

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2020 [Japanese GAAP]

August 11, 2020

Company name: TOSHIBA TEC CORPORATION

Stock exchange listing: Tokyo

Code number: 6588

URL: <https://www.toshibatec.co.jp/>

Representative: Hironobu Nishikori

President and CEO

Contact: Takashi Mizuno

Senior Manager of Corporate Communications Division

Phone: 03-6830-9151

Scheduled date of filing quarterly securities report: August 12, 2020

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2020 (April 01, 2020 to June 30, 2020)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2020	84,402	(27.6)	(3,965)	-	(4,244)	-	(4,380)	-
June 30, 2019	116,554	1.9	4,098	(4.0)	4,209	25.5	4,202	161.2

(Note) Comprehensive income: Three months ended June 30, 2020: ¥ (5,939) million [-%]
Three months ended June 30, 2019: ¥ 1,561 million [(15.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	(79.66)	-
June 30, 2019	76.46	76.38

(Note) Diluted earnings per share for the three months ended June 30, 2020 is not presented even though The Company has issued potential shares, because the per share data is a net loss per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2020	273,456	89,799	29.9
March 31, 2020	288,473	96,384	30.3

(Reference) Equity: As of June 30, 2020: ¥ 81,803 million
As of March 31, 2020: ¥ 87,399 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	20.00	-	10.00	30.00
Fiscal year ending March 31, 2021	-				
Fiscal year ending March 31, 2021 (Forecast)		0.00	-	-	-

(Note) Revision to the forecast for dividends announced most recently: No

(Note) The forecast for dividends of year end is undecided.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	410,000	(15.3)	10,000	(28.5)	7,000	(39.4)	500	(86.6)	9.09

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2020: 57,629,140 shares

March 31, 2020: 57,629,140 shares

2) Total number of treasury shares at the end of the period:

June 30, 2020: 2,642,671 shares

March 31, 2020: 2,642,915 shares

3) Average number of shares during the period:

Three months ended June 30, 2020: 54,986,732 shares

Three months ended June 30, 2019: 54,958,298 shares

Quarterly Consolidated Financial Statement
Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31,2020	As of June 30,2020
Assets		
Current assets		
Cash and deposits	44,907	49,811
Group deposits paid	8,394	9,382
Notes and accounts receivable - trade	59,701	41,479
Merchandise and finished goods	33,502	35,765
Work in process	4,974	4,667
Raw materials and supplies	8,026	7,849
Other	30,435	29,659
Allowance for doubtful accounts	(1,393)	(1,393)
Total current assets	188,549	177,221
Non-current assets		
Property, plant and equipment	46,046	44,112
Intangible assets		
Goodwill	2,377	2,155
Other	9,999	9,697
Total intangible assets	12,376	11,853
Investments and other assets		
Other	41,520	40,368
Allowance for doubtful accounts	(19)	(98)
Total investments and other assets	41,501	40,269
Total non-current assets	99,924	96,235
Total assets	288,473	273,456

(Million yen)

	As of March 31,2020	As of June 30,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	54,775	45,564
Short-term borrowings	346	355
Income taxes payable	3,845	3,894
Other	71,503	73,615
Total current liabilities	130,471	123,430
Non-current liabilities		
Long-term borrowings	804	750
Retirement benefit liability	35,861	35,422
Other	24,951	24,052
Total non-current liabilities	61,617	60,226
Total liabilities	192,088	183,657
Net assets		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	24	25
Retained earnings	46,040	41,109
Treasury shares	(5,422)	(5,422)
Total shareholders' equity	80,612	75,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,208	1,464
Deferred gains or losses on hedges	(4)	5
Foreign currency translation adjustment	7,795	6,717
Minimum pension liability adjustments	(521)	(526)
Remeasurements of defined benefit plans	(1,691)	(1,540)
Total accumulated other comprehensive income	6,786	6,120
Share acquisition rights	110	108
Non-controlling interests	8,873	7,888
Total net assets	96,384	89,799
Total liabilities and net assets	288,473	273,456

Quarterly Consolidated Statement of Income and Comprehensive Income
Quarterly Consolidated Statement of Income (For the three months)

(Million yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Net sales	116,554	84,402
Cost of sales	67,922	51,452
Gross profit	48,632	32,949
Selling, general and administrative expenses	44,534	36,915
Operating profit (loss)	4,098	(3,965)
Non-operating income		
Interest income	73	77
Dividend income	58	21
Foreign exchange gains	303	297
Other	147	117
Total non-operating income	582	513
Non-operating expenses		
Interest expenses	99	128
Loss on valuation of derivatives	143	181
Foreign withholding tax	-	208
Other	228	273
Total non-operating expenses	471	792
Ordinary profit (loss)	4,209	(4,244)
Extraordinary losses		
Restructuring cost	127	285
Total extraordinary losses	127	285
Profit (loss) before income taxes	4,081	(4,529)
Income taxes	34	680
Profit (loss)	4,047	(5,210)
Loss attributable to non-controlling interests	(155)	(830)
Profit (loss) attributable to owners of parent	4,202	(4,380)

Quarterly Consolidated Statement of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Profit (loss)	4,047	(5,210)
Other comprehensive income		
Valuation difference on available-for-sale securities	(303)	256
Deferred gains or losses on hedges	(33)	9
Foreign currency translation adjustment	(2,096)	(1,140)
Minimum pension liability adjustment	6	(5)
Remeasurements of defined benefit plans, net of tax	(58)	150
Total other comprehensive income	(2,485)	(728)
Comprehensive income	1,561	(5,939)
Comprehensive income attributable to		
Owners of parent	2,003	(5,046)
Non-controlling interests	(442)	(892)