

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 Six Months Ended September 30, 2021 [Japanese GAAP]

November 08, 2021

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: Akira Abe

Senior Manager of Corporate Communications Division

Phone: 03-6830-9151

Scheduled date of filing quarterly securities report: November 10, 2021

Scheduled date of commencing dividend payments: December 01, 2021

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	216,977	13.2	4,332	-	3,079	-	2,464	-
September 30, 2020	191,735	(23.3)	(930)	-	(1,388)	-	(6,968)	-

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 2,032 million [-%]

Six months ended September 30, 2020: ¥ (8,770) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	44.79	44.78
September 30, 2020	(126.71)	-

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

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2021	293,967	110,974	35.7
March 31, 2021	289,313	109,862	35.5

(Reference) Equity: As of September 30, 2021: ¥ 104,956 million

As of March 31, 2021: ¥ 102,710 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, 2021	-	0.00	-	20.00	20.00
Fiscal year ending March 31, 2022	-	20.00			
Fiscal year ending March 31, 2022 (Forecast)			-	20.00	40.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% 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	440,000	8.5	15,000	81.5	12,000	66.8	7,000	(1.8)	127.22

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(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: Yes

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):

September 30, 2021: 57,629,140 shares

March 31, 2021: 57,629,140 shares

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

September 30, 2021: 2,595,730 shares

March 31, 2021: 2,616,163 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 55,020,601 shares

Six months ended September 30, 2020: 54,998,810 shares

Quarterly Consolidated Financial Statement
Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	42,179	52,617
Group deposits paid	10,064	7,535
Notes and accounts receivable - trade	63,928	-
Notes and accounts receivable - trade, and contract assets	-	59,783
Merchandise and finished goods	31,582	31,762
Work in process	4,376	4,946
Raw materials and supplies	6,944	9,927
Other	24,115	23,279
Allowance for doubtful accounts	(1,394)	(1,405)
Total current assets	181,797	188,448
Non-current assets		
Property, plant and equipment	45,168	42,730
Intangible assets		
Goodwill	1,633	1,266
Other	9,876	9,868
Total intangible assets	11,510	11,134
Investments and other assets		
Other	50,929	51,741
Allowance for doubtful accounts	(91)	(88)
Total investments and other assets	50,837	51,653
Total non-current assets	107,516	105,518
Total assets	289,313	293,967

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,509	54,496
Short-term borrowings	542	636
Income taxes payable	1,375	2,292
Other	74,918	73,826
Total current liabilities	125,346	131,253
Non-current liabilities		
Long-term borrowings	1,019	992
Retirement benefit liability	26,624	25,512
Other	26,460	25,235
Total non-current liabilities	54,104	51,739
Total liabilities	179,450	182,992
Net assets		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	57	107
Retained earnings	52,616	54,160
Treasury shares	(5,372)	(5,334)
Total shareholders' equity	87,273	88,905
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,681	1,716
Deferred gains or losses on hedges	(16)	17
Foreign currency translation adjustment	10,805	11,514
Minimum pension liability adjustments	(832)	(832)
Remeasurements of defined benefit plans	3,799	3,634
Total accumulated other comprehensive income	15,436	16,050
Share acquisition rights	57	48
Non-controlling interests	7,094	5,969
Total net assets	109,862	110,974
Total liabilities and net assets	289,313	293,967

Quarterly Consolidated Statement of Income and Comprehensive Income

Quarterly Consolidated Statement of Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	191,735	216,977
Cost of sales	116,731	130,477
Gross profit	75,003	86,500
Selling, general and administrative expenses	75,933	82,167
Operating profit (loss)	(930)	4,332
Non-operating income		
Interest income	150	175
Dividend income	22	22
Gain on valuation of derivatives	-	689
Foreign exchange gains	387	-
Other	220	139
Total non-operating income	780	1,027
Non-operating expenses		
Interest expenses	263	253
Loss on valuation of derivatives	164	-
Foreign exchange losses	-	1,430
Other	809	596
Total non-operating expenses	1,238	2,280
Ordinary profit (loss)	(1,388)	3,079
Extraordinary income		
Reversal of environmental expenses	284	-
Total extraordinary income	284	-
Extraordinary losses		
Restructuring cost	6,630	863
Total extraordinary losses	6,630	863
Profit (loss) before income taxes	(7,735)	2,216
Income taxes	470	866
Profit (loss)	(8,205)	1,349
Loss attributable to non-controlling interests	(1,236)	(1,114)
Profit (loss) attributable to owners of parent	(6,968)	2,464

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

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit (loss)	(8,205)	1,349
Other comprehensive income		
Valuation difference on available-for-sale securities	329	34
Deferred gains or losses on hedges	0	34
Foreign currency translation adjustment	(1,042)	777
Minimum pension liability adjustment	(16)	(0)
Remeasurements of defined benefit plans, net of tax	164	(164)
Total other comprehensive income	(564)	682
Comprehensive income	(8,770)	2,032
Comprehensive income attributable to		
Owners of parent	(7,391)	3,078
Non-controlling interests	(1,378)	(1,046)

Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit (loss) before income taxes	(7,735)	2,216
Depreciation and amortization	7,932	7,958
Reversal of environmental expenses	(284)	-
Restructuring cost	6,630	863
Increase (decrease) in allowance for doubtful accounts	154	2
Increase (decrease) in retirement benefit liability	(4,171)	(1,423)
Interest and dividend income	(172)	(198)
Interest expenses	263	253
Decrease (increase) in trade receivables	1,262	6,702
Decrease (increase) in inventories	4,263	(4,262)
Increase (decrease) in trade payables	(10,747)	5,337
Other, net	1,239	(217)
Subtotal	(1,362)	17,232
Interest and dividends received	197	199
Interest paid	(260)	(258)
Payment for extra retirement payments	(6,154)	(637)
Income taxes paid	(2,787)	(1,210)
Income taxes refund	20	1,395
Net cash provided by (used in) operating activities	(10,347)	16,722
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	477
Purchase of property, plant and equipment	(4,097)	(3,689)
Proceeds from sale of property, plant and equipment	66	128
Purchase of intangible assets	(1,006)	(1,127)
Purchase of investment securities	(36)	(1,168)
Proceeds from sale of investment securities	11	0
Net decrease (increase) in short-term loans receivable	32	8
Long-term loan advances	(3)	(0)
Proceeds from collection of long-term loans receivable	2	2
Payments for acquisition of businesses	(124)	-
Other, net	(67)	63
Net cash provided by (used in) investing activities	(5,224)	(5,304)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(89)	(273)
Repayments of finance lease obligations	(1,571)	(2,495)
Proceeds from long-term borrowings	207	355
Repayments of long-term borrowings	-	(21)
Purchase of treasury shares	(6)	(6)
Dividends paid	(550)	(1,099)
Dividends paid to non-controlling interests	(130)	(79)
Net cash provided by (used in) financing activities	(2,141)	(3,621)
Effect of exchange rate change on cash and cash equivalents	311	595
Net increase (decrease) in cash and cash equivalents	(17,401)	8,392
Cash and cash equivalents at beginning of period	53,302	51,753
Cash and cash equivalents at end of period	35,900	60,145