

TOSHIBA

FY2020 First Six Months Consolidated Business Results

Toshiba Tec Corporation

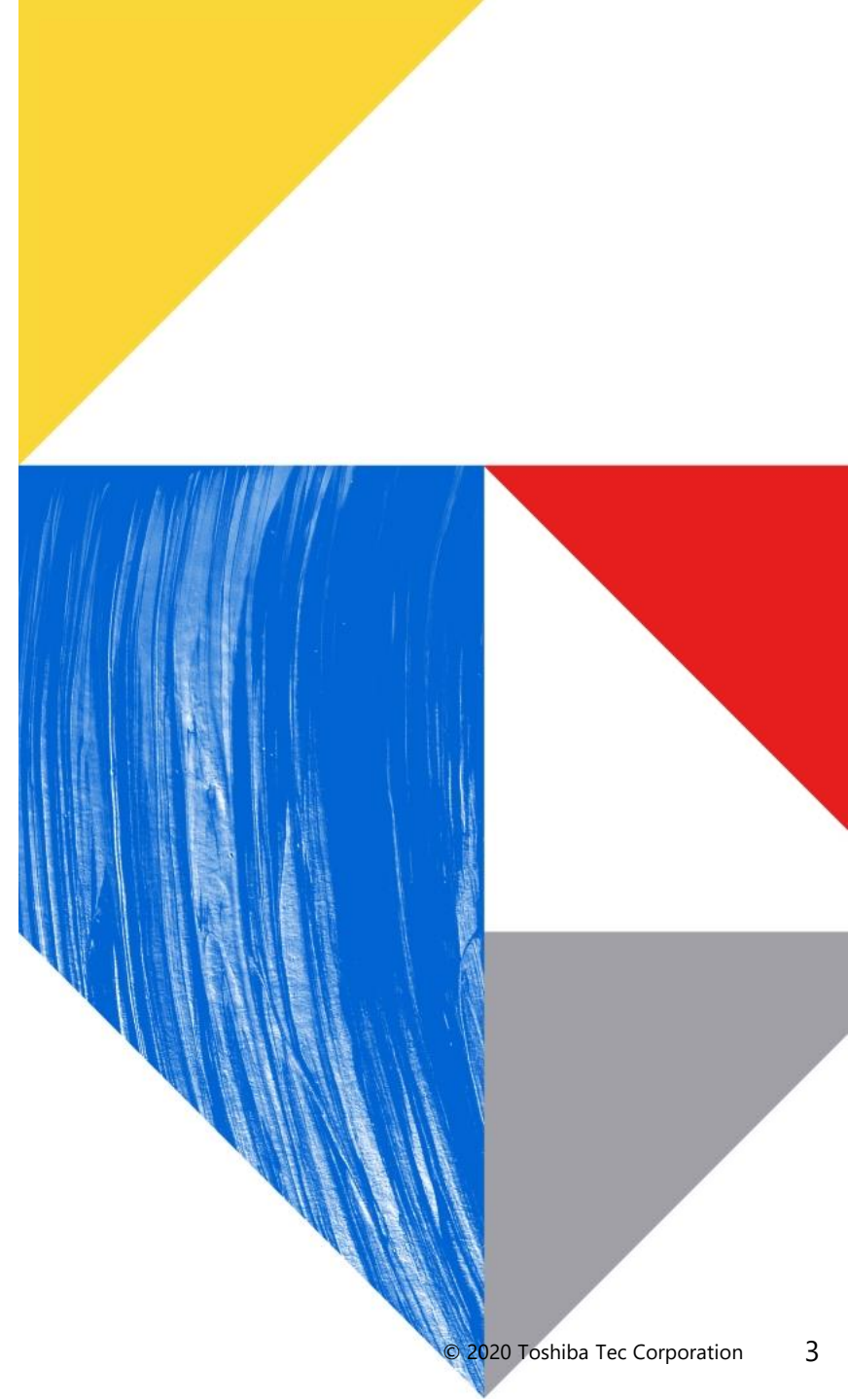
Nov 9, 2020

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01

Key Messages



Key Messages

In the harsh business environment caused by COVID-19, business performance improved significantly in the second quarter of FY2020 compared to the first quarter.

Operating income improved by 7 billion yen due to increased sales and thorough cost management.
(Increase and improvement in operating income: Retail solutions business group 3.4 billion yen,
Printing solutions business group 3.6 billion yen)

Significant improvement in overseas retail solutions business

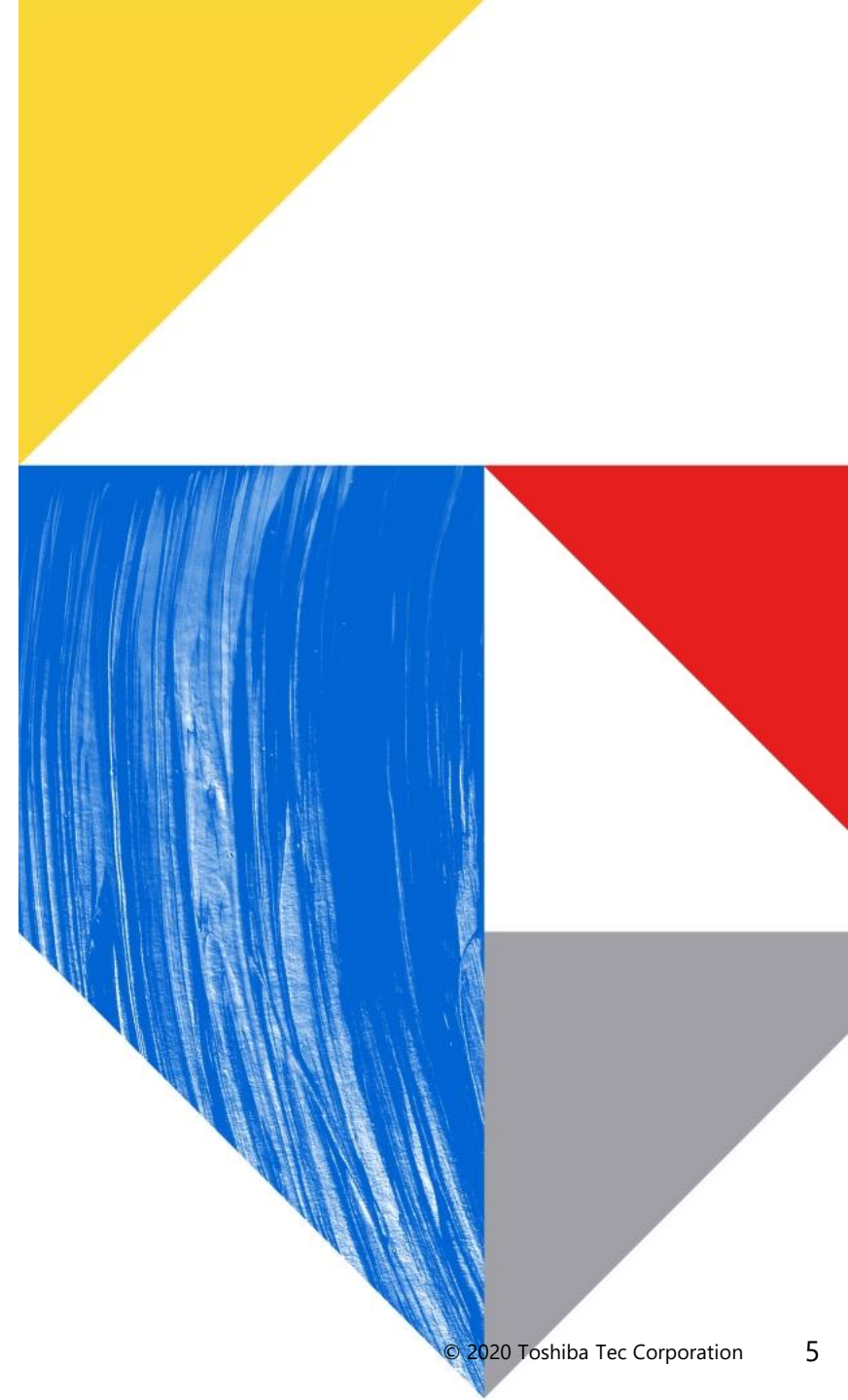
Operating income improved by about 4 billion yen year-on-year due to the reduction of fixed costs and increase in sales of high value-added products.

Structural reform

Cutting fixed costs from the second half onward by reducing the number of employees by about 700 globally.

02

FY2020 First Six Months Consolidated Business Results

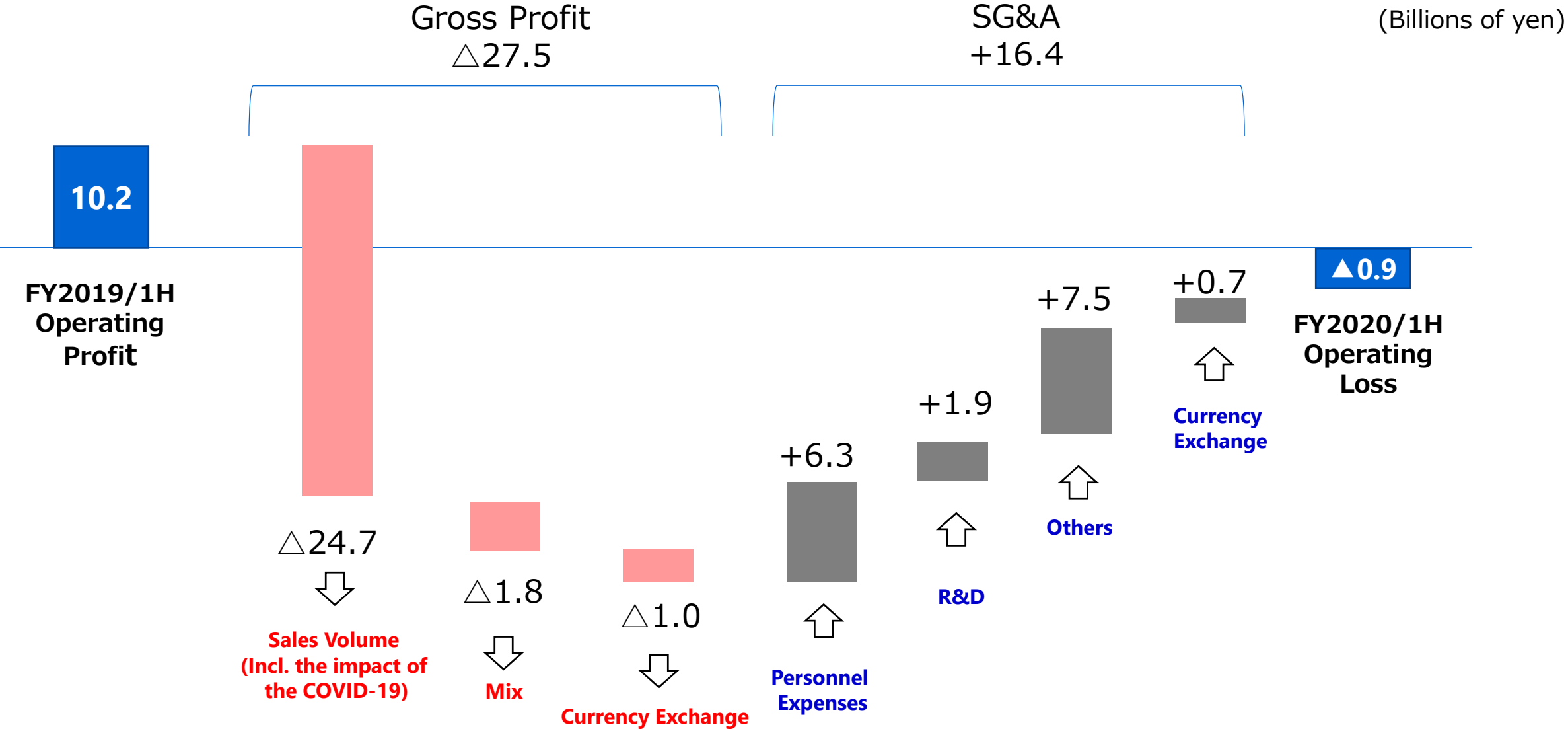


FY2020 First Six Months Business Results (Consolidated)

(Billions of yen)

		FY2020/1H Actual	FY2019/1H Actual	Difference vs FY2019/1H
Net Sales		191.7	249.9	△58.2
Operating Profit	(Rate of sales)	△0.9 (-%)	10.2 (4.1%)	△11.1
Ordinary Profit	(Rate of sales)	△1.4 (-%)	9.7 (3.9%)	△11.1
Profit Attributable to Owners of Parent	(Rate of sales)	△7.0 (-%)	7.9 (3.2%)	△14.9
Foreign currency exchange rate (Yen)	US\$	106.81	109.19	△2.38
	EUR	120.89	122.01	△1.12

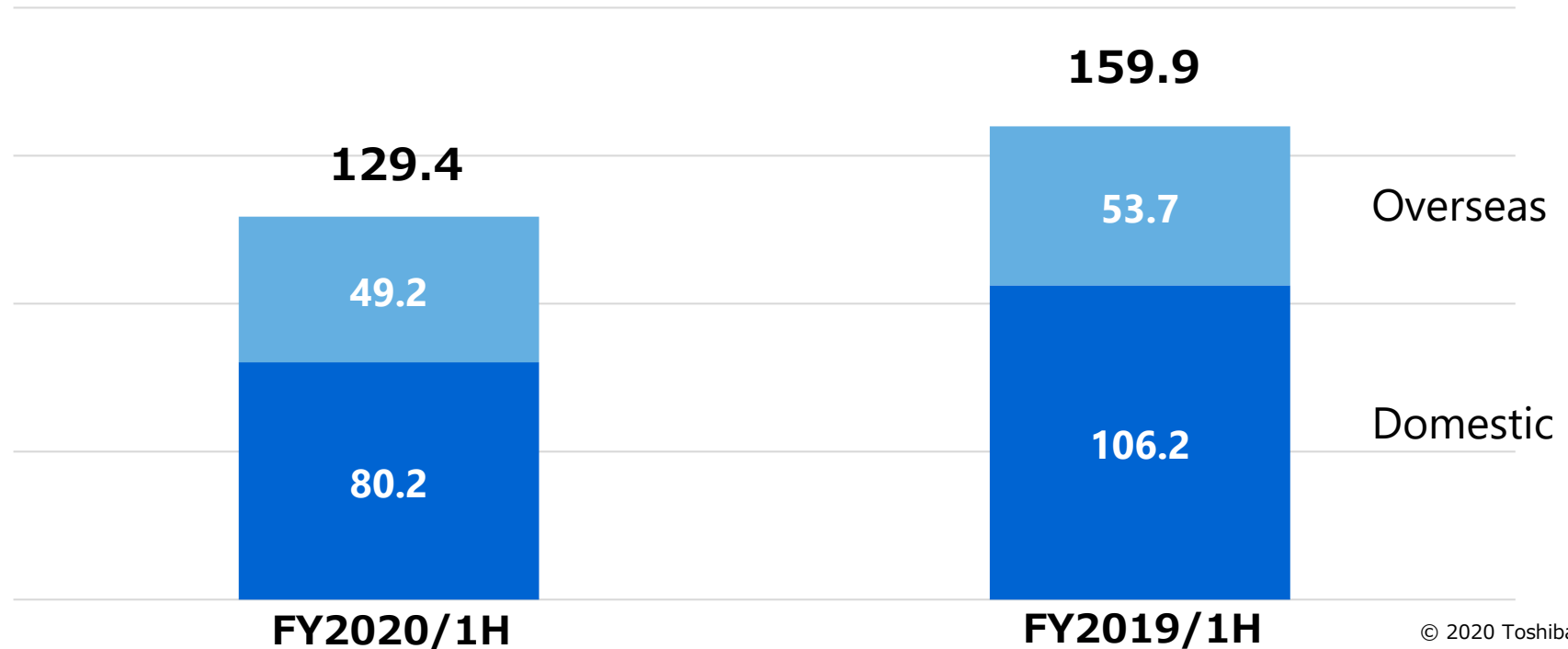
Operating Profit Analysis of FY2020/1H



FY2020/1H Business Results by Segment

(Billions of yen)

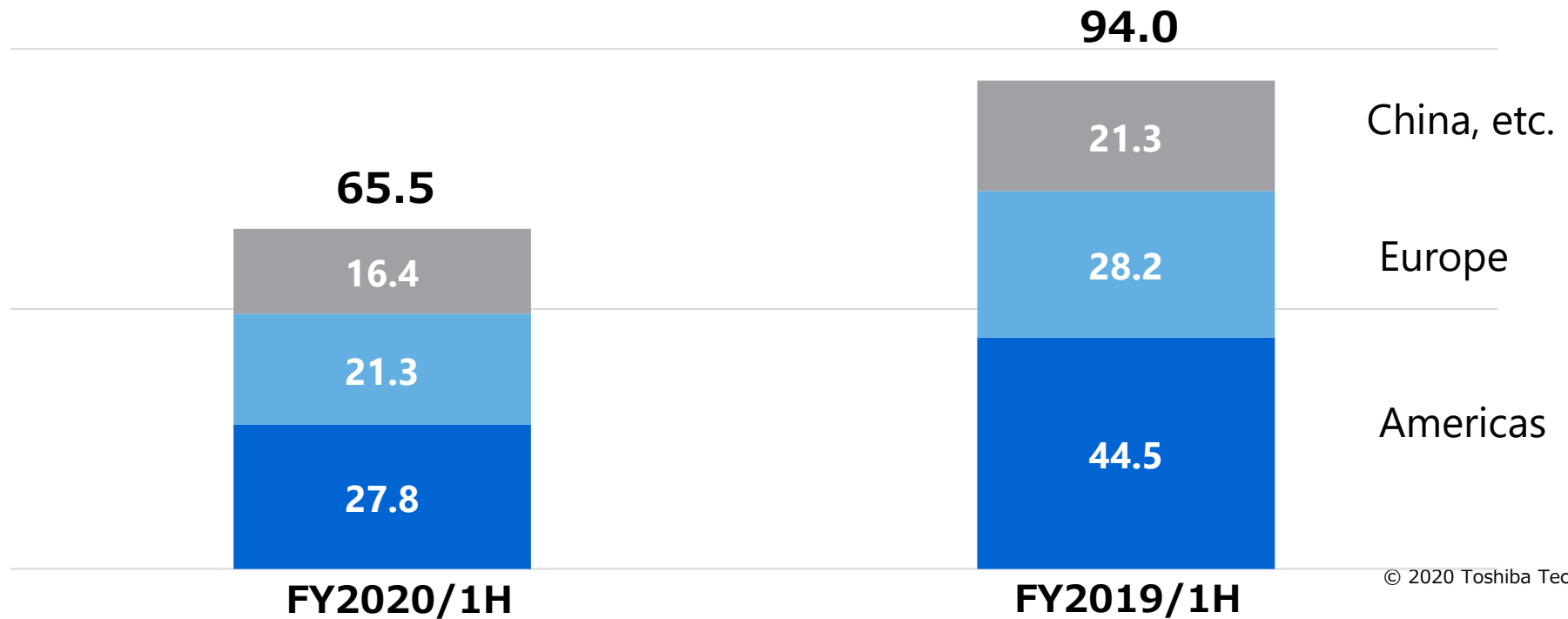
	FY2020/1H Actual(1Q/2Q)	FY2019/1H Actual	Difference vs FY2019/1H
Retail Solutions Business Group			
Net Sales	129.4(58.0/71.4)	159.9	△30.5
Operating Profit (Rate of sales)	5.5(1.0/4.5) (4.3%)	8.4 (5.2%)	△2.9



FY2020/1H Business Results by Segment

(Billions of yen)

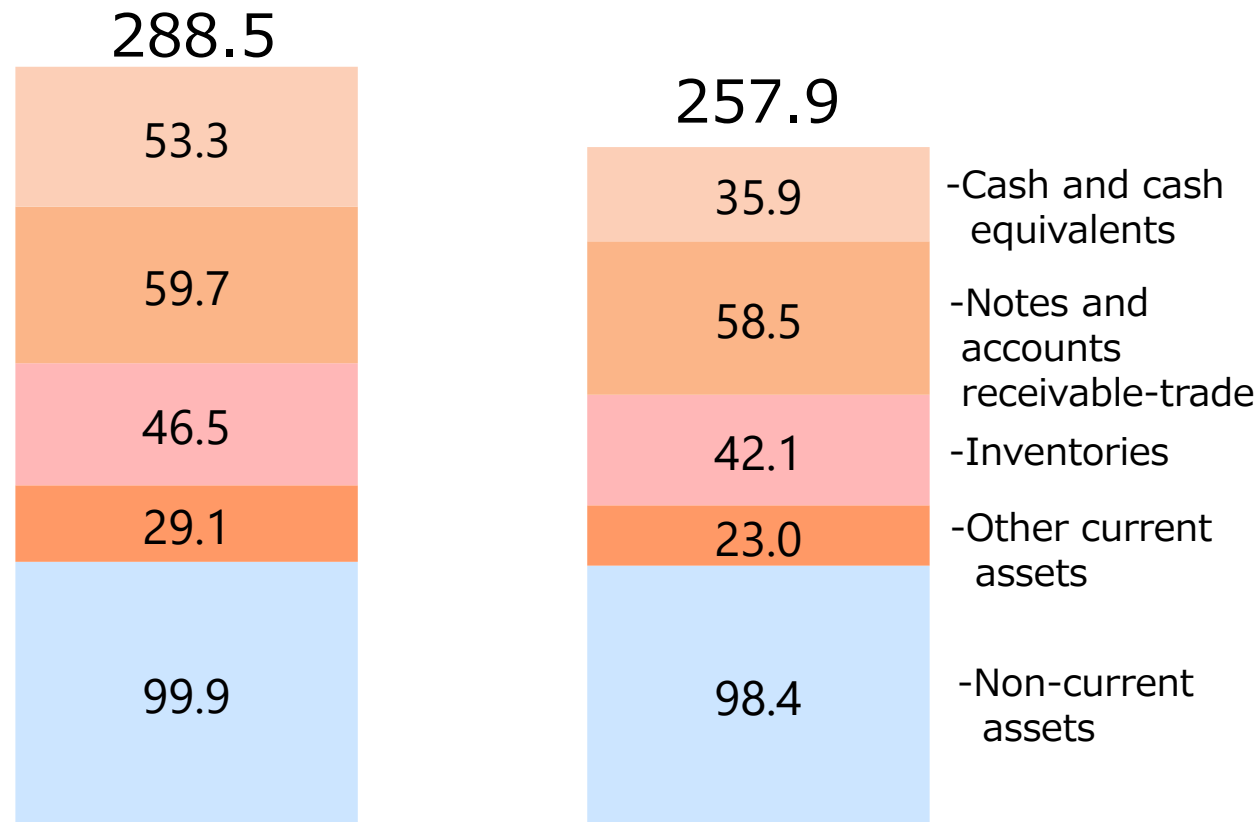
		FY2020/1H Actual(1Q/2Q)	FY2019/1H Actual	Difference vs FY2019/1H
Printing Solutions Business Group	Net Sales	65.5(27.9/37.6)	94.0	△28.6
	Operating Profit (Rate of sales)	△6.5(△5.0/△1.5) (-%)	1.8 (1.9%)	△8.2



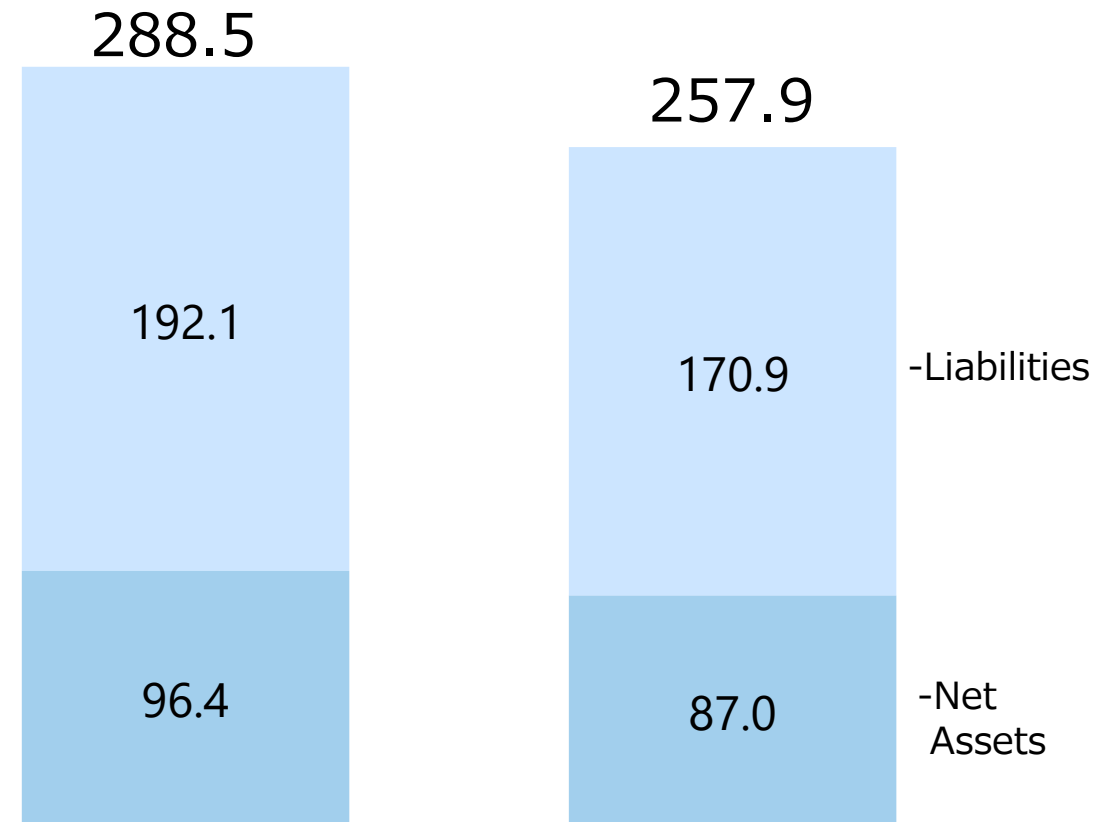
Balance Sheet

Cash and cash equivalents decreased due to payments associated with business structural reform costs.

Assets



Liabilities and Net Assets (Billions of yen)



2020/3E

2020/9E

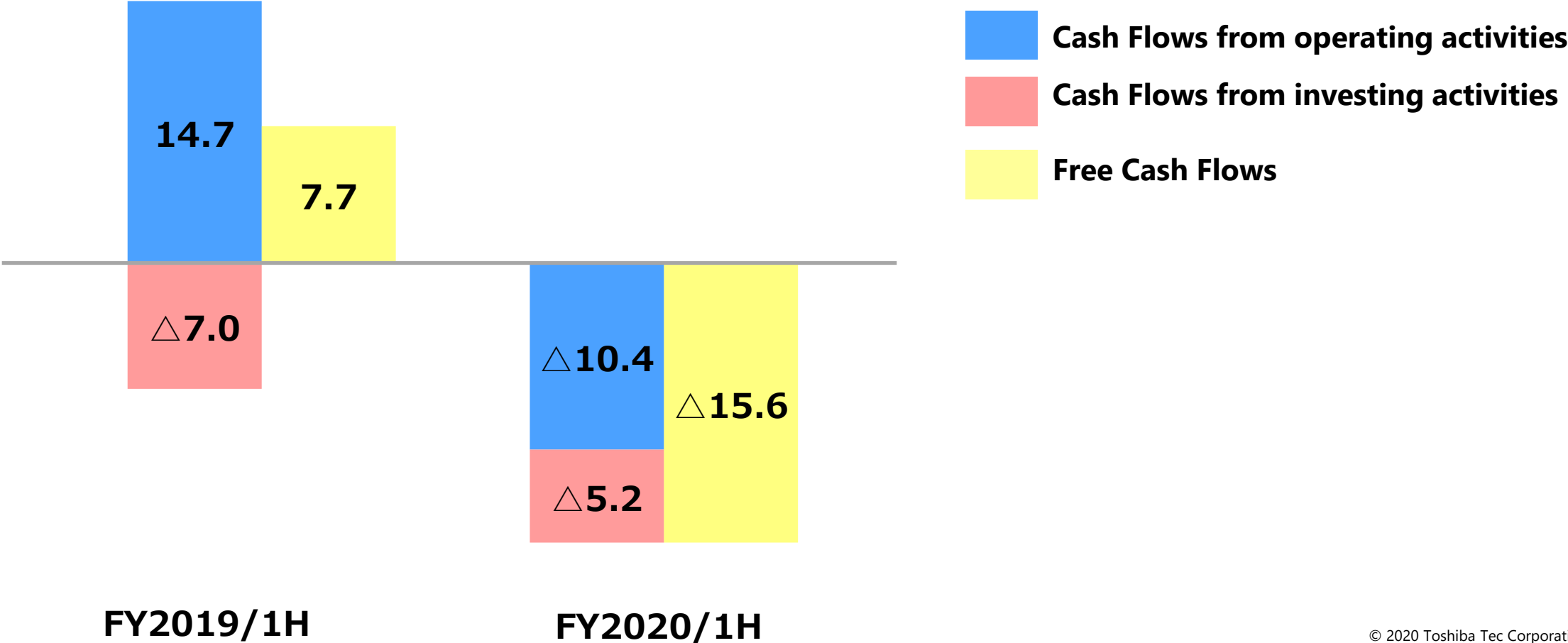
2020/3E

2020/9E

Cash Flows

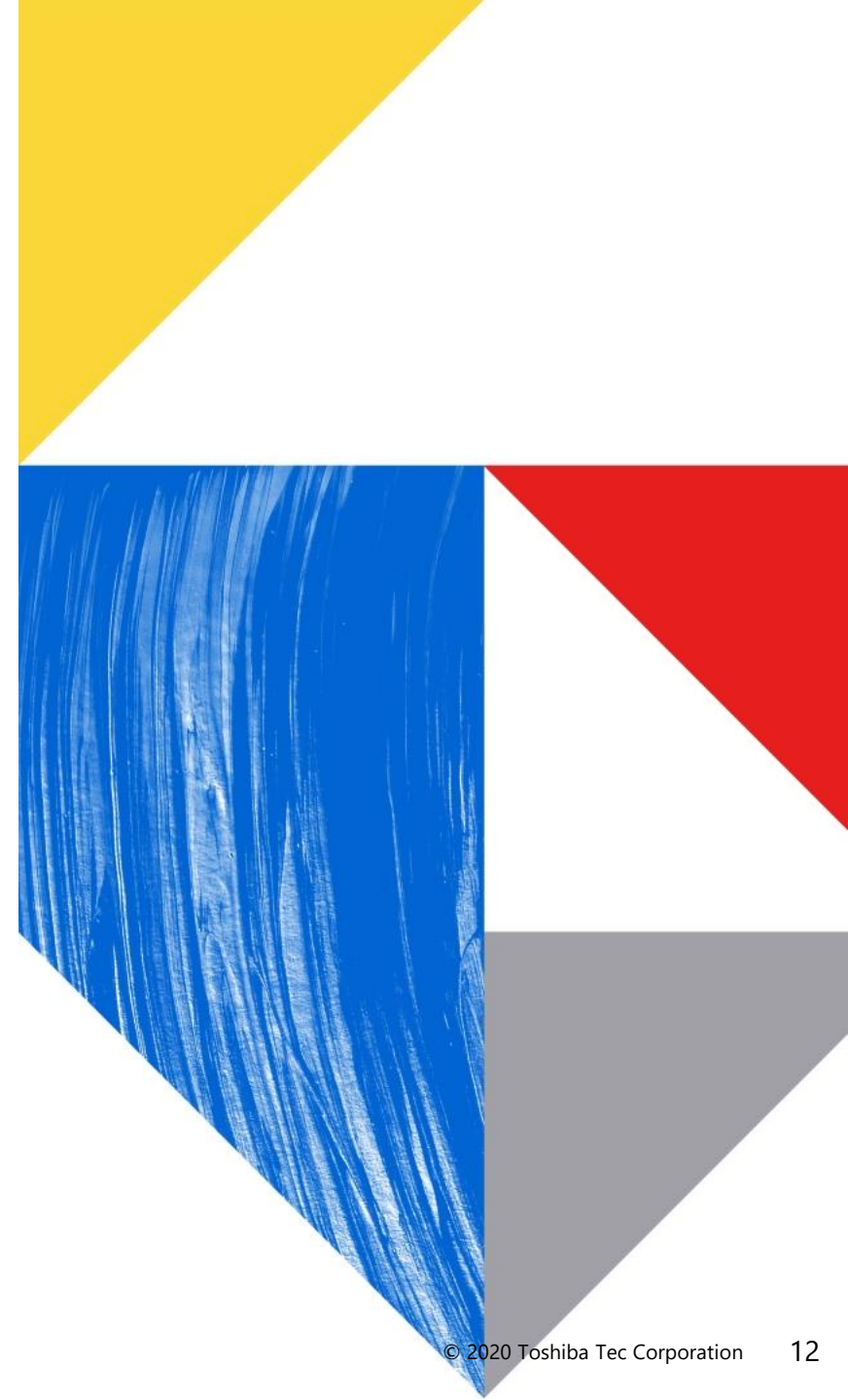
Free cash flows minus due to temporary payment of business structural reform costs

(Billions of yen)



03

FY2020 Forecast



FY2020 Forecast (Consolidated)

(Billions of yen)

		FY2020	FY2020	FY2019	Difference	
		Forecast	Forecast (May 26)	Actual	vs. FY2020 FC (May 26)	vs. FY2019 Actual
Net Sales		400.0	410.0	483.8	△10.0	△83.8
Operating Profit		10.0	10.0	14.0	-	△4.0
	(Rate of sales)	(2.5%)	(2.4%)	(2.9%)		
Ordinary Profit		7.0	7.0	11.6	-	△4.6
	(Rate of sales)	(1.8%)	(1.7%)	(2.4%)		
Profit Attributable to Owners of Parent		0.5	0.5	3.7	-	△3.2
	(Rate of sales)	(0.1%)	(0.1%)	(0.8%)		
Foreign currency exchange rate (Yen)	US\$	105.98*	105.00	109.13	+0.98	△3.15
	EUR	120.80*	120.00	121.27	+0.80	△0.47

* Foreign currency exchange rates of FY20/2H forecasts are US\$=105yen, EUR=120yen.

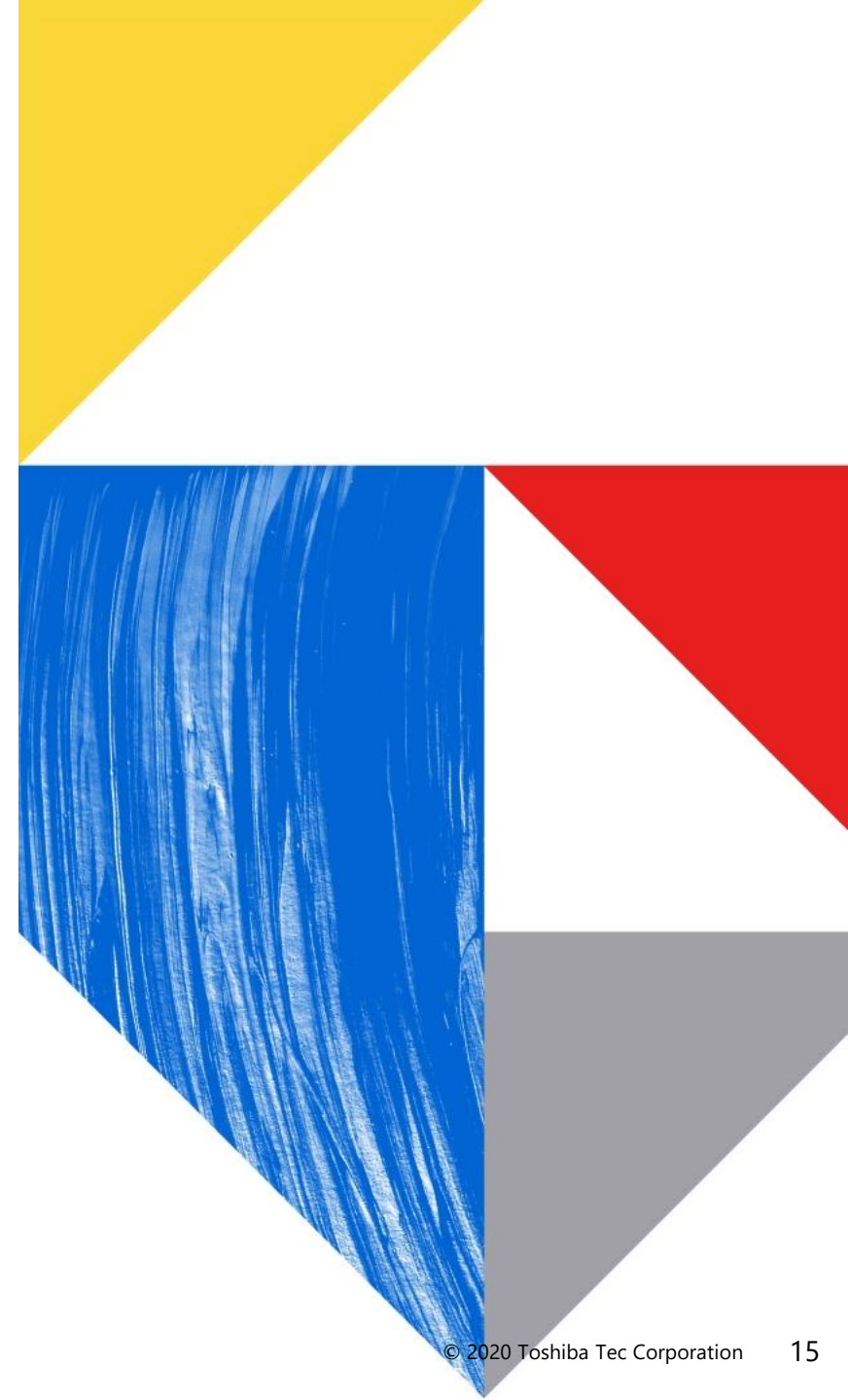
FY2020 Forecast by Segment

(Billions of yen)

		FY2020	FY2020	FY2019	Difference	
		Forecast	Forecast (May 26)	Actual	vs. FY2020 FC (May 26)	vs. FY2019 Actual
Retail Solutions Business Group	Net Sales	265.0	265.0	311.5	-	△46.5
	Operating Profit (Rate of Sales)	13.0 (4.9%)	10.0 (3.8%)	14.3 (4.6%)	+3.0	△1.3
Printing Solutions Business Group	Net Sales	143.0	155.0	179.9	△12.0	△36.9
	Operating Profit (Rate of Sales)	△3.0 (-%)	0.0 (-%)	△0.4 (-%)	△3.0	△2.6
Consolidated Total	Net Sales	400.0	410.0	483.8	△10.0	△83.8
	Operating Profit (Rate of Sales)	10.0 (2.5%)	10.0 (2.4%)	14.0 (2.9%)	-	△4.0

04

Transformation of profit structure



Progress of structural reform

Personnel reduction

Approximately 700 reductions at the end of September 2020.
Expected improvement effect of about 4 billion yen in the second half of FY2020.

Cost reduction

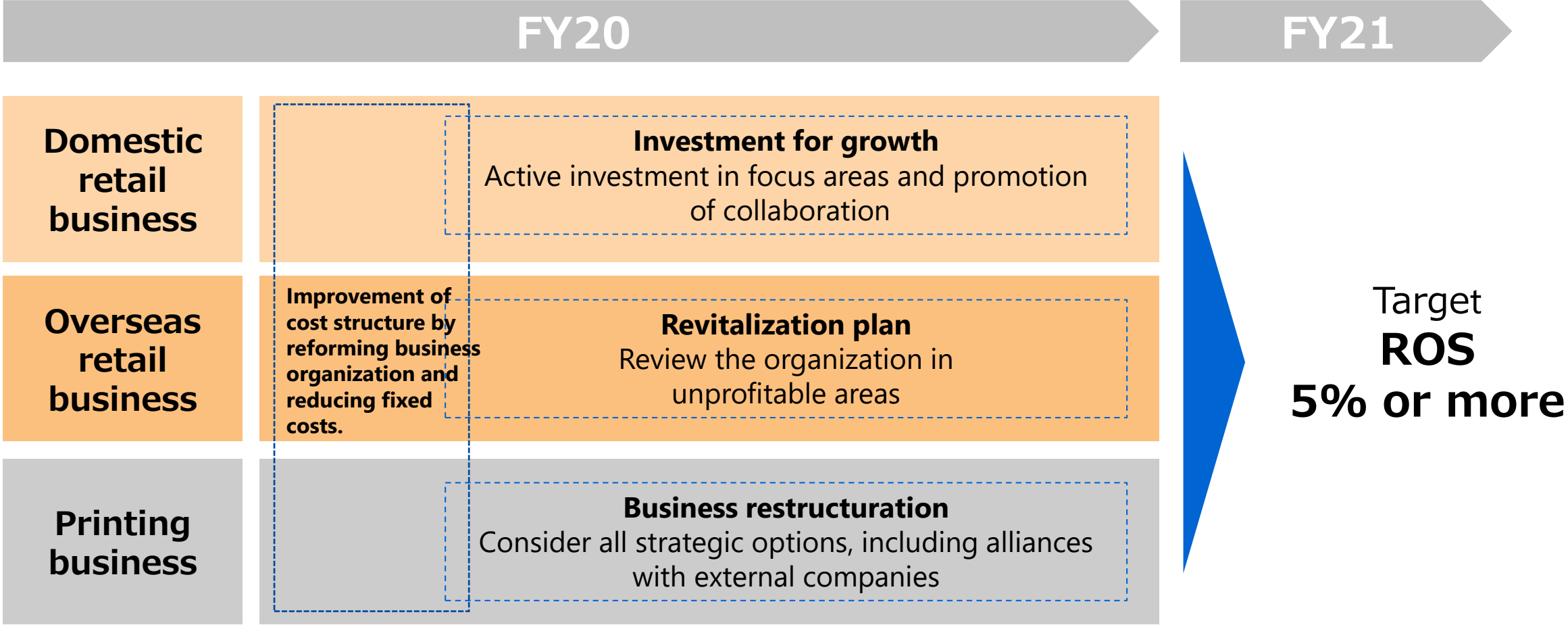
SG & A expenses reduced by 16.4 billion yen year-on-year in the first half of FY2020.

Overseas business

Specific direction to be determined by the end of March 2021.

Growth strategy

Redefining our business portfolio



TOPIC: TEC 01 SIGHT SHOWROOM OPENED

A showroom where you can feel the future and co-create it

Opened October 1, 2020 in Shinagawa Intercity



Appendix

FY2020 Forecast: Impact of Currency Exchange Rate

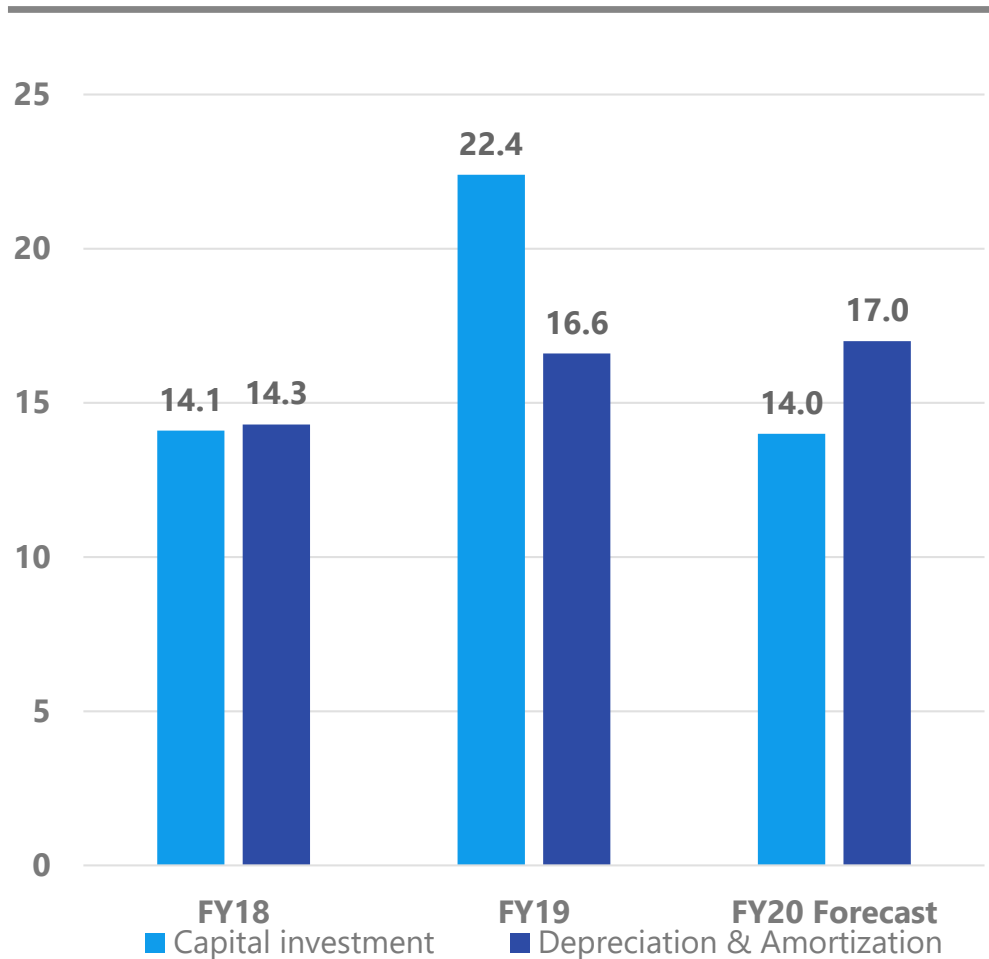
	Premise Rate	Effect of Depreciation by 1 yen (Annual)	
	FY2020/2H	Net Sales	Operating Profit
US\$	105 yen	+ 1.4 billion yen	△ 0.1 billion yen
EUR	120 yen	+0.3 billion yen	+0.1 billion yen

FY2020 Forecast:

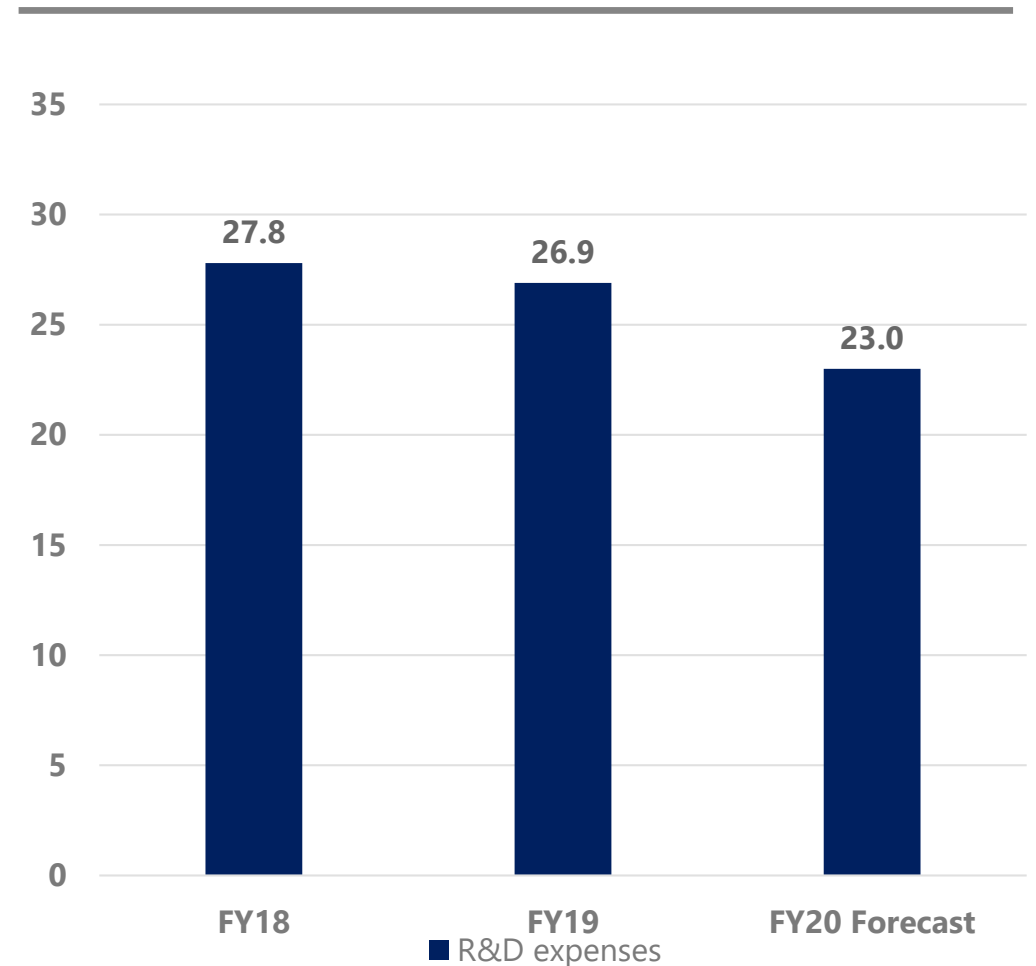
Capital investment*, Depreciation and Amortization, R&D expenses

(Billions of Yen)

Capital investment, Depreciation and Amortization



R&D expenses



*Increase in property, plant and equipment and intangible assets
(Including the impact of applying new lease accounting at overseas subsidiaries from FY2019)

Forward-looking statements concerning TOSHIBA TEC's future performance contained in this presentation represent certain reasonable assumptions based on economic, financial and competitive data and information currently available. However, actual results will be affected by the business and competitive environment and may differ materially from forecasts.

TOSHIBA

