

November 11, 2020
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Toshiba Announces Consolidated Results for the First Six Months
and the Second Quarter for Fiscal Year 2020, Ending March 2021**

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced its consolidated results for the first six months (April-September) and the second quarter (July-September) of fiscal year (FY) 2020, ending March 31, 2021.

Note:

For convenience only, all dollar figures used in reporting the second quarter of FY2020 are calculated at 106 yen to the dollar.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Sep. 30, 2020 (A)	Mar. 31, 2020 (B)	(A)-(B)	Sep. 30, 2020
Assets				
Current assets	¥2,031,699	¥2,038,099	¥(6,400)	\$19,166,972
Cash and cash equivalents	529,498	376,973	152,525	4,995,264
Notes, accounts receivable and contract assets	762,991	970,794	(207,803)	7,198,028
Inventories	518,547	482,327	36,220	4,891,953
Other current assets	220,663	208,005	12,658	2,081,727
Long-term receivables	9,532	7,315	2,217	89,925
Investments	505,327	505,387	(60)	4,767,236
Property, plant and equipment	440,170	420,297	19,873	4,152,547
Operating lease right-of-use assets	144,872	155,513	(10,641)	1,366,717
Other assets	252,984	256,822	(3,838)	2,386,641
Total assets	¥3,384,584	¥3,383,433	¥1,151	\$31,930,038
Liabilities and equity				
Current liabilities	¥1,237,029	¥1,397,917	¥(160,888)	\$11,670,085
Short-term borrowings and current portion of long-term debt	54,650	62,649	(7,999)	515,566
Notes and accounts payable	425,282	502,066	(76,784)	4,012,094
Current operating lease liabilities	42,083	44,529	(2,446)	397,009
Other current liabilities	715,014	788,673	(73,659)	6,745,416
Accrued pension and severance costs	416,371	431,632	(15,261)	3,928,028
Non-current operating lease liabilities	104,138	114,219	(10,081)	982,434
Long-term debt and other liabilities	569,344	363,239	206,105	5,371,170
Equity	1,057,702	1,076,426	(18,724)	9,978,321
Equity attributable to shareholders of the Company	935,538	939,806	(4,268)	8,825,830
Common stock	200,175	200,175	0	1,888,443
Retained earnings	1,021,178	1,031,231	(10,053)	9,633,755
Accumulated other comprehensive loss	(280,787)	(286,593)	5,806	(2,648,934)
Treasury stock	(5,028)	(5,007)	(21)	(47,434)
Equity attributable to noncontrolling interests	122,164	136,620	(14,456)	1,152,491
Total liabilities and equity	¥3,384,584	¥3,383,433	¥1,151	\$31,930,038

Breakdown of accumulated other comprehensive loss

Net unrealized gains and losses on securities	¥71	¥12	¥59	\$670
Foreign currency translation adjustments	(38,349)	(33,570)	(4,779)	(361,783)
Pension liability adjustments	(241,751)	(252,777)	11,026	(2,280,670)
Unrealized gains and losses on derivative instruments	(758)	(258)	(500)	(7,151)
Total interest-bearing debt	¥573,989	¥395,151	¥178,838	\$5,414,991

Comparative Consolidated Statements of Operations

1.First Six Months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Sales and other income					
Net sales	¥1,371,385	¥1,711,400	¥(340,015)	80%	\$12,937,594
Interest income	808	1,425	(617)	57%	7,623
Dividend income	921	1,063	(142)	87%	8,689
Equity in earnings of affiliates	7,979	—	7,979	—	75,274
Other income	34,191	14,069	20,122	243%	322,557
Costs and expenses					
Cost of sales	1,008,272	1,265,252	(256,980)	80%	9,512,000
Selling, general and administrative expenses	359,999	394,095	(34,096)	91%	3,396,217
Interest expenses	2,345	3,095	(750)	76%	22,123
Equity in losses of affiliates	—	58,737	(58,737)	—	—
Other expenses	24,617	118,951	(94,334)	21%	232,237
Income(loss) before income taxes and noncontrolling interests	20,051	(112,173)	132,224	—	189,160
Income taxes	12,516	16,603	(4,087)	75%	118,075
Net income(loss) before noncontrolling interests	7,535	(128,776)	136,311	—	71,085
Less:Net income attributable to noncontrolling interests	4,042	16,370	(12,328)	25%	38,132
Net income(loss) attributable to shareholders of the Company	¥3,493	¥(145,146)	¥148,639	—	\$32,953

Comparative Consolidated Statements of Operations

2.Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Sales and other income					
Net sales	¥771,562	¥898,242	¥(126,680)	86%	\$7,278,887
Interest income	409	637	(228)	64%	3,858
Dividend income	98	40	58	245%	925
Equity in earnings of affiliates	5,433	—	5,433	—	51,255
Other income	14,807	8,420	6,387	176%	139,689
Costs and expenses					
Cost of sales	571,439	654,693	(83,254)	87%	5,390,934
Selling, general and administrative expenses	184,374	199,324	(14,950)	92%	1,739,378
Interest expenses	1,223	1,143	80	107%	11,538
Equity in losses of affiliates	—	21,080	(21,080)	—	—
Other expenses	11,592	13,564	(1,972)	85%	109,358
Income before income taxes and noncontrolling interests	23,681	17,535	6,146	135%	223,406
Income taxes	6,971	12,003	(5,032)	58%	65,764
Net income before noncontrolling interests	16,710	5,532	11,178	302%	157,642
Less:Net income attributable to noncontrolling interests	1,869	10,450	(8,581)	18%	17,633
Net income(loss) attributable to shareholders of the Company	¥14,841	¥(4,918)	¥19,759	—	\$140,009

Comparative Consolidated Statements of Comprehensive Income

1. First Six Months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net income (loss) before noncontrolling interests	¥7,535	¥(128,776)	¥136,311	—	\$71,085
Other comprehensive income (loss) , net of tax					
Unrealized gains on securities	59	23	36	257%	557
Foreign currency translation adjustments	(4,988)	(18,002)	13,014	—	(47,057)
Pension liability adjustments	11,156	6,901	4,255	162%	105,245
Unrealized gains (losses) on derivative instruments	(504)	206	(710)	—	(4,755)
Total other comprehensive income (loss)	5,723	(10,872)	16,595	—	53,990
Comprehensive income (loss)	13,258	(139,648)	152,906	—	125,075
Less: Comprehensive income attributable to noncontrolling interests	3,959	12,598	(8,639)	31%	37,349
Comprehensive income (loss) attributable to shareholders of the Company	¥9,299	¥(152,246)	¥161,545	—	\$87,726

2. Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net income before noncontrolling interests	¥16,710	¥5,532	¥11,178	302%	\$157,642
Other comprehensive income (loss), net of tax					
Unrealized gains on securities	24	1	23	—	226
Foreign currency translation adjustments	(1,376)	(4,977)	3,601	—	(12,981)
Pension liability adjustments	4,159	3,238	921	128%	39,236
Unrealized gains (losses) on derivative instruments	(37)	2	(39)	—	(349)
Total other comprehensive income (loss)	2,770	(1,736)	4,506	—	26,132
Comprehensive income	19,480	3,796	15,684	513%	183,774
Less: Comprehensive income attributable to noncontrolling interests	1,479	9,279	(7,800)	16%	13,953
Comprehensive income (loss) attributable to shareholders of the Company	¥18,001	¥(5,483)	¥23,484	—	\$169,821

Comparative Consolidated Statements of Cash Flows

First Six Months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30			
	2020(A)	2019(B)	(A)-(B)	2020
Cash flows from operating activities				
Net income (loss) before noncontrolling interests	¥7,535	¥(128,776)	¥136,311	\$71,085
Depreciation and amortization	42,088	40,454	1,634	397,057
Equity in (earnings) losses of affiliates, net of dividends	(2,186)	61,728	(63,914)	(20,623)
(Gain) loss from sales and impairment of securities, net	(8,137)	456	(8,593)	(76,764)
Decrease in notes and accounts receivable, trade	201,010	117,357	83,653	1,896,321
Increase in inventories	(39,386)	(40,723)	1,337	(371,566)
Decrease in notes and accounts payable, trade	(70,654)	(77,234)	6,580	(666,547)
Others	(74,758)	(54,175)	(20,583)	(705,265)
Adjustments to reconcile net income before noncontrolling interests to net cash provided by operating activities	47,977	47,863	114	452,613
Net cash provided by (used in) operating activities	55,512	(80,913)	136,425	523,698
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	14,011	1,471	12,540	132,179
Acquisition of property, plant and equipment	(61,145)	(57,828)	(3,317)	(576,840)
Acquisition of intangible assets	(9,648)	(6,561)	(3,087)	(91,019)
Purchase of securities	(1,095)	(1,676)	581	(10,330)
Decrease in investments in affiliates	32	430	(398)	302
Others	9,441	3,017	6,424	89,066
Net cash used in investing activities	(48,404)	(61,147)	12,743	(456,642)
Cash flows from financing activities				
Proceeds from long-term debt	200,217	10,086	190,131	1,888,840
Repayment of long-term debt	(12,712)	(205,170)	192,458	(119,925)
Increase (decrease) in short-term borrowings, net	1,853	(16,656)	18,509	17,481
Dividends paid	(12,128)	(12,070)	(58)	(114,415)
Purchase of treasury stock, net	(21)	(241,354)	241,333	(198)
Payment of acquisition of 3 listed subsidiaries' shares to become wholly owned subsidiaries	(33,550)	-	(33,550)	(316,509)
Others	(26)	(3,778)	3,752	(246)
Net cash provided by (used in) financing activities	143,633	(468,942)	612,575	1,355,028
Effect of exchange rate changes on cash and cash equivalents	1,784	(6,176)	7,960	16,831
Net increase (decrease) in cash and cash equivalents	152,525	(617,178)	769,703	1,438,915
Cash and cash equivalents at beginning of the period	376,973	1,335,520	(958,547)	3,556,349
Cash and cash equivalents at end of the period	¥529,498	¥718,342	¥(188,844)	\$4,995,264

Note: The 3 listed subsidiaries above are Toshiba Plant System & Services Corporation, NISHISHIBA ELECTRIC CO., LTD., and NuFlare Technology, Inc.

Industry Segment Information**1.First Six Months ended September 30**

(¥ in millions, US\$ in thousands)

		Six months ended September 30				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net sales (Share of total sales)	Energy Systems & Solutions	¥190,083 (13%)	¥288,700 (16%)	¥(98,617) (-3%)	66%	\$1,793,236
	Infrastructure Systems & Solutions	288,213 (19%)	320,269 (17%)	(32,056) (2%)	90%	2,718,991
	Building Solutions	259,291 (17%)	288,727 (16%)	(29,436) (1%)	90%	2,446,142
	Retail & Printing Solutions	194,063 (13%)	252,653 (14%)	(58,590) (-1%)	77%	1,830,783
	Electronic Devices & Storage Solutions	323,957 (22%)	401,958 (22%)	(78,001) (-)	81%	3,056,198
	Digital Solutions	99,881 (7%)	140,756 (7%)	(40,875) (-)	71%	942,274
	Others	136,051 (9%)	164,174 (8%)	(28,123) (1%)	83%	1,283,498
	Total	1,491,539 (100%)	1,857,237 (100%)	(365,698)	80%	14,071,122
	Eliminations	(120,154)	(145,837)	25,683	—	(1,133,528)
	Consolidated	¥1,371,385	¥1,711,400	¥(340,015)	80%	\$12,937,594
Segment operating income (loss)	Energy Systems & Solutions	¥(7,484)	¥10,637	¥(18,121)	—	\$(70,604)
	Infrastructure Systems & Solutions	7,172	10,814	(3,642)	66%	67,660
	Building Solutions	10,314	15,716	(5,402)	66%	97,302
	Retail & Printing Solutions	(6,768)	10,419	(17,187)	—	(63,849)
	Electronic Devices & Storage Solutions	4,648	11,674	(7,026)	40%	43,849
	Digital Solutions	4,630	6,053	(1,423)	76%	43,679
	Others	(13,527)	(16,353)	2,826	—	(127,613)
	Total	(1,015)	48,960	(49,975)	—	(9,576)
	Eliminations	4,129	3,093	1,036	—	38,953
	Consolidated	¥3,114	¥52,053	¥(48,939)	6%	\$29,377

2.Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net sales (Share of total sales)	Energy Systems & Solutions	¥113,866 (14%)	¥159,489 (16%)	¥(45,623) (-2%)	71%	\$1,074,208
	Infrastructure Systems & Solutions	153,410 (18%)	171,605 (18%)	(18,195) (-)	89%	1,447,264
	Building Solutions	136,407 (16%)	147,481 (15%)	(11,074) (1%)	92%	1,286,858
	Retail & Printing Solutions	108,614 (13%)	134,356 (14%)	(25,742) (-1%)	81%	1,024,660
	Electronic Devices & Storage Solutions	198,758 (24%)	204,921 (21%)	(6,163) (3%)	97%	1,875,075
	Digital Solutions	54,800 (7%)	71,513 (7%)	(16,713) (-)	77%	516,981
	Others	73,956 (8%)	87,013 (9%)	(13,057) (-1%)	85%	697,699
	Total	839,811 (100%)	976,378 (100%)	(136,567)	86%	7,922,745
	Eliminations	(68,249)	(78,136)	9,887	—	(643,858)
	Consolidated	¥771,562	¥898,242	¥(126,680)	86%	\$7,278,887
Segment operating income (loss)	Energy Systems & Solutions	¥(10)	¥13,989	¥(13,999)	—	\$(94)
	Infrastructure Systems & Solutions	4,766	8,500	(3,734)	56%	44,962
	Building Solutions	4,718	7,647	(2,929)	62%	44,509
	Retail & Printing Solutions	(2,513)	6,211	(8,724)	—	(23,708)
	Electronic Devices & Storage Solutions	9,286	10,468	(1,182)	89%	87,604
	Digital Solutions	3,363	3,847	(484)	87%	31,726
	Others	(5,509)	(7,098)	1,589	—	(51,971)
	Total	14,101	43,564	(29,463)	32%	133,028
	Eliminations	1,648	661	987	—	15,547
	Consolidated	¥15,749	¥44,225	¥(28,476)	36%	\$148,575

Notes:

- 1) Segment sales total includes intersegment transactions.
- 2) Segment operating income (loss) is derived by deducting the segment's cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as legal settlement costs have been excluded from segment operating income (loss) presentation herein.

Net Sales by Region

1.First Six months ended September 30

(¥ in millions, US\$ in thousands)

		Six months ended September 30				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Japan		¥779,308 (57%)	¥965,961 (56%)	¥(186,653) (1%)	81%	\$7,351,962
Overseas		592,077 (43%)	745,439 (44%)	(153,362) (-1%)	79%	5,585,632
	Asia	337,095 (25%)	420,405 (25%)	(83,310) (-)	80%	3,180,142
	North America	138,777 (10%)	159,925 (9%)	(21,148) (1%)	87%	1,309,217
	Europe	82,361 (6%)	107,379 (6%)	(25,018) (-)	77%	776,991
	Others	33,844 (2%)	57,730 (4%)	(23,886) (-2%)	59%	319,282
Net Sales		¥1,371,385 (100%)	¥1,711,400 (100%)	¥(340,015)	80%	\$12,937,594

2.Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Japan		¥428,685 (56%)	¥519,562 (58%)	¥(90,877) (-2%)	83%	\$4,044,198
Overseas		342,877 (44%)	378,680 (42%)	(35,803) (2%)	91%	3,234,689
	Asia	198,895 (26%)	212,287 (24%)	(13,392) (2%)	94%	1,876,368
	North America	76,194 (10%)	80,411 (9%)	(4,217) (1%)	95%	718,811
	Europe	48,626 (6%)	54,205 (6%)	(5,579) (-)	90%	458,736
	Others	19,162 (2%)	31,777 (3%)	(12,615) (-1%)	60%	180,774
Net Sales		¥771,562 (100%)	¥898,242 (100%)	¥(126,680)	86%	\$7,278,887

Note: Net sales by region is determined based upon the locations of the customers.

Others

- (1) Changes in significant subsidiaries during the period (changes in Specified Subsidiaries (“Tokutei Kogaisha”) involving changes in the scope of consolidation):
None.
- (2) Use of simplified accounting procedures, and particular accounting procedures in preparation of quarterly consolidated financial statements:

Income taxes

Interim income tax expense (benefit) is computed by multiplying income (loss) before income taxes and noncontrolling interests for the six-months period ending September 30, 2020 by a reasonably estimated annual effective tax rate after applying the effect of deferred taxes for FY2020, ending March 31, 2021.

If a reliable estimate cannot be made as in the circumstances that the annual estimated ordinary pretax income (loss) approximates break-even or is forecasted negative, the Company utilizes the actual year-to-date effective tax rate.

Disclaimer:

This report of business results contains forward-looking statements concerning future plans, strategies and forecasts of Toshiba Group business results. These statements are based on management’s assumptions and beliefs in light of the economic, financial and other data currently available. Since Toshiba Group is promoting business under various market environments in many countries and regions, they are subject to a number of their risks and uncertainties. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations. Major risk factors that may have a material influence on results are indicated below, although this list is not necessarily exhaustive.

- Major disasters, including earthquakes and typhoons;
- Disputes, including lawsuits, in Japan and other countries;
- Success or failure of alliances or joint ventures promoted in collaboration with other companies;
- Success or failure of new businesses or R&D investment;
- Changes in political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Rapid changes in the supply and demand situation in major markets and intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.