

February 12, 2021
Toshiba Corporation

FOR IMMEDIATE RELEASE

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

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced its consolidated results for the first nine months (April-December) and the third quarter (October-December) of fiscal year (FY) 2020, ending March 31, 2021.

Note:

For convenience only, all dollar figures used in reporting the third quarter of FY2020 are calculated at 104 yen to the dollar.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Dec. 31, 2020 (A)	Mar. 31, 2020 (B)	(A)-(B)	Dec. 31, 2020
Assets				
Current assets	¥2,032,030	¥2,038,099	¥(6,069)	\$19,538,750
Cash and cash equivalents	498,751	376,973	121,778	4,795,683
Notes, accounts receivable and contract assets	736,996	970,794	(233,798)	7,086,500
Inventories	563,239	482,327	80,912	5,415,760
Other current assets	233,044	208,005	25,039	2,240,807
Long-term receivables	6,438	7,315	(877)	61,904
Investments	523,457	505,387	18,070	5,033,240
Property, plant and equipment	436,334	420,297	16,037	4,195,519
Operating lease right-of-use assets	118,899	155,513	(36,614)	1,143,260
Other assets	251,360	256,822	(5,462)	2,416,923
Total assets	¥3,368,518	¥3,383,433	¥(14,915)	\$32,389,596
Liabilities and equity				
Current liabilities	¥1,225,484	¥1,397,917	¥(172,433)	\$11,783,500
Short-term borrowings and current portion of long-term debt	18,538	62,649	(44,111)	178,250
Notes and accounts payable	444,508	502,066	(57,558)	4,274,115
Current operating lease liabilities	36,226	44,529	(8,303)	348,327
Other current liabilities	726,212	788,673	(62,461)	6,982,808
Accrued pension and severance costs	398,477	431,632	(33,155)	3,831,510
Non-current operating lease liabilities	85,100	114,219	(29,119)	818,269
Long-term debt and other liabilities	556,881	363,239	193,642	5,354,625
Equity	1,102,576	1,076,426	26,150	10,601,692
Equity attributable to shareholders of the Company	978,446	939,806	38,640	9,408,135
Common stock	200,558	200,175	383	1,928,442
Additional paid-in capital	207	—	207	1,990
Retained earnings	1,056,761	1,031,231	25,530	10,161,164
Accumulated other comprehensive loss	(274,040)	(286,593)	12,553	(2,635,000)
Treasury stock	(5,040)	(5,007)	(33)	(48,461)
Equity attributable to noncontrolling interests	124,130	136,620	(12,490)	1,193,557
Total liabilities and equity	¥3,368,518	¥3,383,433	¥(14,915)	\$32,389,596

Breakdown of accumulated other comprehensive loss

Net unrealized gains and losses on securities	¥82	¥12	¥70	\$788
Foreign currency translation adjustments	(39,376)	(33,570)	(5,806)	(378,615)
Pension liability adjustments	(234,130)	(252,777)	18,647	(2,251,250)
Unrealized gains and losses on derivative instruments	(616)	(258)	(358)	(5,923)
Total interest-bearing debt	¥512,315	¥395,151	¥117,164	\$4,926,106

Comparative Consolidated Statements of Operations

1.First Nine Months ended December 31

(¥ in millions, US\$ in thousands)

	Nine months ended December 31				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Sales and other income					
Net sales	¥2,099,539	¥2,458,578	¥(359,039)	85%	\$20,187,875
Interest income	1,198	2,156	(958)	56%	11,519
Dividend income	1,101	1,271	(170)	87%	10,587
Equity in earnings of affiliates	6,220	—	6,220	—	59,808
Other income	75,791	22,707	53,084	334%	728,760
Costs and expenses					
Cost of sales	1,544,057	1,806,007	(261,950)	85%	14,846,702
Selling, general and administrative expenses	531,470	590,050	(58,580)	90%	5,110,288
Interest expenses	3,525	4,261	(736)	83%	33,894
Equity in losses of affiliates	—	67,354	(67,354)	—	—
Other expenses	31,515	123,038	(91,523)	26%	303,030
Income (loss) before income taxes and noncontrolling interests	73,282	(105,998)	179,280	—	704,635
Income taxes	20,581	22,014	(1,433)	93%	197,895
Net income (loss) before noncontrolling interests	52,701	(128,012)	180,713	—	506,740
Less:Net income attributable to noncontrolling interests	9,089	17,614	(8,525)	52%	87,394
Net income (loss) attributable to shareholders of the Company	¥43,612	¥(145,626)	¥189,238	—	\$419,346

Comparative Consolidated Statements of Operations

2.Third Quarter ended December 31

(¥ in millions, US\$ in thousands)

	Three months ended December 31				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Sales and other income					
Net sales	¥728,154	¥747,178	¥(19,024)	97%	\$7,001,481
Interest income	390	731	(341)	53%	3,750
Dividend income	180	208	(28)	87%	1,731
Other income	42,402	11,650	30,752	364%	407,712
Costs and expenses					
Cost of sales	535,785	540,755	(4,970)	99%	5,151,779
Selling, general and administrative expenses	171,471	195,955	(24,484)	88%	1,648,760
Interest expenses	1,180	1,166	14	101%	11,346
Equity in losses of affiliates	1,759	8,617	(6,858)	20%	16,913
Other expenses	7,700	7,099	601	108%	74,039
Income before income taxes and noncontrolling interests	53,231	6,175	47,056	862%	511,837
Income taxes	8,065	5,411	2,654	149%	77,549
Net income before noncontrolling interests	45,166	764	44,402	—	434,288
Less:Net income attributable to noncontrolling interests	5,047	1,244	3,803	406%	48,528
Net income (loss) attributable to shareholders of the Company	¥40,119	¥(480)	¥40,599	—	\$385,760

Comparative Consolidated Statements of Comprehensive Income

1. First Nine Months ended December 31

(¥ in millions, US\$ in thousands)

	Nine months ended December 31				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net income (loss) before noncontrolling interests	¥52,701	¥(128,012)	¥180,713	—	\$506,740
Other comprehensive income (loss), net of tax					
Unrealized gains (losses) on securities	70	(7)	77	—	673
Foreign currency translation adjustments	(5,124)	(7,799)	2,675	—	(49,269)
Pension liability adjustments	18,786	11,626	7,160	162%	180,635
Unrealized gains (losses) on derivative instruments	(358)	126	(484)	—	(3,443)
Total other comprehensive income	13,374	3,946	9,428	339%	128,596
Comprehensive income (loss)	66,075	(124,066)	190,141	—	635,336
Less: Comprehensive income attributable to noncontrolling interests	9,910	16,245	(6,335)	61%	95,288
Comprehensive income (loss) attributable to shareholders of the Company	¥56,165	¥(140,311)	¥196,476	—	\$540,048

2. Third Quarter ended December 31

(¥ in millions, US\$ in thousands)

	Three months ended December 31				
	2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net income before noncontrolling interests	¥45,166	¥764	¥44,402	—	\$434,288
Other comprehensive income (loss), net of tax					
Unrealized gains (losses) on securities	11	(30)	41	—	106
Foreign currency translation adjustments	(136)	10,203	(10,339)	—	(1,308)
Pension liability adjustments	7,630	4,725	2,905	161%	73,365
Unrealized gains (losses) on derivative instruments	146	(80)	226	—	1,405
Total other comprehensive income	7,651	14,818	(7,167)	52%	73,568
Comprehensive income	52,817	15,582	37,235	339%	507,856
Less: Comprehensive income attributable to noncontrolling interests	5,951	3,647	2,304	163%	57,221
Comprehensive income attributable to shareholders of the Company	¥46,866	¥11,935	¥34,931	393%	\$450,635

Comparative Consolidated Statements of Cash Flows

First Nine Months ended December 31

(¥ in millions, US\$ in thousands)

	Nine months ended December 31			
	2020(A)	2019(B)	(A)-(B)	2020
Cash flows from operating activities				
Net income (loss) before noncontrolling interests	¥52,701	¥(128,012)	¥180,713	\$506,740
Depreciation and amortization	63,599	61,390	2,209	611,529
Equity in (earnings) losses of affiliates, net of dividends	(323)	74,725	(75,048)	(3,106)
(Gain) loss from sales and impairment of securities, net	(25,188)	188	(25,376)	(242,192)
Decrease in notes and accounts receivable, trade	218,159	130,731	87,428	2,097,683
Increase in inventories	(85,046)	(99,090)	14,044	(817,750)
Decrease in notes and accounts payable, trade	(35,666)	(83,881)	48,215	(342,942)
Others	(103,756)	(118,356)	14,600	(997,654)
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by (used in) operating activities	31,779	(34,293)	66,072	305,568
Net cash provided by (used in) operating activities	84,480	(162,305)	246,785	812,308
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	14,532	2,259	12,273	139,731
Acquisition of property, plant and equipment	(86,201)	(84,234)	(1,967)	(828,856)
Acquisition of intangible assets	(12,967)	(8,283)	(4,684)	(124,683)
Purchase of securities	(1,185)	(3,187)	2,002	(11,394)
Increase in investments in affiliates	(6,551)	(129)	(6,422)	(62,990)
Others	25,969	4,091	21,878	249,702
Net cash used in investing activities	(66,403)	(89,483)	23,080	(638,490)
Cash flows from financing activities				
Proceeds from long-term debt	200,476	131,594	68,882	1,927,653
Repayment of long-term debt	(43,956)	(301,041)	257,085	(422,654)
Decrease in short-term borrowings, net	(3,793)	(12,417)	8,624	(36,471)
Dividends paid	(18,462)	(22,990)	4,528	(177,519)
Purchase of treasury stock, net	(33)	(300,871)	300,838	(317)
Payment of acquisition of 3 listed subsidiaries' shares to become wholly owned subsidiaries	(33,570)	-	(33,570)	(322,788)
Others	(25)	3,734	(3,759)	(241)
Net cash provided by (used in) financing activities	100,637	(501,991)	602,628	967,663
Effect of exchange rate changes on cash and cash equivalents	3,064	(2,113)	5,177	29,461
Net increase (decrease) in cash and cash equivalents	121,778	(755,892)	877,670	1,170,942
Cash and cash equivalents at beginning of the period	376,973	1,335,520	(958,547)	3,624,741
Cash and cash equivalents at end of the period	¥498,751	¥579,628	¥(80,877)	\$4,795,683

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 Nine Months ended December 31**

(¥ in millions, US\$ in thousands)

		Nine months ended December 31				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net sales (Share of total sales)	Energy Systems & Solutions	¥303,491 (13%)	¥408,894 (15%)	¥(105,403) (-2%)	74%	\$2,918,183
	Infrastructure Systems & Solutions	424,841 (19%)	476,516 (18%)	(51,675) (1%)	89%	4,085,010
	Building Solutions	391,816 (17%)	423,605 (16%)	(31,789) (1%)	92%	3,767,462
	Retail & Printing Solutions	297,512 (13%)	371,058 (14%)	(73,546) (-1%)	80%	2,860,692
	Electronic Devices & Storage Solutions	516,777 (23%)	573,412 (21%)	(56,635) (2%)	90%	4,969,010
	Digital Solutions	151,272 (7%)	175,095 (7%)	(23,823) (-)	86%	1,454,538
	Others	191,653 (8%)	242,380 (9%)	(50,727) (-1%)	79%	1,842,817
	Total	2,277,362 (100%)	2,670,960 (100%)	(393,598)	85%	21,897,712
	Eliminations	(177,823)	(212,382)	34,559	—	(1,709,837)
	Consolidated	¥2,099,539	¥2,458,578	¥(359,039)	85%	\$20,187,875
Segment operating income (loss)	Energy Systems & Solutions	¥(6,213)	¥10,911	¥(17,124)	—	\$(59,740)
	Infrastructure Systems & Solutions	11,455	16,170	(4,715)	71%	110,144
	Building Solutions	17,874	19,521	(1,647)	92%	171,865
	Retail & Printing Solutions	(3,175)	14,336	(17,511)	—	(30,529)
	Electronic Devices & Storage Solutions	7,293	12,714	(5,421)	57%	70,125
	Digital Solutions	9,134	7,573	1,561	121%	87,827
	Others	(18,738)	(23,518)	4,780	—	(180,173)
	Total	17,630	57,707	(40,077)	31%	169,519
	Eliminations	6,382	4,814	1,568	—	61,366
	Consolidated	¥24,012	¥62,521	¥(38,509)	38%	\$230,885

2.Third Quarter ended December 31

(¥ in millions, US\$ in thousands)

		Three months ended December 31				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Net sales (Share of total sales)	Energy Systems & Solutions	¥113,408 (14%)	¥120,194 (15%)	¥(6,786) (-1%)	94%	\$1,090,462
	Infrastructure Systems & Solutions	136,628 (17%)	156,247 (19%)	(19,619) (-2%)	87%	1,313,731
	Building Solutions	132,525 (17%)	134,878 (17%)	(2,353) (-)	98%	1,274,279
	Retail & Printing Solutions	103,449 (13%)	118,405 (15%)	(14,956) (-2%)	87%	994,702
	Electronic Devices & Storage Solutions	192,820 (25%)	171,454 (21%)	21,366 (4%)	112%	1,854,038
	Digital Solutions	51,391 (7%)	34,339 (4%)	17,052 (3%)	150%	494,144
	Others	55,602 (7%)	78,206 (9%)	(22,604) (-2%)	71%	534,635
	Total	785,823 (100%)	813,723 (100%)	(27,900)	97%	7,555,991
	Eliminations	(57,669)	(66,545)	8,876	—	(554,510)
	Consolidated	¥728,154	¥747,178	¥(19,024)	97%	\$7,001,481
Segment operating income (loss)	Energy Systems & Solutions	¥1,271	¥274	¥997	464%	\$12,221
	Infrastructure Systems & Solutions	4,283	5,356	(1,073)	80%	41,183
	Building Solutions	7,560	3,805	3,755	199%	72,692
	Retail & Printing Solutions	3,593	3,917	(324)	92%	34,548
	Electronic Devices & Storage Solutions	2,645	1,040	1,605	254%	25,433
	Digital Solutions	4,504	1,520	2,984	296%	43,308
	Others	(5,211)	(7,165)	1,954	—	(50,106)
	Total	18,645	8,747	9,898	213%	179,279
	Eliminations	2,253	1,721	532	—	21,663
	Consolidated	¥20,898	¥10,468	¥10,430	200%	\$200,942

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 Nine Months ended December 31

(¥ in millions, US\$ in thousands)

		Nine months ended December 31				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Japan		¥1,176,083 (56%)	¥1,383,161 (56%)	¥(207,078) (-)	85%	\$11,308,490
Overseas		923,456 (44%)	1,075,417 (44%)	(151,961) (-)	86%	8,879,385
	Asia	530,729 (25%)	599,922 (24%)	(69,193) (1%)	88%	5,103,163
	North America	208,390 (10%)	235,946 (10%)	(27,556) (-)	88%	2,003,750
	Europe	127,807 (6%)	157,529 (6%)	(29,722) (-)	81%	1,228,913
	Others	56,530 (3%)	82,020 (4%)	(25,490) (-1%)	69%	543,559
Net Sales		¥2,099,539 (100%)	¥2,458,578 (100%)	¥(359,039)	85%	\$20,187,875

2.Third Quarter ended December 31

(¥ in millions, US\$ in thousands)

		Three months ended December 31				
		2020(A)	2019(B)	(A)-(B)	(A)/(B)	2020
Japan		¥396,775 (54%)	¥417,200 (56%)	¥(20,425) (-2%)	95%	\$3,815,144
Overseas		331,379 (46%)	329,978 (44%)	1,401 (2%)	100%	3,186,337
	Asia	193,634 (27%)	179,517 (24%)	14,117 (3%)	108%	1,861,865
	North America	69,613 (10%)	76,021 (10%)	(6,408) (-)	92%	669,356
	Europe	45,446 (6%)	50,150 (7%)	(4,704) (-1%)	91%	436,981
	Others	22,686 (3%)	24,290 (3%)	(1,604) (-)	93%	218,135
Net Sales		¥728,154 (100%)	¥747,178 (100%)	¥(19,024)	97%	\$7,001,481

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 nine-months period ending December 31, 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.