

TOSHIBA

FY2020 Second Quarter Consolidated Business Results

Masaharu Kamo

Executive Officer

**Corporate Senior Vice President
Toshiba Corporation**

November 11, 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 numbers are consolidated totals for the first six months of FY2020, unless otherwise stated.
- Results in segments have been reclassified to reflect the current organizational structure as of September 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* increased**
 - FY2019/H1 59.2 billion yen → FY2020/H1 81.1 billion yen
- **No divergence in impact of COVID-19 in FY2020/H1 from previous forecast announced on Aug. 12**
 - Impact on FY2020/H1 performance
Previous forecast announced on Aug.12 -71.3 billion yen → Actual -70.2 billion yen
- **YoY operating income decreased, however improved vs. previous forecast announced on Aug. 12**
 - FY2019/H1 52.1 billion yen → FY2020/H1 3.1 billion yen
- **YoY free cash flow improved**
 - FY2019/H1 -142.1 billion yen (onetime factors -127.8 billion yen) → FY2020/H1 7.1 billion yen
- **Amount of orders received remained steady (YoY +6%)**
- **Dividend forecast increased by 20 yen**
 - Mid-term Dividend: 10 yen, Year-end Dividend(forecast): 30 yen, Full year 40 yen (YoY increased 20 yen)

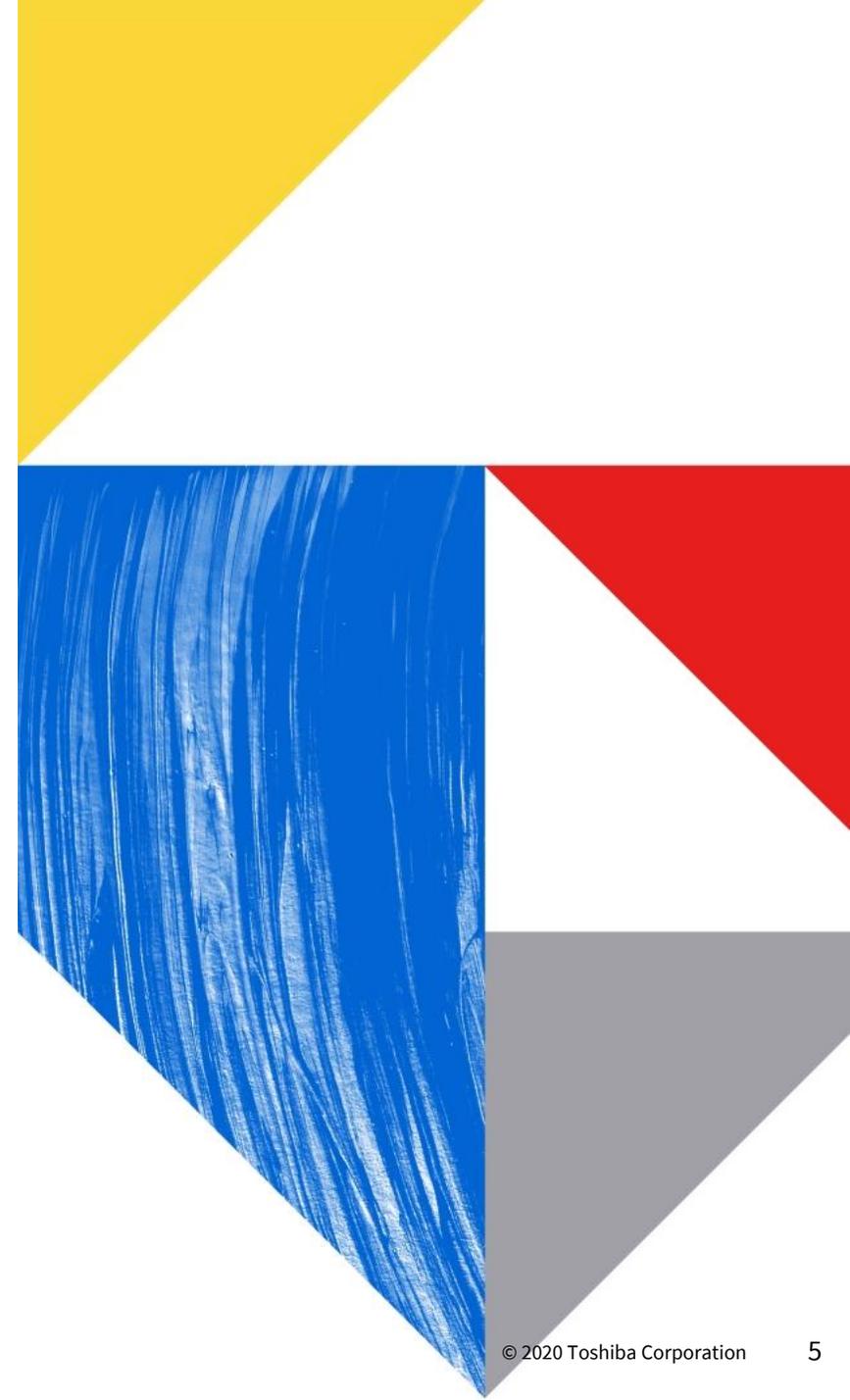
* Core operating income (loss) means operating income (loss) which is disclosed in the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.

Agenda

- 01 **Overall Business Results**
- 02 **Business Results by Segment**
- 03 **Supplementary Information**
- 04 **FY2020 Forecast**
- 05 **Toshiba's New Business Segments
Current Status and Forecast**

01

Overall Business Results



FY2020/H1 Income (Loss) Items

YoY core operating income increased, YoY operating income decreased due to the impact of COVID-19 but remained profitable

	FY2019/H1	FY2020/H1	Difference	(Yen in billions, except earnings (losses) per share) Contributing Factors (↗): Better (↘): Worse
				(↘) Impact of COVID-19 -227.5, Impact of exchange rate changes -15.0
Net sales	1,711.4	1,371.4	-340.0	Excluding (↗) Building SL, Electronic Devices & Storage SL, Others
Growth rate			-20%	(↘) Energy Systems & SL, Infrastructure Systems & SL, Digital SL, Retail & Printing SL
Core operating income (loss) ^{*1}	59.2	81.1	+21.9	(↗) Infrastructure Systems & SL, Building SL, Retail & Printing SL, Electronic Devices & Storage SL, Digital SL, Others
ROS ^{*2}	3.5%	5.1%	+1.6%pt	(↘) Energy Systems & SL, Impact of exchange rate changes -2.2
Restructuring cost etc.	-7.1	-7.8	-0.7	
Impact of COVID-19	0.0	-70.2	-70.2	
Operating income (loss)	52.1	3.1	-49.0	(↗) Core operating income (loss) +21.9
ROS	3.0%	0.2%	-2.8%pt	(↘) Impact of COVID-19 -70.2
EBITDA ^{*3}	92.5	45.2	-47.3	
EBITDA margin	5.4%	3.3%	-2.1%pt	
Income (loss) before income taxes	-112.2	20.1	+132.3	(↗) Loss from the transfer of LNG Business +89.2 (FY19/H1 -89.2) Change in equity earnings(losses) from Kioxia +64.1 (FY19/H1 Actual -61.3 → FY20/H1 Actual 2.8)
Net income (loss)	-145.1	3.5	+148.6	
Earnings (losses) per share attributable to shareholders of the Company	-283.95 yen	7.70 yen	+291.65 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.

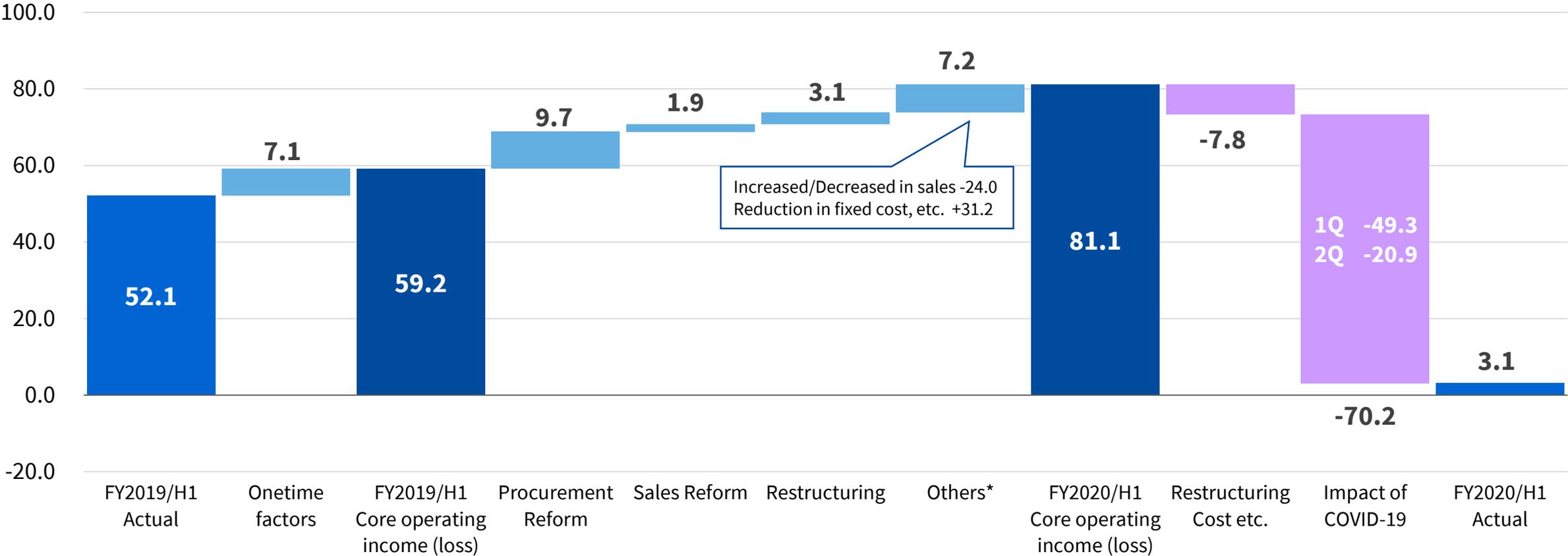
*2 ROS= Core operating income (loss) / Net sales which is disclosed in the annual securities report and the quarterly securities report, excluding impact of COVID-19

*3 EBITDA = Operating income (loss) + Depreciation

Operating Income (Loss), FY2019/H1 to FY2020/H1 Analysis

YoY core operating income increased due to strengthened core earning power and reduction in fixed costs, YoY operating income decreased due to the impact of COVID-19, however improved vs. previous forecast announced on Aug. 12

(Yen in billions)



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

Impact of COVID-19 (impact on FY2020/Q2 performance)

No divergence in impact on FY20/Q2 from previous forecast announced on Aug. 12

Business Segment	Major Reasons	Financial Impact FY20/Q2	FY20/H1
Devices & Storage	Delays in submission of HDDs sample for data center, Delays in products approval from customers	-5.7 B yen	-30.9 B yen
Building	Postponement of projects, and Delays in installation work, etc.	- 4.6 B yen	-8.3 B yen
Retail & Printing	Decreased demand of MFP and POS system, and Restriction of sales activities, etc.	-4.2 B yen	-15.0 B yen
Energy System	Delays in installation work and Deterioration of operation rate in overseas factories, etc.	- 3.2 B yen	-4.4 B yen
Other Segments		-3.2 B yen	-11.6 B yen
Total		-20.9 B yen vs. previous forecast +1.1 B yen	-70.2 B yen

Non-operating Income (Loss)

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

(Yen in billions)

	FY2019/H1	FY2020/H1	Difference	
Net financial income (loss)	-0.6	-0.6	0.0	
Foreign exchange income (loss)	-3.2	0.7	+3.9	
Income (loss) on sale or disposal of fixed assets	-1.1	-1.9	-0.8	
Income (loss) on sale of securities	-0.2	^{*1} 8.5	+8.7	^{*1} Price adjustment in relation to the transfer of Toshiba Client Solutions Co., Ltd. (Currently Dynabook Inc.) etc.: 7.1
Settlement costs of lawsuits	-5.9	-1.6	+4.3	
Equity in earnings (losses) of affiliates	-58.7	8.0	^{*2} +66.7	^{*2} Change in equity earnings(losses) from Kioxia: +64.1 (FY19/H1 Actual -61.3 → FY20/H1 Actual 2.8)
Others	^{*3} -94.6	3.9	+98.5	^{*3} Loss from the transfer of LNG Business (FY19/H1 -89.2)
Total	-164.3	17.0	+181.3	

- 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/H1 Cash Flow/Balance Sheet Items

(Yen in billions)

	FY2019/H1	FY2020/H1	Difference	Contributing Factors
Free cash flows	-142.1	7.1	+149.2 (↗)	Impact of onetime factors in previous year
	2020/3E	2020/9E	Difference	Contributing Factors
Equity attributable to shareholders of the Company	939.8	935.5	-4.3 (↘)	(↗) Net income (loss) +3.5 (↘) Impact of acquisition of 3 listed subsidiaries' shares to become wholly owned subsidiaries -8.9
Shareholders' equity ratio	27.8%	27.6%	-0.2%pt	Dividend -4.5
Net interest-bearing debt *	18.2	44.5	+26.3 (↗)	Free cash flows +7.1
Net debt-to-equity ratio	2%	5%	+3%pt (↘)	Impact of acquisition of 3 listed subsidiaries' shares to become wholly owned subsidiaries -33.6
Net interest-bearing debt *	-140.5	-101.7	+38.8	
Net debt-to-equity ratio (Excluding operating leases liabilities)	-15%	-11%	+4%pt	
Exchange rate(US\$) as of the period-end	109 yen	106 yen	-3 yen	

(↗): Better
(↘): Worse

* 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/H1	FY2020/H1	Difference
Cash flows from operating activities	-80.9	55.5	+136.4
Cash flows from investing activities	-61.2	-48.4	+12.8
Free cash flows	-142.1	7.1	+149.2
(Reference)			
Onetime factors *			
Cash flows from operating activities	*1 -127.8	*2 -15.8	+112.0
Cash flows from investing activities	0.0	*3 15.7	+15.7
Free cash flows	-127.8	-0.1	+127.7
Cash flows excluding onetime factors *			
Cash flows from operating activities	46.9	71.3	+24.4
Cash flows from investing activities	-61.2	-64.1	-2.9
Free cash flows	-14.3	7.2	+21.5

EBITDA → CF from operating activities	
EBITDA	45.2
Payment of Loss making projects	-5.0
Tax	-29.1
Others*4	+60.2
CF from operating activities	71.3

*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 Loss from the transfer of LNG Business, Payment shift

*2 Impact of trade term improvements on behalf of subcontractors

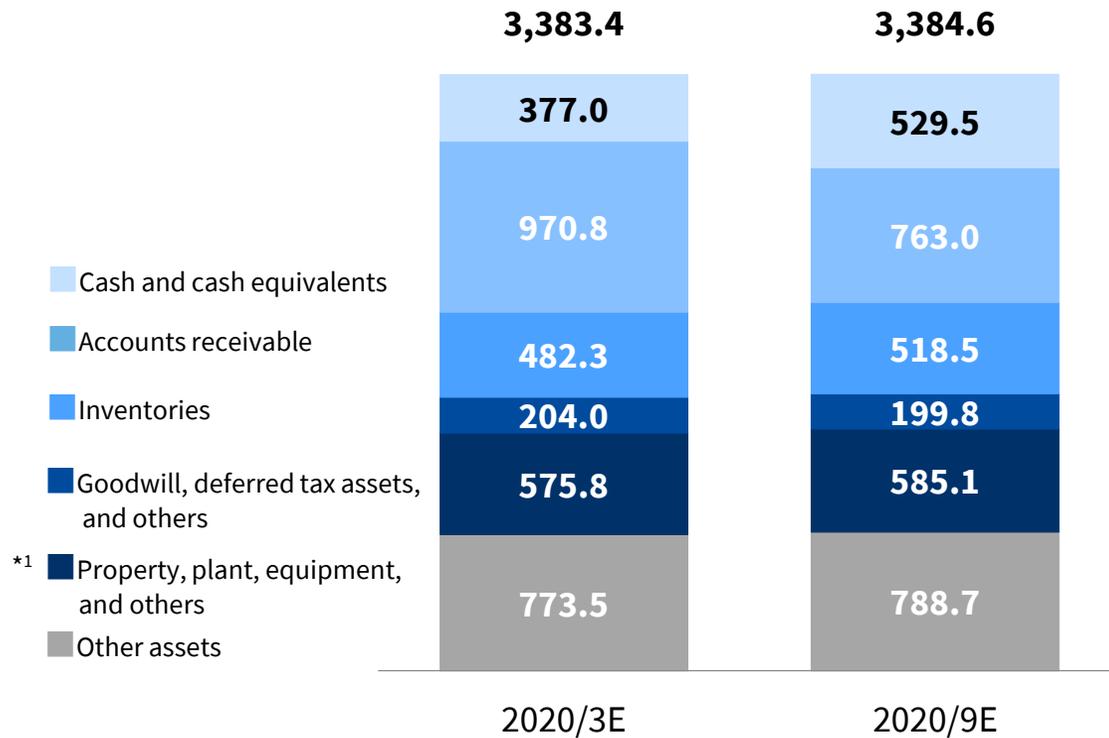
*3 Partial transfer of marketable securities, Price adjustment in relation to the transfer of Toshiba Client Solutions Co., Ltd. (Currently Dynabook Inc.) etc.

*4 Mainly improvement of working capital

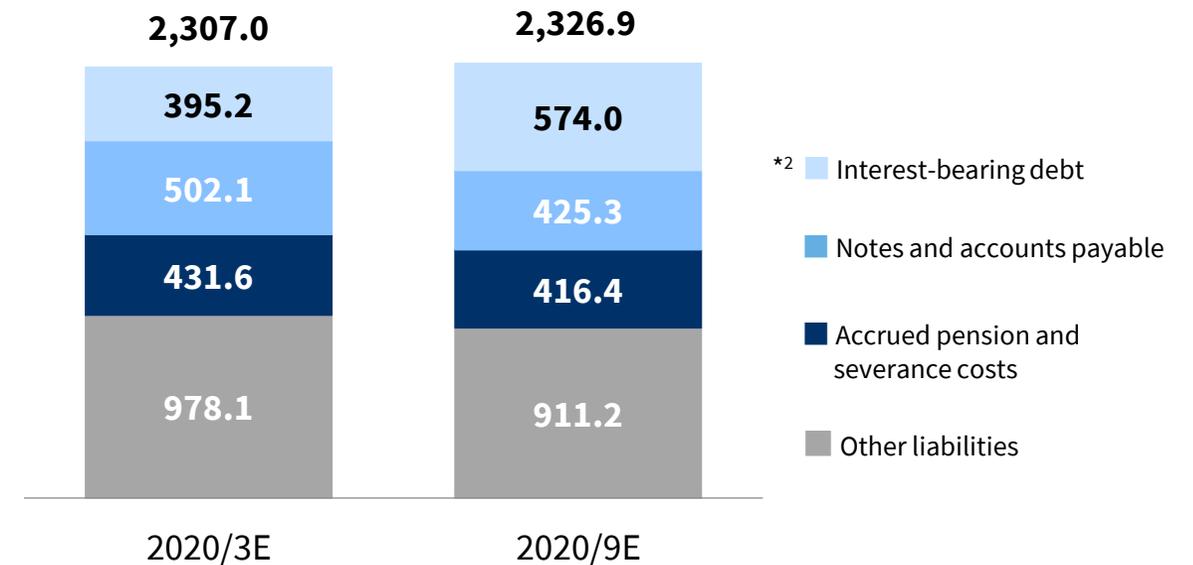
Balance Sheet

(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, 2020/9E 144.9 billion yen)

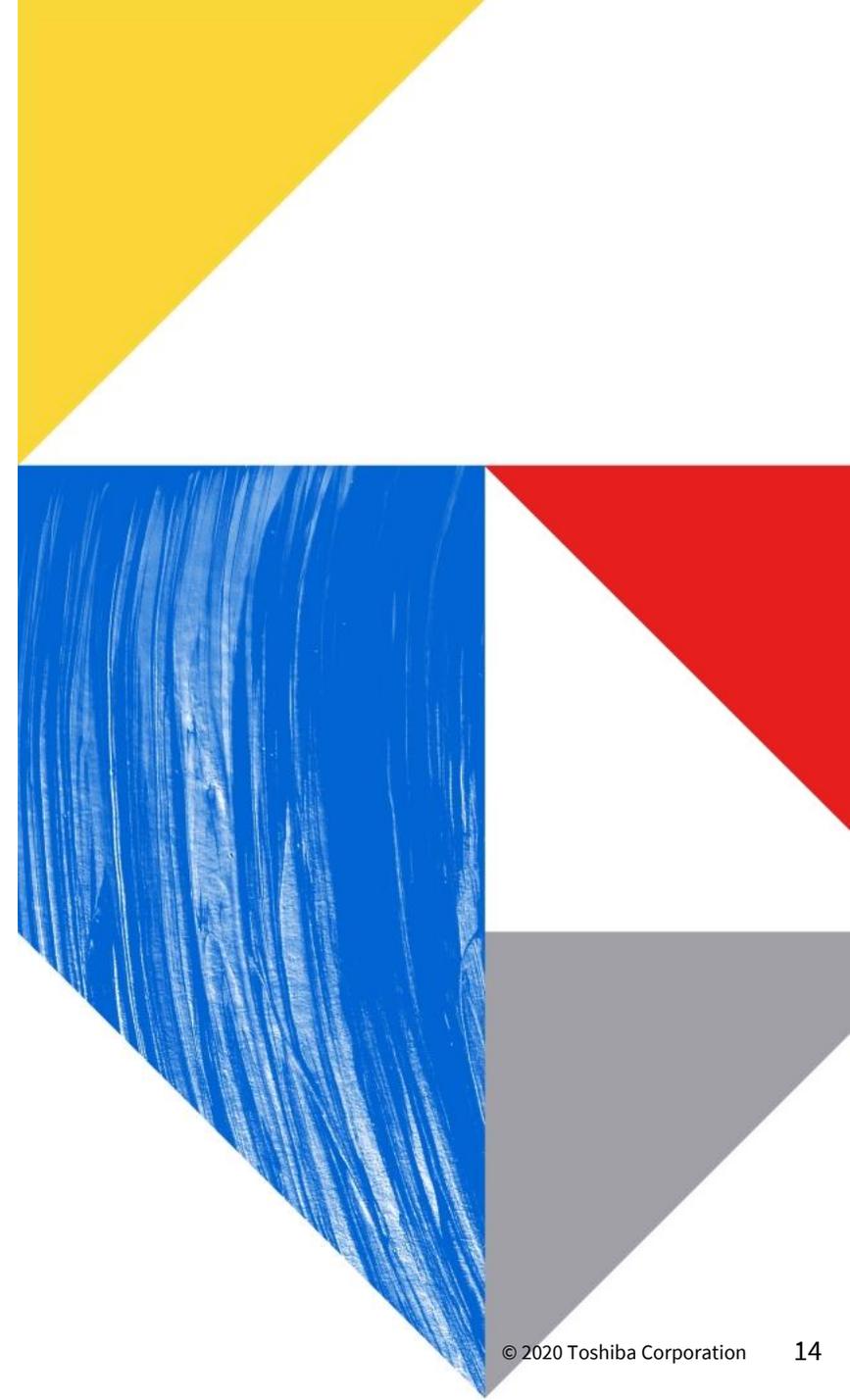
*2 Including operating leases liabilities
(2020/3E 158.7 billion yen, 2020/9E 146.2 billion yen)

FY2020/H1 Detailed Items

	FY2019/H1	FY2020/H1	Difference	(Yen in billions, except earnings (losses) per share)
Net sales	1,711.4	1,371.4	-340.0	
Operating income (loss)	52.1	3.1	-49.0	
Non-operating income (loss)	-164.3	17.0	+181.3	
Income (loss) before income taxes	-112.2	20.1	+132.3	
Tax expenses	-16.6	-12.6	+4.0	
Net income (loss) before noncontrolling interests	-128.8	7.5	+136.3	
Net income(loss) attributable to noncontrolling interests	-16.3	-4.0	+12.3	
Net income (loss)	-145.1	3.5	+148.6	
Earnings (losses) per share attributable to shareholders of the Company	-283.95 yen	7.70 yen	+291.65 yen	
Free cash flows	-142.1	7.1	+149.2	
	2020/3E	2020/9E	Difference	
Equity attributable to shareholders of the Company	939.8	935.5	-4.3	
Shareholders' equity ratio	27.8%	27.6%	-0.2%pt	
Net assets	1,076.4	1,057.7	-18.7	
Net interest-bearing debt	18.2	44.5	+26.3	
Net debt-to-equity ratio	2%	5%	+3%pt	
Exchange rate(US\$) as of the period-end	109 yen	106 yen	-3 yen	

02

Business Results by Segment



FY2020/H1 Consolidated Business Results by Segment

(Yen in billions)

		FY2019/H1	FY2019/H1 Core Basis	FY2020/H1	FY2020/H1 Core Basis	Difference Core Basis	growth rate	FY20/H1 Restructuring cost etc.	FY20/H1 Impact of COVID-19
Energy Systems & Solutions	Net sales	288.7	288.7	190.1	202.4	-86.3	-30%		-12.3
	Operating income (loss)	10.6	10.6	-7.5	-2.0	-12.6		-1.1	-4.4
	ROS	3.7%	3.7%	-3.9%	-1.0%	-4.7%pt			
Infrastructure Systems & Solutions	Net sales	320.3	320.3	288.2	304.2	-16.1	-5%		-16.0
	Operating income (loss)	10.8	10.8	7.2	13.4	+2.6			-6.2
	ROS	3.4%	3.4%	2.5%	4.4%	+1.0%pt			
Building Solutions	Net sales	288.7	288.7	259.3	291.1	+2.4	+1%		-31.8
	Operating income (loss)	15.7	16.3	10.3	18.6	+2.3			-8.3
	ROS	5.4%	5.6%	4.0%	6.4%	+0.8%pt			
Retail & Printing Solutions	Net sales	252.7	252.7	194.1	238.5	-14.2	-6%		-44.4
	Operating income (loss)	10.4	10.9	-6.8	14.8	+3.9		-6.6	-15.0
	ROS	4.1%	4.3%	-3.5%	6.2%	+1.9%pt			
Electronic Devices & Storage Solutions	Net sales	402.0	402.0	324.0	430.4	+28.4	+7%		-106.4
	Operating income (loss)	11.7	16.6	4.6	35.5	+18.9			-30.9
	ROS	2.9%	4.1%	1.4%	8.2%	+4.1%pt			
Digital Solutions	Net sales	140.8	140.8	99.9	111.4	-29.4	-21%		-11.5
	Operating income (loss)	6.1	7.2	4.6	8.2	+1.0		-0.1	-3.5
	ROS	4.3%	5.1%	4.6%	7.4%	+2.3%pt			
Others	Net sales	164.0	164.0	135.9	141.0	-23.0	-14%		-5.1
	Operating income (loss)	-16.3	-16.3	-13.4	-11.5	+4.8			-1.9
Eliminations	Net sales	-145.8	-145.8	-120.1	-120.1	+25.7			
	Operating income (loss)	3.1	3.1	4.1	4.1	+1.0			
Total	Net sales	1,711.4	1,711.4	1,371.4	1,598.9	-112.5	-7%		-227.5
	Operating income (loss)	52.1	59.2	3.1	81.1	+21.9		-7.8	-70.2
	ROS	3.0%	3.5%	0.2%	5.1%	+1.6%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/H1	FY2019/H1 Core Basis	FY2020/H1	FY2020/H1 Core Basis	Difference Core Basis	Contributing Factors
Energy Systems & Solutions	Net sales	288.7	288.7	190.1	202.4	-86.3	Impact of exchange rate changes: -3.0
	Operating income (loss)	10.6	10.6	-7.5	-2.0	-12.6	Impact of exchange rate changes: +0.2
	ROS	3.7%	3.7%	-3.9%	-1.0%	-4.7%pt	
	FCF by segment			10.1			
Nuclear Power Systems	Net sales	59.3	59.3	45.9	45.9	-13.4	(↓) Lower sales due to difference in progress of projects to enhance safety measures
	Operating income (loss)	6.9	6.9	-4.3	-4.2	-11.1	(↓) Lower operating income due to lower sales FY19/H1 Settlement of the past projects in overseas
	ROS	11.6%	11.6%	-9.4%	-9.2%	-20.8%pt	
Thermal & Hydro Power Systems	Net sales	117.0	117.0	76.2	83.1	-33.9	(↓) Reduction in thermal power construction projects
	Operating income (loss)	-2.8	-2.8	2.6	6.7	+9.5	(↗) Increased operating income due to reduction of unprofitable projects
	ROS	-2.4%	-2.4%	3.4%	8.1%	+10.5%pt	(↓) Lower operating income due to lower sales
Transmission & Distribution Systems	Net sales	121.2	121.2	69.7	75.1	-46.1	(↓) Transmission & Distribution Systems Renewable energy business (PV)
	Operating income (loss)	7.8	7.8	-4.2	-3.0	-10.8	(↓) Lower operating income due to unprofitable projects Lower operating income due to lower sales
	ROS	6.4%	6.4%	-6.0%	-4.0%	-10.4%pt	
Others	Net sales	-8.8	-8.8	-1.7	-1.7	+7.1	
	Operating income (loss)	-1.3	-1.3	-1.6	-1.5	-0.2	

- 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.
- 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.

Infrastructure Systems & Solutions Results Breakdown

Building Solutions

(Yen in billions)

		FY2019/H1	FY2019/H1 Core Basis	FY2020/H1	FY2020/H1 Core Basis	Difference Core Basis	Contributing Factors
Infrastructure Systems & Solutions	Net sales	320.3	320.3	288.2	304.2	-16.1	Impact of exchange rate changes: -1.5
	Operating income (loss)	10.8	10.8	7.2	13.4	+2.6	Impact of exchange rate changes: -0.2
	ROS	3.4%	3.4%	2.5%	4.4%	+1.0%pt	Restructuring: +0.5
	FCF by segment			36.1			
Public Infrastructure	Net sales	170.3	170.3	150.6	157.0	-13.3	(↓) Lower sales in the social systems business (↑) Higher sales in the defense and electronic systems business
	Operating income (loss)	6.2	6.2	3.8	5.7	-0.5	(↓) Lower operating income due to lower sales in the social systems business
	ROS	3.6%	3.6%	2.5%	3.6%	0.0%pt	(↑) Higher operating income in the defense and electronic systems business due to higher sales and reduction of fixed cost
Railways and Industrial Systems	*1 Net sales	183.5	183.5	164.6	174.2	-9.3	(↓) Lower sales in the industrial system business
	Operating income (loss)	4.6	4.6	3.4	7.7	+3.1	(↑) Improved profitability due to changes in product mix and reduction of fixed cost
	ROS	2.5%	2.5%	2.1%	4.4%	+1.9%pt	
Others	Net sales	-33.5	-33.5	-27.0	-27.0	+6.5	
Building Solutions	Net sales	288.7	288.7	259.3	291.1	+2.4	Impact of exchange rate changes: -3.4 (↑) Air conditioning, Lighting (↓) Elevator and escalator (Japan)
	Operating income (loss)	15.7	16.3	10.3	18.6	+2.3	Impact of exchange rate changes: -0.3 Restructuring: +0.6
	ROS	5.4%	5.6%	4.0%	6.4%	+0.8%pt	(↑) Lighting, Elevator and escalator (Overseas) (↓) Elevator and escalator (Japan)
	FCF by segment			24.2			

*1 Including loss from closed businesses

• 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.

• 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.

Electronic Devices & Storage Solutions Results Breakdown

(Yen in billions)

		FY2019/H1	FY2019/H1 Core Basis	FY2020/H1	FY2020/H1 Core Basis	Difference Core Basis	Contributing Factors
Electronic Devices & Storage Solutions	Net sales	402.0	402.0	324.0	430.4	+28.4	Impact of exchange rate changes: -4.5
	Operating income (loss)	11.7	16.6	4.6	35.5	+18.9	Impact of exchange rate changes: -1.6
	ROS	2.9%	4.1%	1.4%	8.2%	+4.1%pt	Restructuring: +0.1
	FCF by segment			-27.1			
Semiconductor* ¹	Net sales	159.7	159.7	147.9	176.3	+16.6	(↗) (D) Market recovery in devices for automotive
	Operating income (loss)	8.0	8.0	4.1	19.5	+11.5	(↗) (D) Higher operating income due to higher sales
	ROS	5.0%	5.0%	2.8%	11.1%	+6.1%pt	(↗) (S) Restructuring
HDDs & Others* ²	Net sales	242.3	242.3	176.1	254.1	+11.8	(↗) (H) Increased sales in large-capacity HDDs
	Operating income (loss)	3.7	8.6	0.5	16.0	+7.4	(↗) (H) Higher operating income due to higher sales and reduction of expenses
	ROS	1.5%	3.5%	0.3%	6.3%	+2.8%pt	

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

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

(D): Discrete semiconductors
(S): System LSIs
(N): NuFlare Technology
(H): HDDs
(R): 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.
- 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.

Retail & Printing Solutions

Digital Solutions

		FY2019/H1	FY2019/H1 Core Basis	FY2020/H1	FY2020/H1 Core Basis	Difference Core Basis	Contributing Factors	(Yen in billions)
Retail & Printing Solutions	Net sales	252.7	252.7	194.1	238.5	-14.2 (↓) (R) Lower sales (↓) (P) Lower sales	Impact of exchange rate changes: -2.6	
	Operating income (loss)	10.4	10.9	-6.8	14.8	+3.9 Restructuring: +1.5 (↓) (R) Lower operating income	Impact of exchange rate changes: -0.3	
	ROS	4.1%	4.3%	-3.5%	6.2%	+1.9%pt (↗) (P) Higher operating income		
	FCF by segment			-15.2				
							(R): Retail business (P): Printing business	
		FY2019/H1	FY2019/H1 Core Basis	FY2020/H1	FY2020/H1 Core Basis	Difference Core Basis	Contributing Factors	
Digital Solutions	Net sales	140.8	140.8	99.9	111.4	-29.4 (↓) System-related projects to the public sector Impact of the sale of business in affiliates Impact of transactions at TSC* ¹ -21.5	Impact of exchange rate changes: ±0.0	
	Operating income (loss)	6.1	7.2	4.6	8.2	+1.0 Restructuring: +0.4 (↗) Reduction of fixed cost	Impact of exchange rate changes: ±0.0	
	ROS	4.3%	5.1%	4.6%	7.4%	+2.3%pt (↓) Impact of transactions at TSC* ¹ -0.9		
	FCF by segment			5.1				

TSC: Toshiba IT-Services Corporation

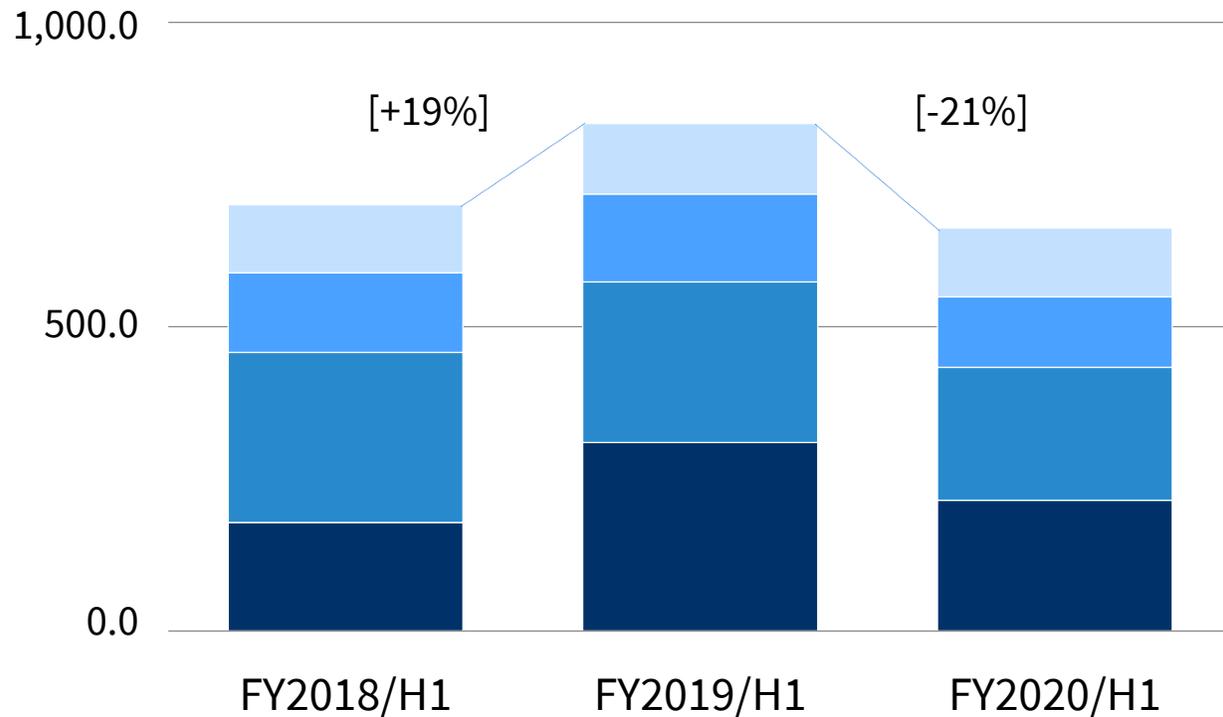
- Core Basis means operating income (loss) which is disclosed in the annual securities report and the quarterly securities report, excluding restructuring cost etc. and impact of COVID-19.
- Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate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

*¹ These are transactions in Toshiba IT-Services Corporation, which were disclosed on February 14, 2020. 21.5 billion yen in net sales and 0.9 billion yen in operating profit related to these transactions were included in FY2019/H1, whereas the adjustments were made in FY2019/Q3.

Amount of Orders Received, Order Backlog

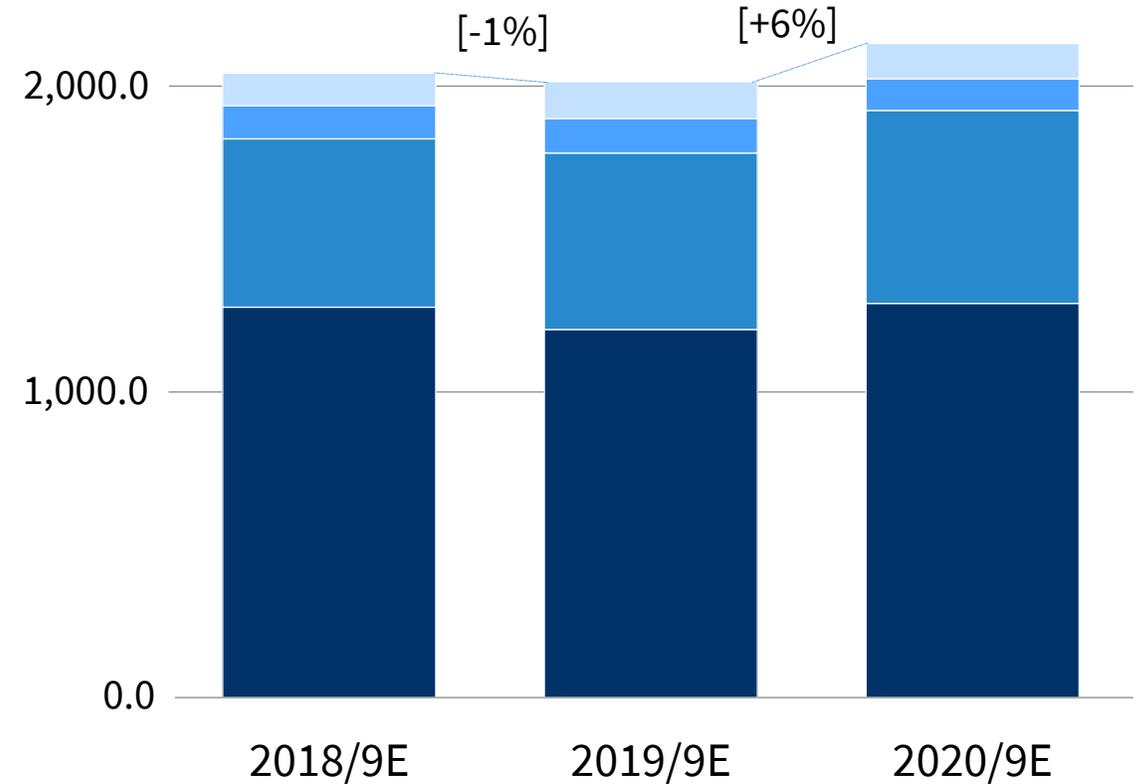
Amount of orders received remains consistent in comparison to previous years and order backlog remained steady

Amount of Orders Received



Order Backlog

(Yen in billions)

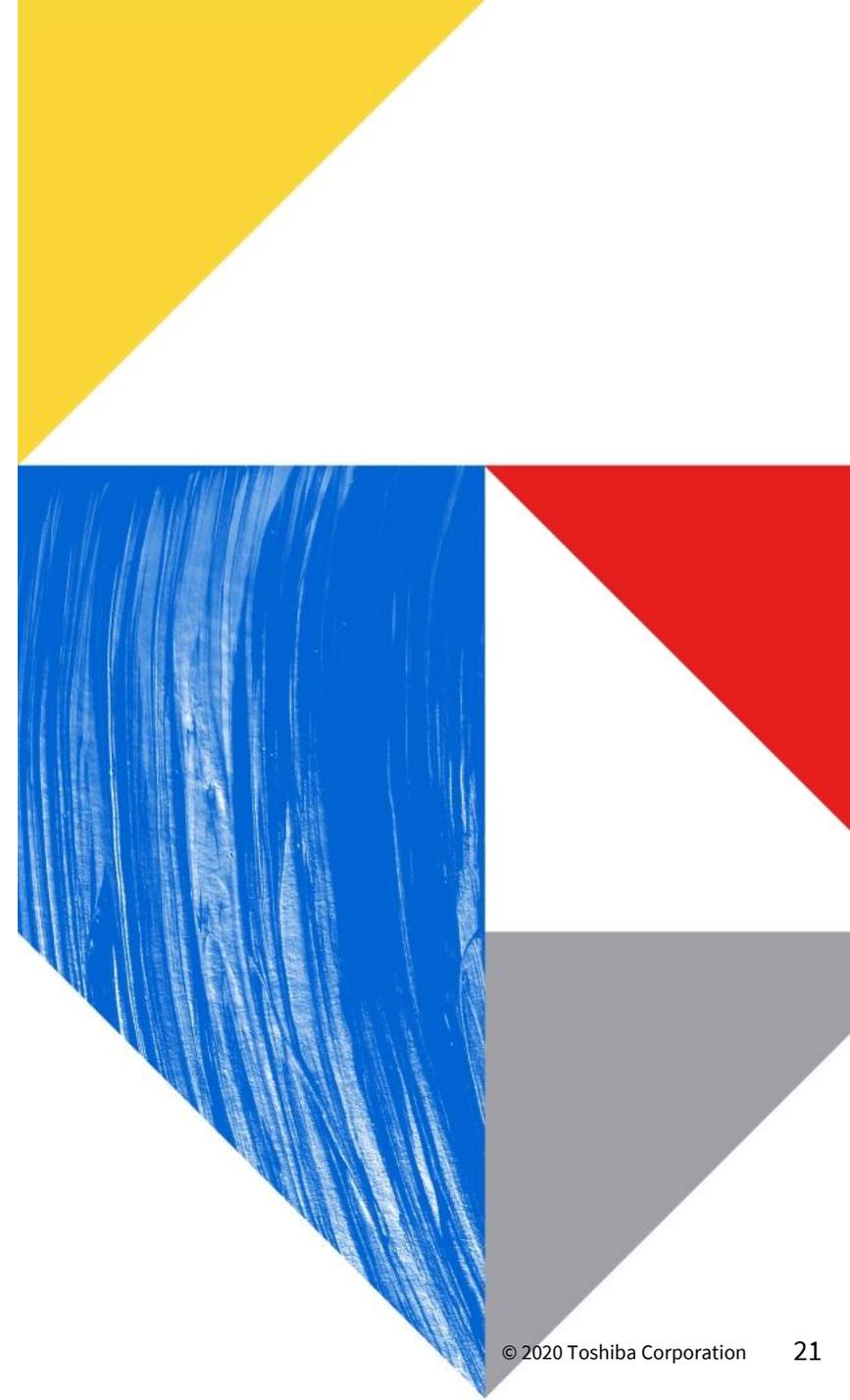


- Elevator (Building SL)
- Digital SL
- Infrastructure Systems & SL
- Energy Systems & SL

- “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 quarterly securities report (*Shihanki hokokusho*).
- Historical results up until FY2018 have been restated to reflect the FY2019 organizational structure.

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
FY2019 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
FY2020 Q1 Actual	1.1	-7.5		8.6
Q2 Actual	1.7	-7.8		9.5

(Reference) Bit Growth and change in ASP

	Bit Growth (vs. the previous quarter)	ASP (vs. the previous quarter)
FY2019 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 %
FY2020 Q1 Actual	Decreased lower-single digit %	Increased lower-single digit %
Q2 Actual	Increased mid-20% range	Decreased higher-single digit %

Data provided by Kioxia

[Forecast]

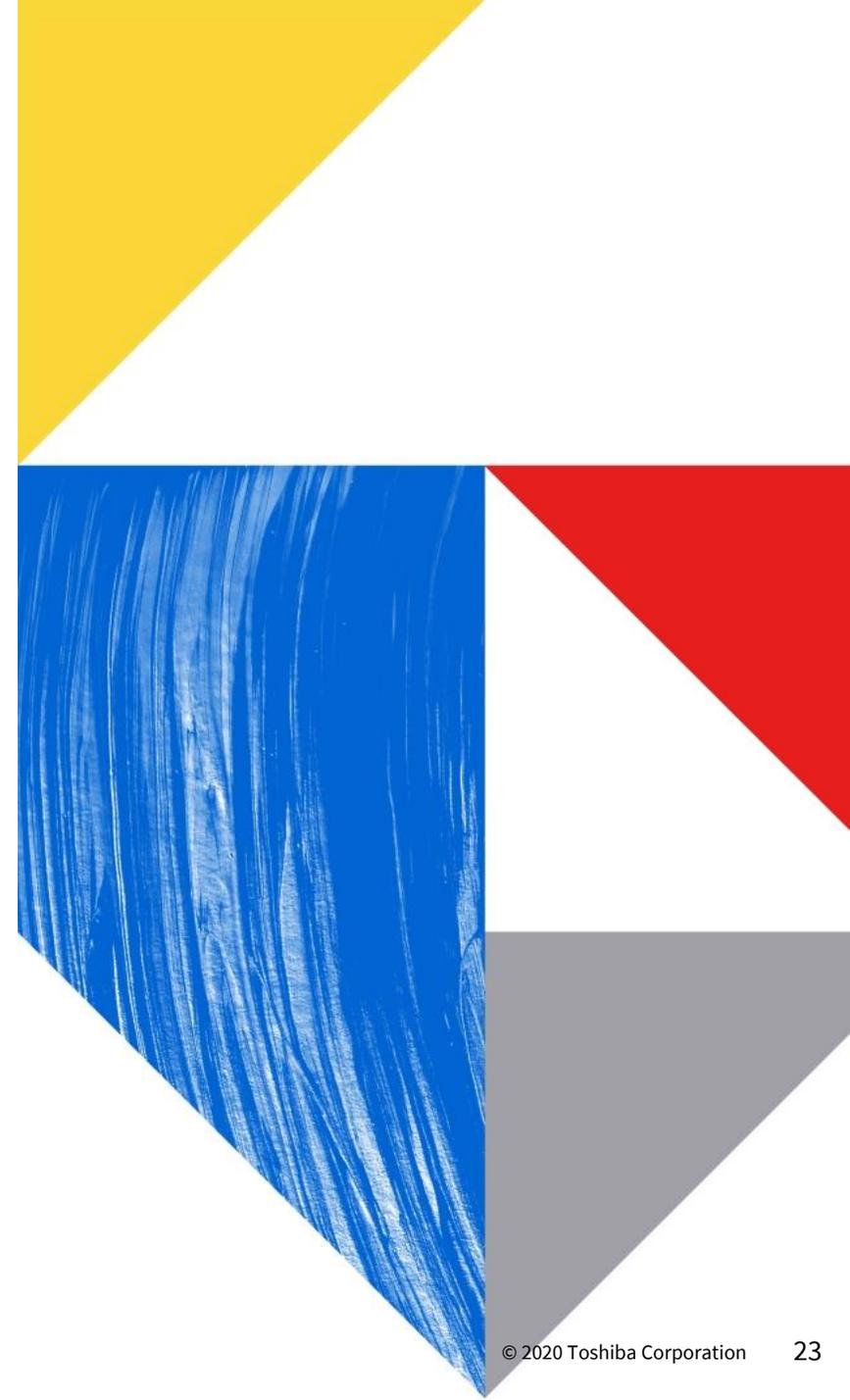
Toshiba does not receive any information related to forecast of equity earnings (losses) by Kioxia. Only the actual results of Kioxia will be explained as part of the consolidated business results.

➔ The FY2020 forecast only includes the actual FY2020/H1 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, its business performance is not discussed.

04

FY2020 Forecast



Overall

(Yen in billions)

	FY2019 Actual	FY2020 Forecast	Difference	vs. previous forecast announced on Aug.12		2020/3E Actual	2021/3E Forecast	Difference	vs. previous forecast announced on Aug.12
Net sales	3,389.9	3,090.0	-299.9	-90.0	Equity attributable to shareholders of the Company	* 939.8	970.0	+30.2	0.0
Growth rate			-9%		Shareholders' equity ratio	27.8%	27.7%	-0.1%pt	0.0%pt
Core operating income (loss)	161.6	220.0	+58.4	0.0	Net interest-bearing debt	* 18.2	140.0	+121.8	-20.0
ROS *1	4.7%	6.5%	+1.8%pt	+0.1%pt	Net debt-to-equity ratio	2%	14%	+12%pt	-2%pt
Restructuring cost etc.	-10.8	-20.0	-9.2	0.0	Exchange rate(US\$) as of the period-end	109 yen	105 yen	-4 yen	0 yen
Impact of COVID-19	-20.3	-90.0	-69.7	0.0					
Operating income (loss)	130.5	110.0	-20.5	0.0					
ROS	3.8%	3.6%	-0.2%pt	+0.1%pt					
EBITDA	210.1	195.0	-15.1	0.0					
EBITDA margin	6.2%	6.3%	+0.1%pt	+0.2%pt					
Income (loss) from continuing operations before income taxes and noncontrolling interests	* -47.5	100.0	+147.5	0.0					
Net income (loss)	* -114.6	50.0	+164.6	0.0					
ROE	Negative	5.2%	-	-					
ROIC *2	Negative	6.0%	-	-					
Free cash flows	-264.7	-70.0	+194.7	+20.0					

* This FY2020 forecast is disclosed for reference only, which includes the actual FY2020/H1 equity earnings (losses) and does not include any forecasted equity earnings (losses) of Kioxia.

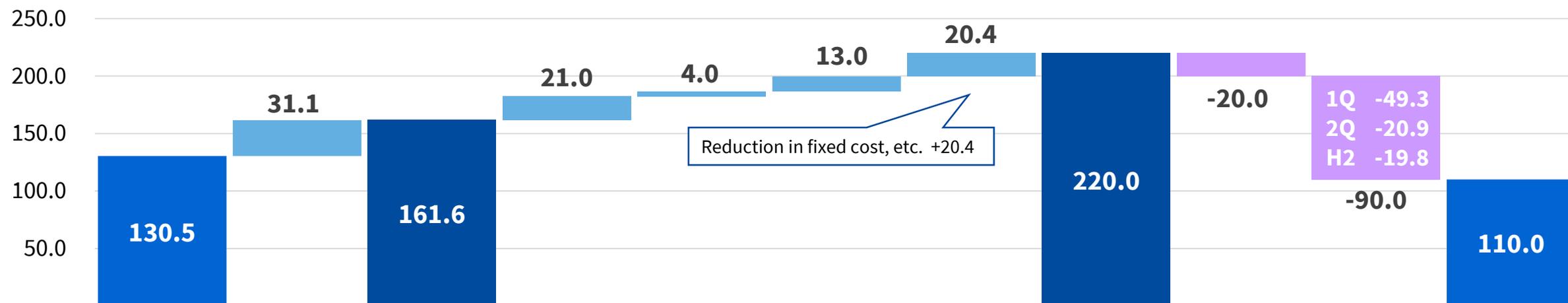
*1 ROS= Core operating income (loss) / Net sales which is disclosed in the annual securities report and the quarterly securities report, excluding impact of COVID-19

*2 ROIC= Income (loss) before income taxes and noncontrolling interests x (1 - Tax rate) / (Net interest-bearing debt + Net assets)

Operating Income (Loss), FY2019 to FY2020 Analysis

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

(Yen in billions)



H1	52.1	7.1	59.2	9.7	1.9	3.1	7.2	81.1	-7.8	-70.2	3.1
H2	78.4	24.0	102.4	11.3	2.1	9.9	13.2	138.9	-12.2	-19.8	106.9
Total	130.5	31.1	161.6	21.0	4.0	13.0	20.4	220.0	-20.0	-90.0	110.0
vs. previous	±0.0	±0.0	±0.0	±0.0	±0.0	-1.0	+1.0	±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 Aug.12 Core Basis
Energy Systems & Solutions	Net sales	568.8	571.3	519.0	-52.3	-29.0	-6.0
	Operating income (loss)	31.8	33.4	36.0	+2.6	-7.0	0.0
	ROS	5.6%	5.8%	6.9%	+1.1%pt		0.0%pt
Infrastructure Systems & Solutions	Net sales	735.0	737.8	724.0	-13.8	-14.0	-7.0
	Operating income (loss)	47.7	48.7	56.0	+7.3	-5.0	+4.0
	ROS	6.5%	6.6%	7.7%	+1.1%pt		+0.6%pt
Building Solutions	Net sales	570.1	578.9	597.0	+18.1	-47.0	+2.0
	Operating income (loss)	29.1	31.7	44.0	+12.3	-13.0	-4.0
	ROS	5.1%	5.5%	7.4%	+1.9%pt		-0.7%pt
Retail & Printing Solutions	Net sales	490.4	503.3	480.0	-23.3	-80.0	0.0
	Operating income (loss)	14.5	20.7	31.0	+10.3	-21.0	0.0
	ROS	3.0%	4.1%	6.5%	+2.4%pt		0.0%pt
Electronic Devices & Storage Solutions	Net sales	745.6	769.4	835.0	+65.6	-125.0	-32.0
	Operating income (loss)	13.4	30.8	56.0	+25.2	-38.0	-1.0
	ROS	1.8%	4.0%	6.7%	+2.7%pt		+0.1%pt
Digital Solutions	Net sales	252.4	252.8	253.0	+0.2	-23.0	+4.0
	Operating income (loss)	16.8	19.0	25.0	+6.0	-6.0	+1.0
	ROS	6.7%	7.5%	9.9%	+2.4%pt		+0.3%pt
Others, Eliminations	Net sales	27.6	28.2	2.0	-26.2	-2.0	-11.0
	Operating income (loss)	-22.8	-22.7	-28.0	-5.3		0.0
Total	Net sales	3,389.9	3,441.7	3,410.0	-31.7	-320.0	-50.0
	Operating income (loss)	130.5	161.6	220.0	+58.4	-90.0	0.0
	ROS	3.8%	4.7%	6.5%	+1.8%pt		+0.1%pt
Restructuring cost etc. and Impact of COVID-19	Net sales		-51.8	-320.0	-268.2		
	Operating income (loss)		-31.1	-110.0	-78.9		

• 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.

Dividend forecast and Policy for dividend

Dividend Forecast For FY20

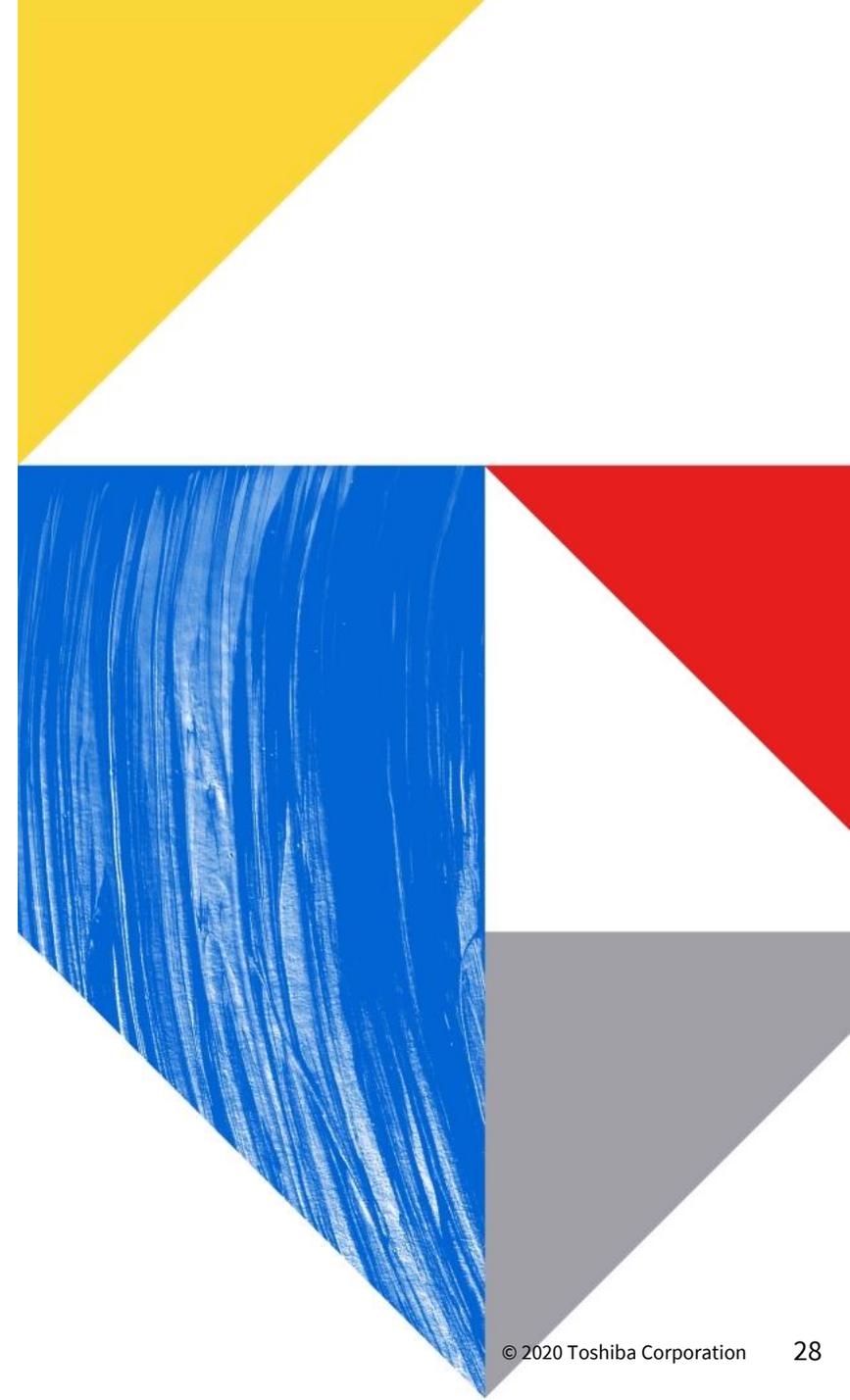
- ✓ Interim Dividend: 10 yen
- ✓ Year-end Dividend (forecast): 30 yen
- ✓ Full year(forecast): 40 yen (20 yen increased)

Future Dividend Policy

- ✓ Target stable increase of dividend by executing the Toshiba Next Plan

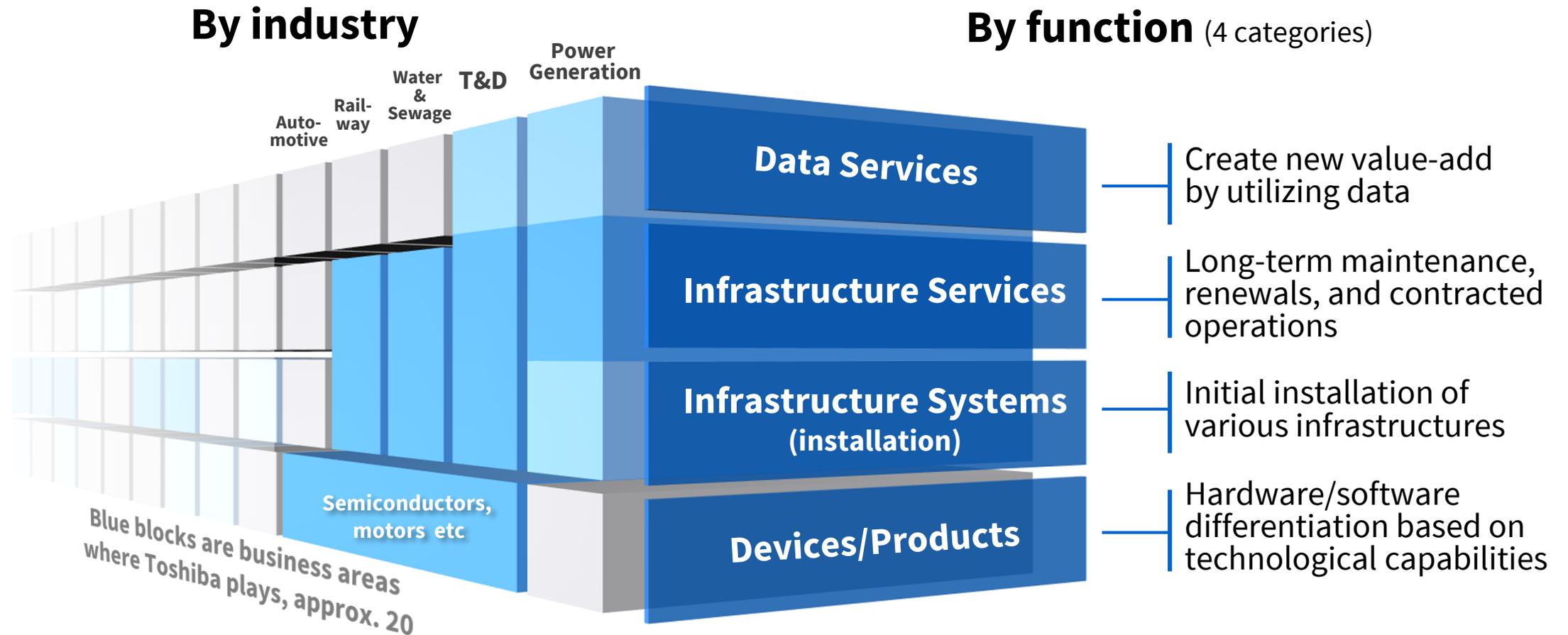
05

Toshiba's New Business Segments Current Status and Forecast



Toshiba's New Business Segments

Achieve growth with infrastructure services as core business



Concept of Segment Classification

Basic Concept

- Business units are disaggregated to the smallest unit where ROIC is available.
- Infrastructure services business is defined as those businesses where service related business (renewal, repair, maintenance, and operation) constitute more than 50% of its core basis OP of FY20.
- Structural reform/monitoring businesses to be separated from the four segments. Incubation businesses are segregated. (Indivisible assets such as factories will be allocated to other businesses)
- Business will stay in the same segment throughout the mid-term period (FY22-FY24).

Current Status and Forecast by New Business Segment

Unit: Billion yen

New Segments* ¹		FY18	FY19	FY20	19-20 variance
Infrastructure Services	Sales* ²	1.28T yen	1.29T yen	1.29T yen	0%
	Op Income* ²	90.0B yen	120.0B yen	120.0B yen	0B yen
	(ROS)	(7%)	(9%)	(9%)	(0%)
	ROIC* ³	22%	27%	26%	-1%
Infrastructure Systems	Sales	0.75T yen	0.79T yen	0.78T yen	-1%
	Op Income	10.0B yen	30.0B yen	50.0B yen	+20.0B yen
	(ROS)	(2%)	(3%)	(6%)	(+3%)
	ROIC	9%	9%	9%	0%
Device Products	Sales	1.18T yen	0.97T yen	1.03T yen	+6%
	Op Income	30.0 B yen	40.0B yen	80.0B yen	+40.0B yen
	(ROS)	(3%)	(4%)	(8%)	(+4%)
	ROIC	16%	8%	9%	+1%

*¹ The new segments are based on simple reclassification of current segment by splitting some figures. This excludes a part of common fee, monitored businesses and one time costs.

*² Sales and OP Income are core-based numbers.

*³ ROIC numbers include COVID-19 impact and restructuring costs, etc. Numbers before FY19 are adjusted to compare with FY20, such as impact on pre-deposit, loss-making contracts and Subcontract Act.

$$\text{ROIC} = \frac{\text{Income (loss) before income taxes and noncontrolling interests} \times (1 - \text{Tax rate})}{\text{Net interest-bearing debt} + \text{Net assets}}$$

Appendix

Capital Expenditure (Commitment Basis)

(Yen in billions)

Capital Expenditure (Commitment Basis)	FY2019 Actual	FY2020 Forecast	vs. previous forecast announced on Aug. 12	FY2020/H1 Actual	FY2020/Q2 Actual	Major Items in FY2020/Q2
Energy Systems & Solutions	14.4	15.0	- 2.0	4.9	3.2	
Infrastructure Systems & Solutions	16.5	27.0	0.0	5.7	3.3	
Building Solutions	18.8	15.0	- 5.0	4.0	1.9	
Retail & Printing Solutions	7.5	7.0	- 3.0	2.4	1.6	
Electronic Devices & Storage Solutions	33.6	41.0	- 2.0	15.5	6.9	Investment in manufacturing equipment of HDDs for large-capacity company
Digital Solutions	2.2	2.5	- 0.5	0.7	0.6	
Others	14.4	32.5	- 2.5	22.0	4.7	
Total	107.4	140.0	- 15.0	55.2	22.2	
Investments and loans	6.4	25.0	- 10.0			

Energy Systems & Solutions Results Breakdown

		FY2019 Actual	FY2019 Actual Core Basis	FY2020 Forecast Core Basis	Difference Core Basis	(Yen in billions) vs. previous forecast announced on Aug.12 Core Basis
Energy Systems & Solutions	Net sales	568.8	571.3	519.0	-52.3	-6.0
	Operating income (loss)	31.8	33.4	36.0	+2.6	0.0
	ROS	5.6%	5.8%	6.9%	+1.1%pt	0.0%pt
Nuclear Power Systems	Net sales	140.0	140.0	158.7	+18.7	-5.5
	Operating income (loss)	16.2	16.2	16.7	+0.5	-0.3
	ROS	11.6%	11.6%	10.5%	-1.1%pt	+0.1%pt
Thermal & Hydro Power Systems	Net sales	222.5	224.7	185.1	-39.6	+16.1
	Operating income (loss)	3.5	4.2	10.8	+6.6	+2.5
	ROS	1.6%	1.9%	5.8%	+3.9%pt	+0.9%pt
Transmission & Distribution Systems	Net sales	217.6	217.9	186.8	-31.1	-21.4
	Operating income (loss)	18.4	18.5	12.0	-6.5	-2.8
	ROS	8.5%	8.5%	6.4%	-2.1%pt	-0.7%pt
Others	Net sales	-11.3	-11.3	-11.6	-0.3	+4.8
	Operating income (loss)	-6.3	-5.5	-3.5	+2.0	+0.6

* 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 Aug.12 Core Basis
Infrastructure Systems & Solutions	Net sales	735.0	737.8	724.0	-13.8	-7.0
	Operating income (loss)	47.7	48.7	56.0	+7.3	+4.0
	ROS	6.5%	6.6%	7.7%	+1.1%pt	+0.6%pt
Public Infrastructure	Net sales	423.2	424.1	424.0	-0.1	+9.0
	Operating income (loss)	41.4	41.5	40.0	-1.5	+5.0
	ROS	9.8%	9.8%	9.4%	-0.4%pt	+1.0%pt
Railways and *1 Industrial Systems	Net sales	382.9	384.8	370.0	-14.8	-16.0
	Operating income (loss)	6.3	7.2	16.0	+8.8	-1.0
	ROS	1.6%	1.9%	4.3%	+2.4%pt	-0.1%pt
Others	Net sales	-71.1	-71.1	-70.0	+1.1	
Building Solutions	Net sales	570.1	578.9	597.0	+18.1	+2.0
	Operating income (loss)	29.1	31.7	44.0	+12.3	-4.0
	ROS	5.1%	5.5%	7.4%	+1.9%pt	-0.7%pt
Elevator		232.9	235.8	229.0	-6.8	+2.1
Lighting	Net sales	132.8	135.6	141.7	+6.1	-2.5
Air Conditioning		208.1	211.2	230.4	+19.2	+0.6

* 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	FY2020 Forecast Core Basis	Difference Core Basis	vs. previous forecast announced on Aug.12 Core Basis	
Electronic Devices & Storage Solutions	Net sales	745.6	769.4	835.0	+65.6	-32.0
	Operating income (loss)	13.4	30.8	56.0	+25.2	-1.0
	ROS	1.8%	4.0%	6.7%	+2.7%pt	+0.1%pt
Semiconductor ^{*1}	Net sales	295.8	309.7	342.0	+32.3	-10.0
	Operating income (loss)	1.3	11.5	28.0	+16.5	-1.0
	ROS	0.4%	3.7%	8.2%	+4.5%pt	0.0%pt
HDDs & Others ^{*2}	Net sales	449.8	459.7	493.0	+33.3	-22.0
	Operating income (loss)	12.1	19.3	28.0	+8.7	0.0
	ROS	2.7%	4.2%	5.7%	+1.5%pt	+0.3%pt

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

*2 Including sales of HDDs, 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.

TOSHIBA