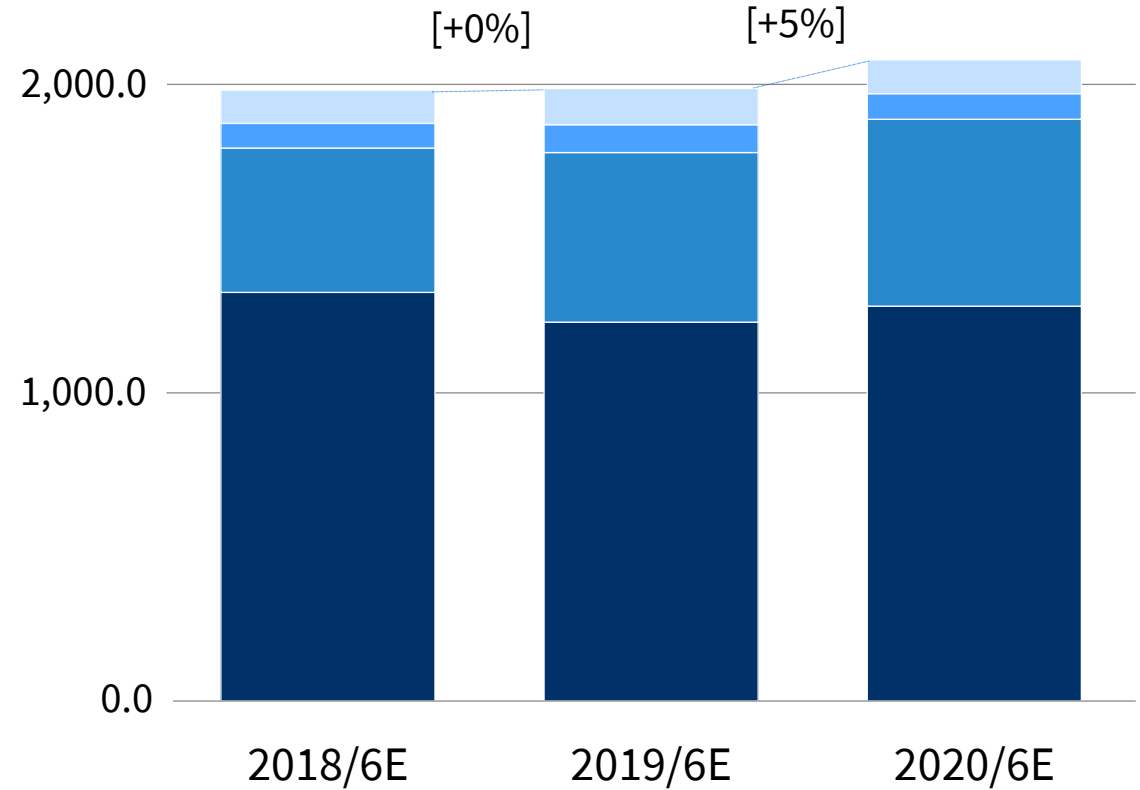
Amount of Q1 orders received remains consistent in comparison to previous years and order backlog steadily increased

## Amount of Orders Received



## Order Backlog

(Yen in billions)

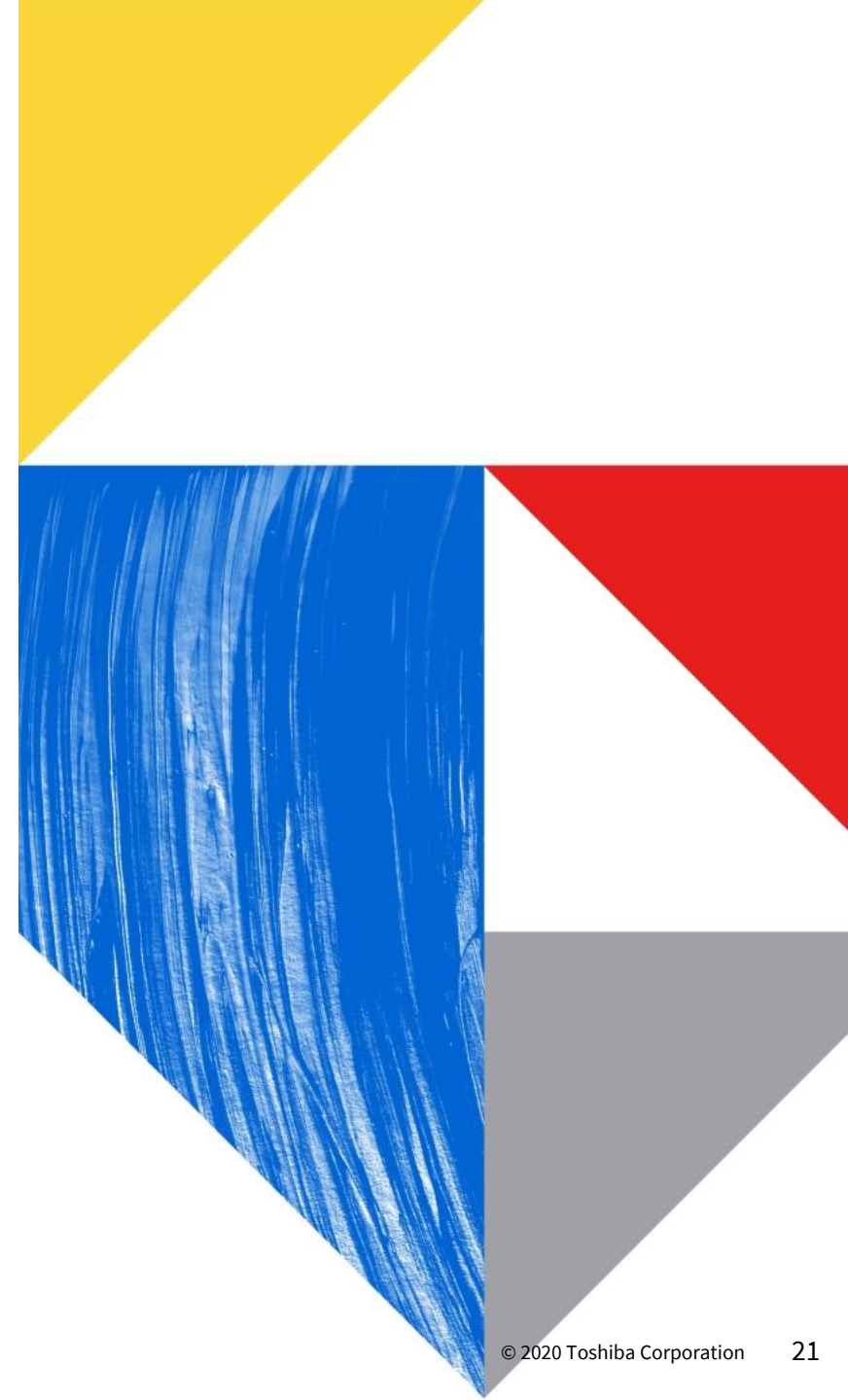


- Elevator (Building SL)
- Digital SL
- Infrastructure Systems & SL
- Energy Systems & SL

- “SL”: Solutions
- Energy Systems & Solutions order backlog for FY2018 excludes projects that have now been canceled.
- Amount of orders received and Order backlog is a metric for in-house management only, and it differs from remaining performance obligations, which are disclosed in the annual securities report (*Yuukashoken houkokusho*).

# 03

## Supplementary Information



# Equity Earnings (Losses) from Kioxia

(Yen in billions)

	Equity earnings (losses)	Impact of PPA included	Impact of blackout included	Excluding special factors
<b>FY2019</b> Q1 Actual	-38.1	-8.0	-9.6	-20.5
Q2 Actual	-23.2	-7.9	-0.1	-15.2
Q3 Actual	-9.6	-8.1	0.3	-1.8
Q4 Actual	4.2	-7.6		11.8
<b>FY2020</b> Q1 Actual	<b>1.1</b>	<b>-7.5</b>		<b>8.6</b>

	(Reference) Bit Growth and change in ASP	
	Bit Growth (vs. the previous quarter)	ASP (vs. the previous quarter)
<b>FY2019</b> Q1 Actual	Increased lower-single digit %	Decreased mid-10% range
Q2 Actual	Increased lower-20% range	Decreased mid-single digit %
Q3 Actual	Increased higher-single digit %	Increased mid-single digit %
Q4 Actual	Increased lower-single digit %	Increased mid-single digit %
<b>FY2020</b> Q1 Actual	<b>Decreased lower-single digit %</b>	<b>Increased lower-single digit %</b>

Data provided by Kioxia

## [Forecast]

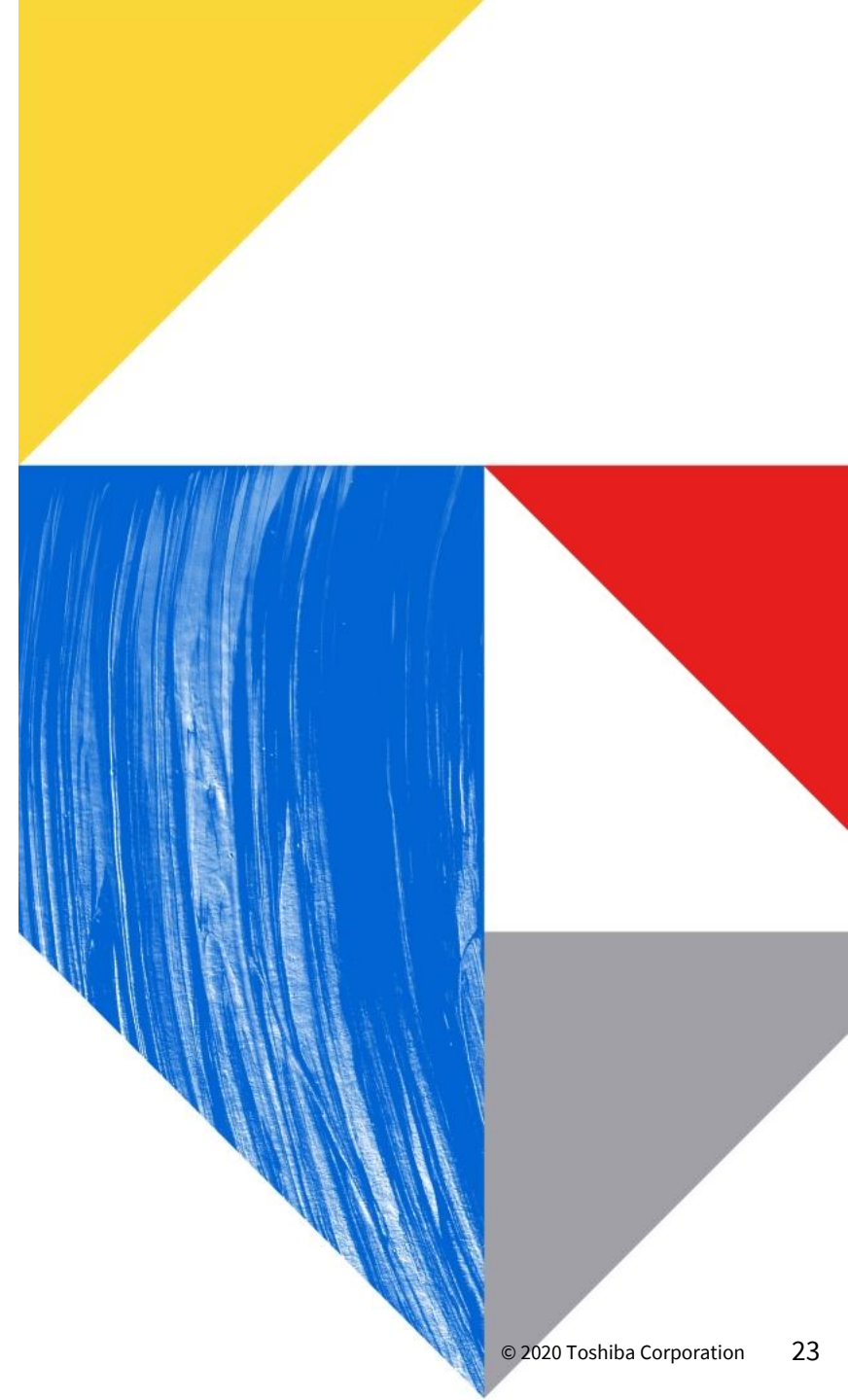
Toshiba does not receive any information related to forecast of equity earnings (losses) by Kioxia. Only the actual results of Kioxia will be explained as part of the consolidated business results.

→ The FY2020 forecast only includes the actual FY2020/Q1 equity earnings (losses) and does not include any forecasted equity earnings (losses) of Kioxia.

- Toshiba is not involved in the management of Kioxia (formerly Toshiba Memory) and cannot comment on its business performance on its behalf. Accordingly, other than the above results, it is not discussed.

# 04

## **FY2020 Forecast**



# Overall

(Yen in billions)

	FY2019 Actual	FY2020 Forecast	Difference	vs. previous forecast announced on Jun. 5
Net sales	3,389.9	<b>3,180.0</b>	-209.9	0.0
Growth rate			-6%	
Core operating income (loss)	161.6	<b>220.0</b>	+58.4	0.0
ROS *1	4.8%	<b>6.4%</b>	+1.6%pt	0.0%pt
Restructuring cost etc.	-10.8	<b>-20.0</b>	-9.2	0.0
Impact of COVID-19	-20.3	<b>-90.0</b>	-69.7	0.0
Operating income (loss)	130.5	<b>110.0</b>	-20.5	0.0
ROS	3.8%	<b>3.5%</b>	-0.3%pt	0.0%pt
EBITDA	210.1	<b>195.0</b>	-15.1	0.0
EBITDA margin	6.2%	<b>6.1%</b>	-0.1%pt	
Income (loss) from continuing * operations before income taxes and noncontrolling interests	-47.5	<b>100.0</b>	+147.5	0.0
Net income (loss) *	-114.6	<b>50.0</b>	+164.6	0.0
Free cash flows	-264.7	<b>-90.0</b>	+174.7	0.0

	2020/3E Actual	2021/3E Forecast	Difference	vs. previous forecast announced on Jun. 5
Equity attributable to shareholders of the Company	939.8	<b>970.0</b>	+30.2	0.0
Shareholders' equity ratio *	27.8%	<b>27.7%</b>	-0.1%pt	0.0%pt
Net interest-bearing debt	18.2	<b>160.0</b>	+141.8	0.0
Net debt-to-equity ratio *	2%	<b>16%</b>	+14%pt	0%pt
Exchange rate(US\$) as of the period-end	109 yen	<b>105 yen</b>	-4 yen	0 yen

\* This FY2020 forecast is disclosed for reference only, which includes the actual FY2020/Q1 equity earnings (losses) and does not include any forecasted equity earnings (losses) of Kioxia.

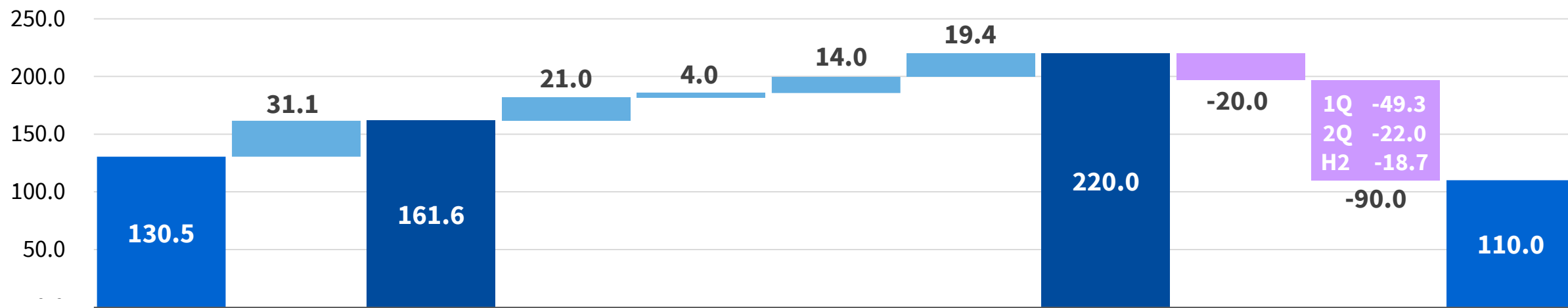
\*1 ROS= Core operating income (loss) / Net sales which is disclosed in the annual securities report and the quarterly securities report, excluding impact of COVID-19



# Operating Income (Loss), FY2019 to FY2020 Analysis

No change to the targeted operating income in FY2020 (110.0 billion yen)

(Yen in billions)



Q1	7.8	1.2	9.0	4.1	0.9	2.4	21.5	37.9	-1.2	-49.3	-12.6
Q2-Q4	122.7	29.9	152.6	16.9	3.1	11.6	-2.1	182.1	-18.8	-40.7	122.6
Total	130.5	31.1	161.6	21.0	4.0	14.0	19.4	220.0	-20.0	-90.0	110.0
vs. previous	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0
	FY2019 Actual	Onetime factors	FY2019 Core operating income (loss)	Procurement Reform	Sales Reform	Restructuring	Others*	FY2020 Core operating income (loss)	Restructuring Cost etc.	Impact of COVID-19	FY2020 Forecast

\* Increase/Decrease in sales, Differences in the sales mix, Increase/Decrease in fixed costs, etc.

# Forecast by segment

(Yen in billions)

		FY2019 Actual	FY2019 Actual Core Basis	FY2020 Forecast Core Basis	Difference Core Basis	FY2020 Impact of COVID-19 by Segment	vs. previous forecast announced on Jun. 5 Core Basis
Energy Systems & Solutions	Net sales	568.8	571.3	<b>525.0</b>	-46.3	-5.0	0.0
	Operating income (loss)	31.8	33.4	<b>36.0</b>	+2.6	0.0	0.0
	ROS	5.6%	5.8%	<b>6.9%</b>	+1.1%pt		0.0%pt
Infrastructure Systems & Solutions	Net sales	735.0	737.8	<b>731.0</b>	-6.8	-21.0	0.0
	Operating income (loss)	47.7	48.7	<b>52.0</b>	+3.3	-4.0	0.0
	ROS	6.5%	6.6%	<b>7.1%</b>	+0.5%pt		0.0%pt
Building Solutions	Net sales	570.1	578.9	<b>595.0</b>	+16.1	-45.0	0.0
	Operating income (loss)	29.1	31.7	<b>48.0</b>	+16.3	-18.0	0.0
	ROS	5.1%	5.5%	<b>8.1%</b>	+2.6%pt		0.0%pt
Retail & Printing Solutions	Net sales	490.4	503.3	<b>480.0</b>	-23.3	-70.0	0.0
	Operating income (loss)	14.5	20.7	<b>31.0</b>	+10.3	-21.0	0.0
	ROS	3.0%	4.1%	<b>6.5%</b>	+2.4%pt		0.0%pt
Electronic Devices & Storage Solutions	Net sales	745.6	769.4	<b>867.0</b>	+97.6	-117.0	0.0
	Operating income (loss)	13.4	30.8	<b>57.0</b>	+26.2	-35.0	0.0
	ROS	1.8%	4.0%	<b>6.6%</b>	+2.6%pt		0.0%pt
Digital Solutions	Net sales	252.4	252.8	<b>249.0</b>	-3.8	-19.0	0.0
	Operating income (loss)	16.8	19.0	<b>24.0</b>	+5.0	-5.0	0.0
	ROS	6.7%	7.5%	<b>9.6%</b>	+2.1%pt		0.0%pt
Others, Eliminations	Net sales	27.6	28.2	<b>13.0</b>	-15.2	-3.0	0.0
	Operating income (loss)	-22.8	-22.7	<b>-28.0</b>	-5.3	-7.0	0.0
Total	Net sales	3,389.9	3,441.7	<b>3,460.0</b>	+18.3	-280.0	0.0
	Operating income (loss)	130.5	161.6	<b>220.0</b>	+58.4	-90.0	0.0
	ROS	3.8%	4.7%	<b>6.4%</b>	+1.7%pt		0.0%pt
Restructuring cost etc. and Impact of COVID-19	Net sales		-51.8	<b>-280.0</b>	-228.2		0.0
	Operating income (loss)		-31.1	<b>-110.0</b>	-78.9		0.0

• Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

# Appendix

# Capital Expenditure (Commitment Basis)

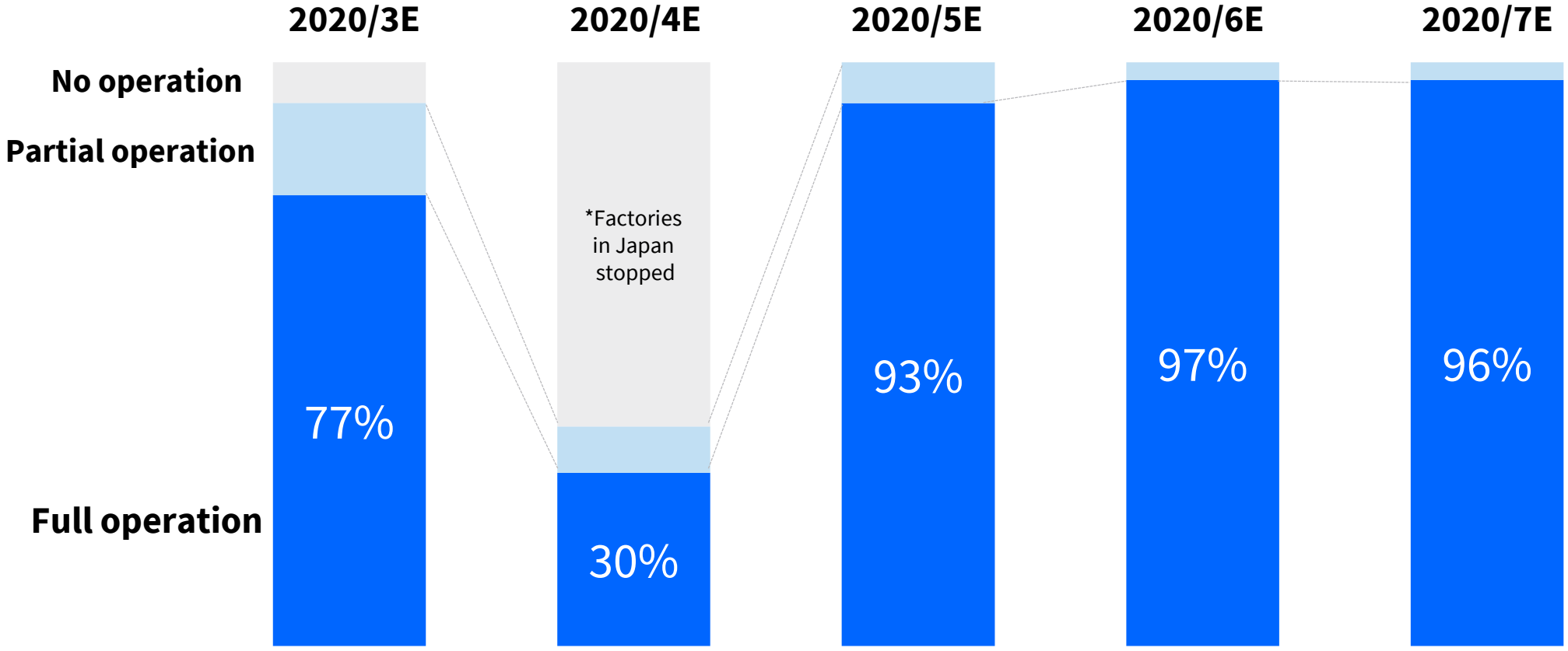
(Yen in billions)

Capital Expenditure (Commitment Basis)	FY2019 Actual	FY2020 Forecast	FY2020/Q1 Actual	Major Items in FY2020/Q1
Energy Systems & Solutions	14.4	17.0	1.7	
Infrastructure Systems & Solutions	16.5	27.0	2.4	
Building Solutions	18.8	20.0	2.1	
Retail & Printing Solutions	7.5	10.0	0.8	
Electronic Devices & Storage Solutions	33.6	43.0	8.6	Investment in manufacturing equipment of HDDs for large-capacity company
Digital Solutions	2.2	3.0	0.1	
Others	14.4	35.0	17.3	Renewal of IT system/Next generation Core IT system
<b>Total</b>	107.4	155.0	33.0	
<b>Investments and loans</b>	6.4	35.0	0.5	

# Impact of COVID-19 (Status of Supply Chain)

All factories restarted in the mid of May, however given government restrictions in each country, full operation is expected to return after August

### Operation rate of factories (Number of factory basis)



# Energy Systems & Solutions Results Breakdown

		FY2019 Actual	FY2019 Actual Core Basis	<b>FY2020 Forecast Core Basis</b>	Difference Core Basis	(Yen in billions) vs. previous forecast announced on Jun. 5 Core Basis
Energy Systems & Solutions	Net sales	568.8	571.3	<b>525.0</b>	-46.3	0.0
	Operating income (loss)	31.8	33.4	<b>36.0</b>	+2.6	0.0
	ROS	5.6%	5.8%	<b>6.9%</b>	+1.1%pt	0.0%pt
Nuclear Power Systems	Net sales	140.0	140.0	<b>164.2</b>	+24.2	0.0
	Operating income (loss)	16.2	16.2	<b>17.0</b>	+0.8	0.0
	ROS	11.6%	11.6%	<b>10.4%</b>	-1.2%pt	0.0%pt
Thermal & Hydro Power Systems	Net sales	222.5	224.7	<b>169.0</b>	-55.7	0.0
	Operating income (loss)	3.5	4.2	<b>8.3</b>	+4.1	0.0
	ROS	1.6%	1.9%	<b>4.9%</b>	+3.0%pt	0.0%pt
Transmission & Distribution Systems	Net sales	217.6	217.9	<b>208.2</b>	-9.7	0.0
	Operating income (loss)	18.4	18.5	<b>14.8</b>	-3.7	0.0
	ROS	8.5%	8.5%	<b>7.1%</b>	-1.4%pt	0.0%pt
Other	Net sales	-11.3	-11.3	<b>-16.4</b>	-5.1	0.0
	Operating income (loss)	-6.3	-5.5	<b>-4.1</b>	+1.4	0.0

\* Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

# Infrastructure Systems & Solutions Results Breakdown

## Building Solutions

(Yen in billions)

		FY2019 Actual	FY2019 Actual Core Basis	FY2020 Forecast Core Basis	Difference Core Basis	vs. previous forecast announced on Jun. 5 Core Basis
Infrastructure Systems & Solutions	Net sales	735.0	737.8	<b>731.0</b>	-6.8	0.0
	Operating income (loss)	47.7	48.7	<b>52.0</b>	+3.3	0.0
	ROS	6.5%	6.6%	<b>7.1%</b>	+0.5%pt	0.0%pt
Public Infrastructure	Net sales	423.2	424.1	<b>415.0</b>	-9.1	0.0
	Operating income (loss)	41.4	41.5	<b>35.0</b>	-6.5	0.0
	ROS	9.8%	9.8%	<b>8.4%</b>	-1.4%pt	0.0%pt
Railways and Industrial Systems *1	Net sales	382.9	384.8	<b>386.0</b>	+1.2	0.0
	Operating income (loss)	6.3	7.2	<b>17.0</b>	+9.8	0.0
	ROS	1.6%	1.9%	<b>4.4%</b>	+2.5%pt	0.0%pt
Others	Net sales	-71.1	-71.1	<b>-70.0</b>	+1.1	
Building Solutions	Net sales	570.1	578.9	<b>595.0</b>	+16.1	0.0
	Operating income (loss)	29.1	31.7	<b>48.0</b>	+16.3	0.0
	ROS	5.1%	5.5%	<b>8.1%</b>	+2.6%pt	0.0%pt
Elevator		232.9	235.8	<b>226.9</b>	-8.9	0.0
Lighting	Net sales	132.8	135.6	<b>144.2</b>	+8.6	0.0
Air Conditioning		208.1	211.2	<b>229.8</b>	+18.6	0.0

\* Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

\*1 Including loss from closed businesses

# Electronic Devices & Storage Solutions Results Breakdown

(Yen in billions)

	FY2019 Actual	FY2019 Actual Core Basis	<b>FY2020 Forecast Core Basis</b>	Difference Core Basis	vs. previous forecast announced on Jun. 5 Core Basis	
Electronic Devices & Storage Solutions	Net sales	745.6	769.4	<b>867.0</b>	+97.6	0.0
	Operating income (loss)	13.4	30.8	<b>57.0</b>	+26.2	0.0
	ROS	1.8%	4.0%	<b>6.6%</b>	+2.6%pt	0.0%pt
Semiconductor <sup>*1</sup>	Net sales	295.8	309.7	<b>352.0</b>	+42.3	0.0
	Operating income (loss)	1.3	11.5	<b>29.0</b>	+17.5	0.0
	ROS	0.4%	3.7%	<b>8.2%</b>	+4.5%pt	0.0%pt
HDDs & Others <sup>*2</sup>	Net sales	449.8	459.7	<b>515.0</b>	+55.3	0.0
	Operating income (loss)	12.1	19.3	<b>28.0</b>	+8.7	0.0
	ROS	2.7%	4.2%	<b>5.4%</b>	+1.2%pt	0.0%pt

\*1 Including sales of discrete semiconductors, systems LSIs, and those by NuFlare Technology(NFT).

\*2 Including sales of HDD, Materials & Devices, and resale of memory products.

\* Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.



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