



February 13, 2025

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**Toshiba Tec Announces Completion of Optional Interim Review
of its Consolidated Financial Results
for the Nine Months Ended December 31, 2024
[Japanese GAAP]**

TOKYO, February 13, 2025 – Toshiba Tec Corporation (TOKYO: 6588) announced today that certified public accountants, etc. have completed the optional interim review of the company's quarterly consolidated financial statements, as disclosed on February 6, 2025 in its consolidated financial results for the nine months ended December 31, 2024.

As a result of the review, there were no changes to the quarterly consolidated financial statements announced on February 6, 2025.

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, 2024	-	20.00	-	25.00	45.00
Fiscal year ending March 31, 2025	-	20.00	-		
Fiscal year ending March 31, 2025 (Forecast)				25.00	45.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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	572,000	4.4	18,000	13.5	15,000	36.3	24,000	-	453.23

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

The Company revised its consolidated financial results forecast for the fiscal year ending March 31, 2025, in the Consolidated Financial Results for the Nine Months Ended December 31, 2024, announced on February 6, 2025, but there were no changes from those forecasts.

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2024

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New - (Company name:)

Exclusion: 5 companies (Company name: Toshiba Tec Information Systems (Shenzhen) Co., Ltd., Toshiba Tec (H.K.) Logistics & Procurement Ltd., Toshiba Tec Malaysia Manufacturing Sdn. Bhd., etc.)

(Note) Furthermore, the Company has one consolidated subsidiary that was established on April 1, 2024 and succeeded to the shares by ETRIA CO., LTD.

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

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Notes (3) Notes to the quarterly consolidated financial statements (Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)” on page 9 of this report.

(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

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Notes (3) Notes to the quarterly consolidated financial statements (Changes in accounting policies)” on page 9 of this report.

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

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

December 31, 2024: 57,629,140 shares

March 31, 2024: 57,629,140 shares

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

December 31, 2024: 4,676,807 shares

March 31, 2024: 4,700,044 shares

3) Average number of shares during the period:

Nine months ended December 31, 2024: 52,943,283 shares

Nine months ended December 31, 2023: 54,513,589 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

(Explanation for the proper use of earnings forecasts)

Financial results forecasts are based on information currently available to the Company and certain assumptions deemed reasonable and are not intended to be the Company's guarantee that they will be achieved. Actual results may significantly vary due to a variety of factors. For the assumptions used as the basis for the earnings forecasts and precautions regarding the use of the earnings forecasts, please refer to "1. Summary of consolidated business results, etc. (3) Consolidated financial results forecast and other forward-looking information" on page 4 of this report.

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1. Summary of consolidated business results, etc.

(1) Summary of consolidated business results etc. for the nine months ended December 31, 2024 under review

The world economy for the nine months ended December 31, 2024 picked up moderately overall. However, the outlook still remained uncertain due mainly to price rises, and the heightened geopolitical risks.

Amid such conditions, the Company and its subsidiaries (collectively, the “Group”) have been pursuing the Basic Policy of the FY24-26 Mid-term Business Plan, “To become a global top solutions partner by generating new value through co-creation with the aim of contributing to the resolution of social issues.” Under the basic policy, the Group has striven to strengthen the profitability of core businesses, expand new business areas, transform management, enhance human resources, and promote sustainability, etc. toward sustainable growth. In this way, the Group has strived to contribute to the resolution of social issues with the aim of becoming a global top solutions partner.

In the nine months ended December 31, 2024, net sales were ¥425,517 million (up 7% year on year) due mainly to increased sales of POS systems and the impact of foreign exchange rates. On the profit front, the profit and loss of POS systems for the overseas markets, mainly in the Americas, improved, and the profitability of multifunction peripherals (MFPs) continued to secure a certain level of profit despite a decline in profit due to a decrease in the scale of sales from October 2024 onwards, resulting in operating profit of ¥11,767 million (up 24% year on year), and ordinary profit of ¥11,169 million (up 74% year on year). And profit attributable to owners of parent was ¥27,185 million (loss attributable to owners of parent of ¥14,716 million in the same period of the previous fiscal year) primarily due to recording gain on change in equity and gain on sale of businesses under extraordinary income in line with each of the transfers of the Group's businesses related to the development and manufacturing of MFPs and auto ID systems to ETRIA CO., LTD. which is the joint venture between the Company and Ricoh Company, Ltd., and all of the inkjet head businesses of the Group to RISO Technologies Corporation, a wholly-owned subsidiary of RISO KAGAKU CORPORATION.

Results of reportable segments for the nine months ended December 31, 2024 were as follows.

Retail Solutions Business Group

The Retail Solutions Business Group handles POS systems for domestic and overseas markets, auto ID systems for domestic market, and related products. Amid a severe business environment in which intensifying competition with peers continues, the business group has worked on expanding its customer base etc. for the expansion of new business areas in addition to expanding its solution business through the global retail platform “ELERA” and strategic partnership, boosting recurring revenue business and maintenance services (BPO) covering not only our equipment but also IT equipment of other companies.

Sales of POS systems for the domestic market increased due to efforts to expand sales mainly of self-checkout systems, payment terminals, and "Smart Receipt", as well as revisions of product prices and maintenance service prices, and special demand related to the redesigned banknotes, despite continued harsh conditions reflecting soaring raw material prices, rising prices, and other factors.

Sales of POS systems for overseas markets increased due to an increase in sales in mainly the Americas, and the impact of foreign exchange rates.

Sales of auto ID systems for the domestic market decreased, due to a decline in sales of high-end model, although strong sales of portable printers and other products mainly to specific customers.

As a result, net sales of the Retail Solutions Business Group were ¥245,105 million (up 9% year on year). Operating profit of the business group was ¥3,352 million (operating loss of ¥388 million in the same period of the previous fiscal year), reflecting the fact that profit and loss of POS systems for overseas markets improved mainly in the Americas, although the profit of POS systems for the domestic market was essentially unchanged from the nine months ended December 31, 2023, but decreased due to the negative impact of foreign exchange rates.

Workplace Solutions Business Group

The Workplace Solutions Business Group handles MFPs for domestic and overseas markets, auto ID systems for overseas markets, inkjet heads for domestic and overseas markets, and related products. Amid a severe business environment in which the declining printing volume due to work style reforms and office DX promotion and intensifying competition with peers continue, the business group focused on strengthening the profitability of core businesses and worked on developing the MFPs solutions business, the auto ID solutions business, and customer support business.

Furthermore, the Company transferred the Group's business of the development and manufacturing of MFPs and auto ID systems to ETRIA CO., LTD., effective from July 1, 2024. And the Company transferred all of the Group's business of the inkjet head to RISO Technologies Corporation, effective from July 1, 2024. Sales division of MFPs and auto ID systems are not included in the transfer to ETRIA CO., LTD., and there has been no change in the sales structure of the Group. Therefore, there is only minor impact on sales in the nine months ended December 31, 2024. On the other hand, for inkjet heads, the sales related to inkjet heads have not been included in the sales of the Group since July 1, 2024, as all of the businesses including the sales division have been transferred to RISO Technologies Corporation.

Sales of MFPs increased due to the positive impact of foreign exchange rates, although declined on a local currency basis due to a decrease in the scale of sales from October 2024 onwards.

Sales of auto ID systems for overseas markets increased as a result of increased sales in all regions and the impact of foreign exchange rates.

Sales of inkjet heads decreased due to the fact that all of the businesses were transferred to RISO Technologies Corporation on July 1, 2024, as mentioned above.

As a result, net sales of the Workplace Solutions Business Group were ¥183,397 million (up 4% year on year). Operating profit for the business group was ¥8,415 million (down 15% year on year) due to a deterioration in profit and loss of MFPs caused by a decrease in the scale of sales and the negative impact of foreign exchange rates from October 2024 onwards, despite the improvement effects of structural reform and structural transformation implemented so far.

(Note) An auto ID system is a system that uses hardware and software devices to recognize and manage data content by automatically scanning barcode and RFID tag data.

(2) Summary of consolidated financial condition etc. for the nine months ended December 31, 2024 under review

Assets at the end of the third quarter of the fiscal year ending March 31, 2025 increased by ¥11,447 million from the end of the previous fiscal year to ¥348,956 million. This was mainly because merchandise and finished goods in current assets increased by ¥3,578 million and investment securities and “Other” in investments and other assets increased by ¥27,253 million and ¥2,347 million respectively, although cash and deposits, notes and accounts receivable - trade, and contract assets, work in process, raw materials and supplies and “Other” in current assets decreased by ¥4,850 million, ¥6,559 million, ¥1,263 million, ¥3,711 million and ¥3,546 million, respectively, and property, plant and equipment in non-current assets decreased by ¥1,702 million.

Liabilities decreased by ¥5,815 million from the end of the previous fiscal year to ¥235,457 million. This was mainly because “Other” in current liabilities decreased by ¥11,775 million and retirement benefit liability in non-current liabilities decreased by ¥2,836 million, although accounts payable - trade, current portion of long-term borrowings and income taxes payable in current liabilities increased by ¥1,298 million, ¥1,238 million and ¥3,722 million, respectively, and long-term borrowings in non-current liabilities increased by ¥1,981 million.

Net assets increased by ¥17,261 million from the end of the previous fiscal year to ¥113,498 million. This was primarily due to an increase in retained earnings owing to the recording of profit attributable to owners of parent of ¥27,185 million, although retained earnings decreased by ¥2,382 million owing to the payment of dividends, and foreign currency translation adjustment and non-controlling interests decreased by ¥5,371 million and ¥1,482 million, respectively.

(3) Consolidated financial results forecast and other forward-looking information

The Company revised its consolidated financial results forecast for the fiscal year ending March 31, 2025 announced on November 8, 2024 as follows.

Revision to consolidated financial results forecasts for the fiscal year ending March 31, 2025

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previously announced forecast (A)	565,000	18,000	15,000	24,000	453.23
Revised forecast (B)	572,000	18,000	15,000	24,000	453.23
Change (B)–(A)	7,000	—	—	—	—
Change (%)	1.2	—	—	—	—
Reference: results of the previous fiscal year (ended March 31, 2024)	548,135	15,854	11,004	(6,707)	(123.92)

Revision to consolidated sales forecasts by segment for the fiscal year ending March 31, 2025

(Million yen)

	Previously announced forecast (A)	Revised forecast (B)	Change (B) – (A)	Change (%)	Reference: results of the previous fiscal year (ended March 31, 2024)
Retail Solutions	329,000	333,000	4,000	1.2	311,004
Workplace Solutions	240,000	243,000	3,000	1.3	241,631
Eliminations	(4,000)	(4,000)	—	—	(4,500)
Net sales	565,000	572,000	7,000	1.2	548,135

Consolidated operating profit forecasts by segment for the fiscal year ending March 31, 2025

(Million yen)

	Previously announced forecast (A)	Revised forecast (B)	Change (B) – (A)	Change (%)	Reference: results of the previous fiscal year (ended March 31, 2024)
Retail Solutions	8,000	8,000	—	—	2,251
Workplace Solutions	10,000	10,000	—	—	13,602
Operating profit	18,000	18,000	—	—	15,854

Net sales of the Retail Solutions Business Group and Workplace Solutions Business Group have been revised upward due mainly to the impact of exchange rate. Meanwhile, operating profit, ordinary profit and profit attributable to owners of parent remain unchanged from the previously announced forecast. Based on these factors, we have revised our consolidated financial results forecasts for the fiscal year ending March 31, 2025 as stated above.

The reference exchange rates used in the consolidated financial results forecast for the fiscal year ending March 31, 2025 are ¥151.61 to the US dollar and ¥163.30 to the euro.

*Financial results forecasts are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to be the Company's guarantee that they will be achieved. Actual results may significantly vary due to a variety of factors.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	48,592	43,742
Notes and accounts receivable - trade, and contract assets	86,520	79,961
Merchandise and finished goods	43,206	46,784
Work in process	2,749	1,486
Raw materials and supplies	12,734	9,023
Other	31,227	27,681
Allowance for doubtful accounts	(1,458)	(1,361)
Total current assets	223,572	207,317
Non-current assets		
Property, plant and equipment	48,239	46,537
Intangible assets		
Goodwill	357	212
Other	11,212	11,152
Total intangible assets	11,569	11,364
Investments and other assets		
Investment securities	10,586	37,839
Other	43,948	46,295
Allowance for doubtful accounts	(408)	(398)
Total investments and other assets	54,126	83,736
Total non-current assets	113,936	141,638
Total assets	337,509	348,956

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	65,845	67,143
Short-term borrowings	2,871	3,360
Current portion of long-term borrowings	3,696	4,934
Income taxes payable	5,245	8,967
Other	98,147	86,372
Total current liabilities	175,807	170,778
Non-current liabilities		
Long-term borrowings	11,533	13,514
Retirement benefit liability	28,037	25,201
Other	25,894	25,962
Total non-current liabilities	65,465	64,679
Total liabilities	241,272	235,457
Net assets		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	950	1,110
Retained earnings	31,145	55,772
Treasury shares	(13,382)	(13,317)
Total shareholders' equity	58,683	83,537
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,013	915
Deferred gains or losses on hedges	46	75
Foreign currency translation adjustment	23,330	17,958
Minimum pension liability adjustments	(320)	(240)
Remeasurements of defined benefit plans	5,307	4,563
Total accumulated other comprehensive income	29,376	23,272
Share acquisition rights	19	14
Non-controlling interests	8,156	6,673
Total net assets	96,236	113,498
Total liabilities and net assets	337,509	348,956

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

Quarterly Consolidated Statement of Income (For the nine months)

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	396,719	425,517
Cost of sales	235,697	258,008
Gross profit	161,021	167,509
Selling, general and administrative expenses	151,558	155,741
Operating profit	9,463	11,767
Non-operating income		
Interest income	363	308
Dividend income	79	83
Share of profit of entities accounted for using equity method	—	1,496
Other	256	620
Total non-operating income	699	2,508
Non-operating expenses		
Interest expenses	425	1,239
Loss on valuation of derivatives	14	442
Foreign exchange losses	1,690	412
Other	1,620	1,013
Total non-operating expenses	3,750	3,107
Ordinary profit	6,412	11,169
Extraordinary income		
Gain on change in equity	—	21,151
Gain on sale of investment securities	63	635
Gain on sale of businesses	—	5,654
Total extraordinary income	63	27,441
Extraordinary losses		
Loss on sale of investment securities	9	8
Loss on valuation of investment securities	80	1
Restructuring cost	423	355
Total extraordinary losses	513	365
Profit before income taxes	5,962	38,245
Income taxes	19,490	11,768
Profit (loss)	(13,528)	26,476
Profit (loss) attributable to non-controlling interests	1,187	(708)
Profit (loss) attributable to owners of parent	(14,716)	27,185

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

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit (loss)	(13,528)	26,476
Other comprehensive income		
Valuation difference on available-for-sale securities	(254)	(97)
Deferred gains or losses on hedges	(3)	29
Foreign currency translation adjustment	3,319	(6,862)
Minimum pension liability adjustment	37	80
Remeasurements of defined benefit plans, net of tax	(291)	(580)
Share of other comprehensive income of entities accounted for using equity method	—	1,194
Total other comprehensive income	2,806	(6,236)
Comprehensive income	(10,722)	20,239
Comprehensive income attributable to		
Owners of parent	(12,049)	21,081
Non-controlling interests	1,327	(841)

(3) Notes to the quarterly consolidated financial statements

Changes in accounting policies

Application of Accounting Standard for Current Income Taxes

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (“ASBJ”) Standard No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) from the beginning of the fiscal year ending March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). Additionally, this change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year ending March 31, 2025. This change in accounting policies was applied retrospectively. Hence, the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year.

Accounting policies adopted specially for the preparation of quarterly consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting for profit before income taxes for the consolidated fiscal year ending March 31, 2025 including the nine months ended December 31, 2024 under review and multiplying profit before income taxes by the estimated effective tax rate.

Provided, however, that if calculation using the estimated effective tax rate turns out to be significantly unreasonable, calculations are made pursuant to Paragraph 15 (Method of using the statutory effective tax rate) of the Implementation Guidance on Tax Effect Accounting for Interim Financial Statements (Accounting Standards Board of Japan (ASBJ) Guidance No. 29, February 16, 2018), according to the provisions of Paragraph 18 of the Implementation Guidance on Accounting Standard for Semi-annual Financial Reporting (ASBJ Guidance No. 32, March 22, 2024).

Income taxes - deferred are included in income taxes.

Segment information, etc.

I Nine months ended December 31, 2023

Amounts of net sales, profit or loss by reportable segment

(Million yen)

	Reportable segments			Adjustment	Consolidated amount (Note)
	Retail Solutions	Workplace Solutions	Total		
Net sales					
Sales to external customers	223,854	172,864	396,719	—	396,719
Intersegment sales and transfers	105	3,239	3,344	(3,344)	—
Total	223,960	176,104	400,064	(3,344)	396,719
Segment profit	(388)	9,852	9,463	—	9,463

(Note) Segment profit (loss) corresponds with operating profit in the quarterly consolidated statement of income.

II Nine months ended December 31, 2024

Amounts of net sales, profit or loss by reportable segment

(Million yen)

	Reportable segments			Adjustment	Consolidated amount (Note)
	Retail Solutions	Workplace Solutions	Total		
Net sales					
Sales to external customers	245,026	180,491	425,517	—	425,517
Intersegment sales and transfers	79	2,906	2,985	(2,985)	—
Total	245,105	183,397	428,503	(2,985)	425,517
Segment profit	3,352	8,415	11,767	—	11,767

(Note) Segment profit corresponds with operating profit in the quarterly consolidated statement of income.

*Supplementary information

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Average exchange rate (Yen to the US dollar)	142.87	152.28
Average exchange rate (Yen to the euro)	154.99	164.90

Notes in the event of significant amount changes in shareholders' equity

Not applicable.

Notes on going concern assumption

Not applicable.

Notes to statements of cash flows

Quarterly consolidated statements of cash flows are not prepared for the nine months ended December 31, 2024. "Depreciation" (including amortization of intangible assets other than goodwill) and "Amortization of goodwill" for the nine months ended December 31, 2024 are as follows:

(Million yen)

	For the nine months ended December 31, 2023	For the three months ended December 31, 2024
Depreciation	12,625	13,020
Amortization of goodwill	185	148