



**TOSHIBA**

# **FY2019 First Six Months Consolidated Business Results**

**Toshiba Tec Corporation**

Nov 6, 2019

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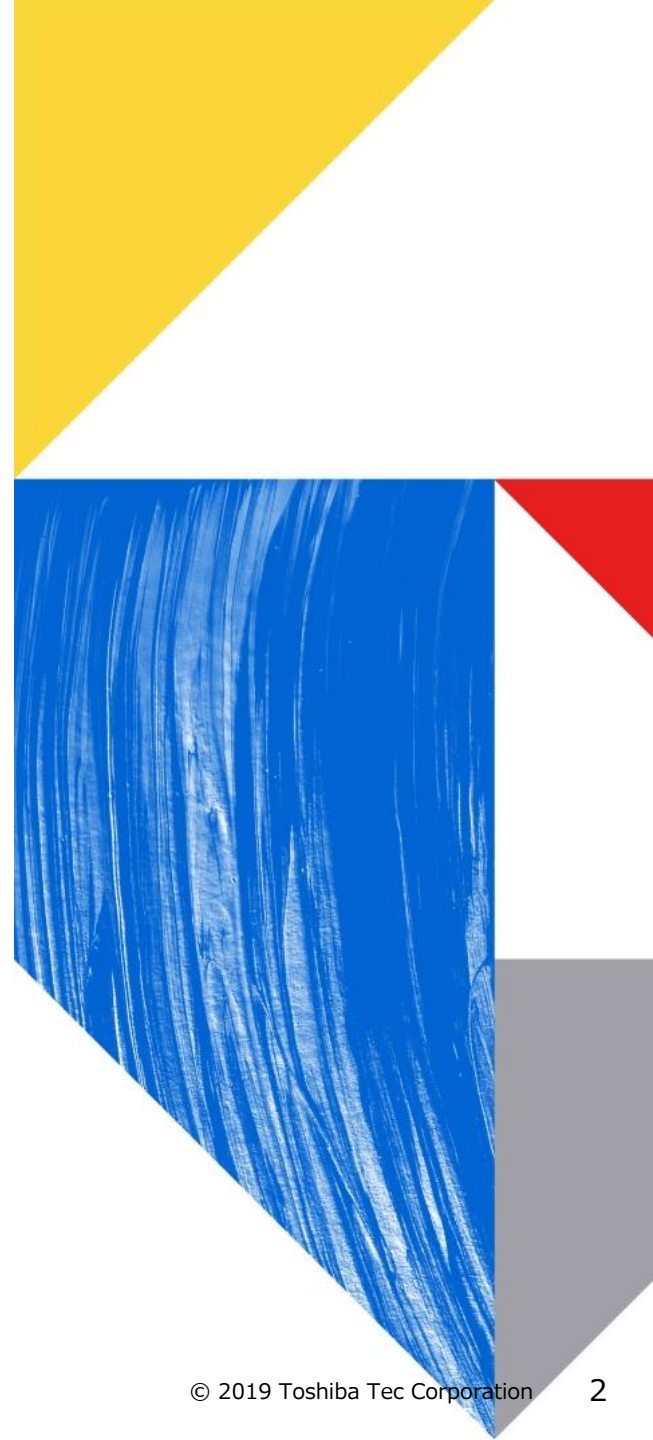
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# 01

## Key Messages



# Key Messages

## **Ordinary profit and profit attributable to owners of parent reached record highs for the first half of fiscal year**

All of operating profit, ordinary profit and profit attributable to owners of parent increased significantly.

## **Profits increased significantly in the retail solutions business**

Operating profit of domestic retail solutions business in the first half of FY2019 reached record high.

## **Structural Reform**

Implemented structural reform to improve profitability of overseas business.

# 02

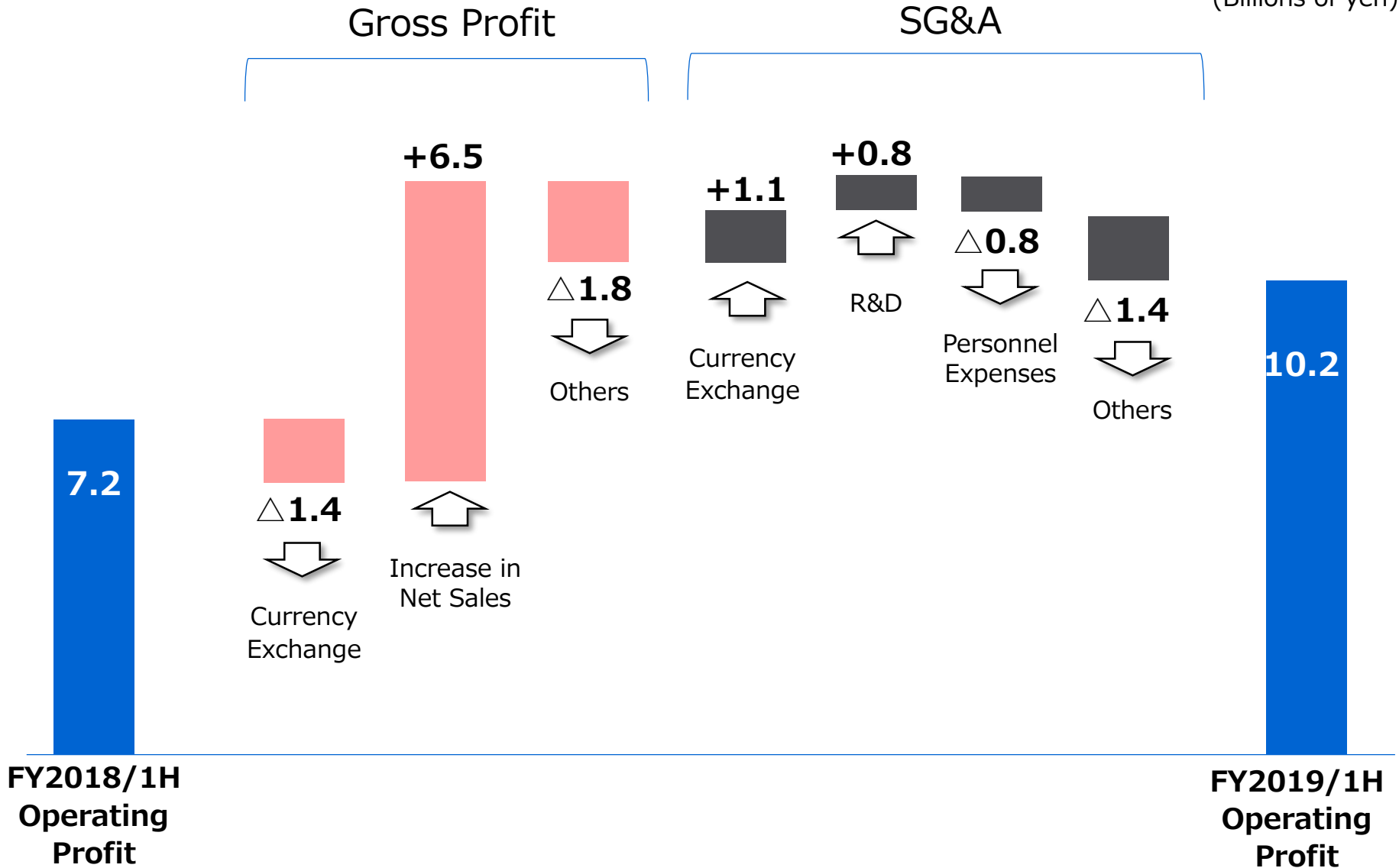
## **FY2019 First Six Months Consolidated Business Results**

# FY2019 First Six Months Business Results

| (Billions of yen)   |      | FY2019/1H      | FY2019/1H            | FY2018/1H     | Difference                      |                            |
|---|------|----------------|----------------------|---------------|---------------------------------|----------------------------|
|   |      | Actual         | Forecast<br>(May 10) | Actual        | vs.<br>FY2019/1H FC<br>(May 10) | vs.<br>FY2018/1H<br>Actual |
| Net Sales   |      | 249.9          | 235.0                | 236.1         | +14.9                           | +13.8                      |
| Operating Profit<br>(Rate of sales)                           |      | 10.2<br>(4.1%) | 8.0<br>(3.4%)        | 7.2<br>(3.0%) | +2.2                            | +3.0                       |
| Ordinary Profit<br>(Rate of sales)                            |      | 9.7<br>(3.9%)  | 7.0<br>(3.0%)        | 5.9<br>(2.5%) | +2.7                            | +3.8                       |
| Profit Attributable to<br>Owners of Parent<br>(Rate of sales) |      | 7.9<br>(3.2%)  | 4.6<br>(2.0%)        | 4.3<br>(1.8%) | +3.3                            | +3.6                       |
| Foreign currency<br>exchange rate<br>(Yen)                    | US\$ | 109.19         | 105.00               | 109.50        | +4.19                           | △0.31                      |
|   | EUR  | 122.01         | 125.00               | 129.52        | △2.99                           | △7.51                      |

# Operating Profit Analysis of FY2019/1H

(Billions of yen)



# FY2019 First Six Months Business Results by Segment

|                                   | (Billions of yen)                   | FY2019/1H<br>Actual | FY2018/1H<br>Actual | Difference<br>vs. FY2018/1H |
|-----------------------------------|-------------------------------------|---------------------|---------------------|-----------------------------|
| Retail Solutions Business Group   | Net Sales                           | 159.9               | 145.5               | +14.4                       |
|                                   | Operating Profit<br>(Rate of Sales) | 8.4<br>(5.2%)       | 5.2<br>(3.6%)       | +3.2                        |
| Printing Solutions Business Group | Net Sales                           | 94.0                | 94.8                | △0.7                        |
|                                   | Operating Profit<br>(Rate of Sales) | 1.8<br>(1.9%)       | 2.0<br>(2.1%)       | △0.2                        |
| Consolidated Total                | Net Sales                           | 249.9               | 236.1               | +13.8                       |
|                                   | Operating Profit<br>(Rate of Sales) | 10.2<br>(4.1%)      | 7.2<br>(3.0%)       | +3.0                        |

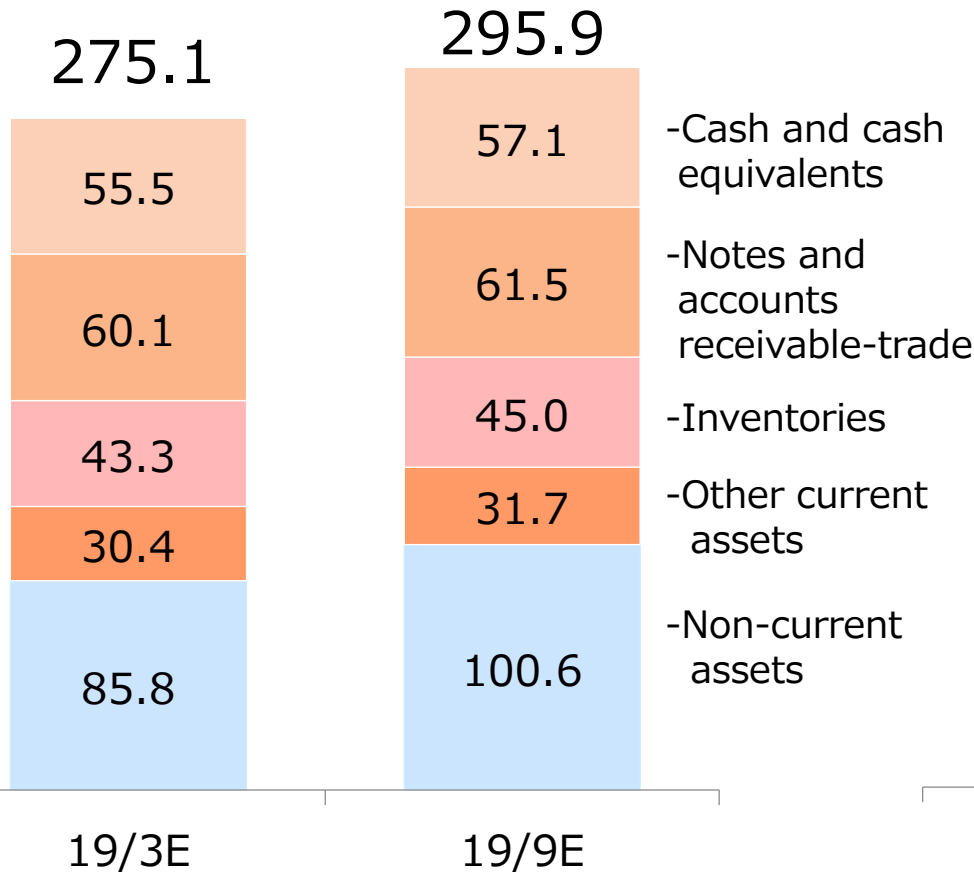


# Balance Sheet

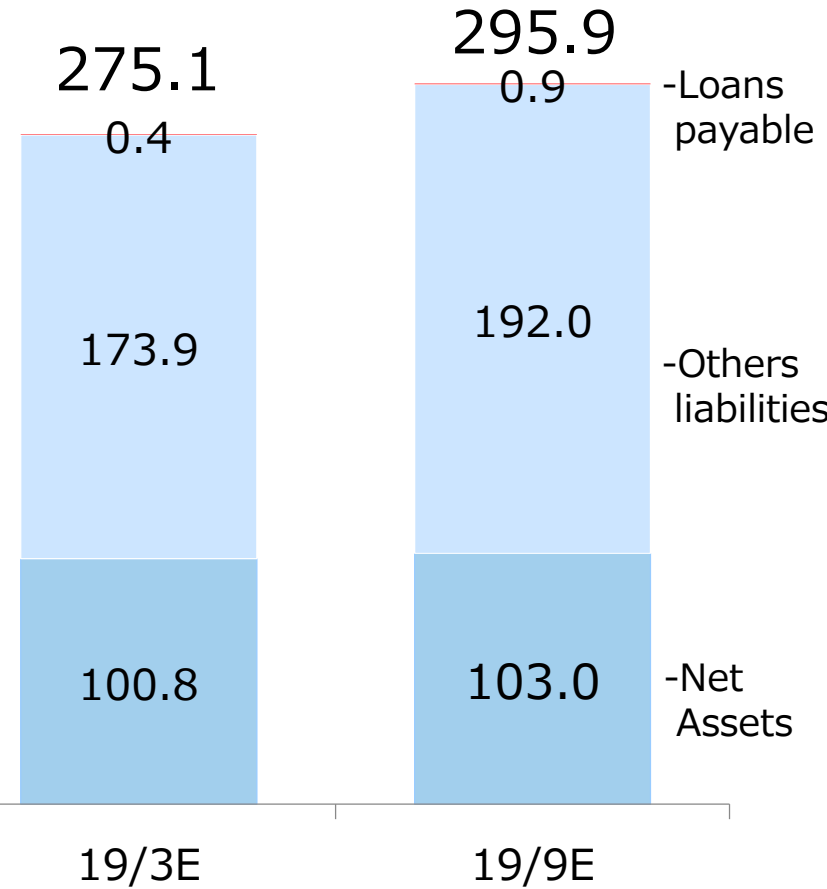
Equity ratio decreased by 1.2% to 31.8%, due to the impact of new lease accounting

(Billions of yen)

## Assets



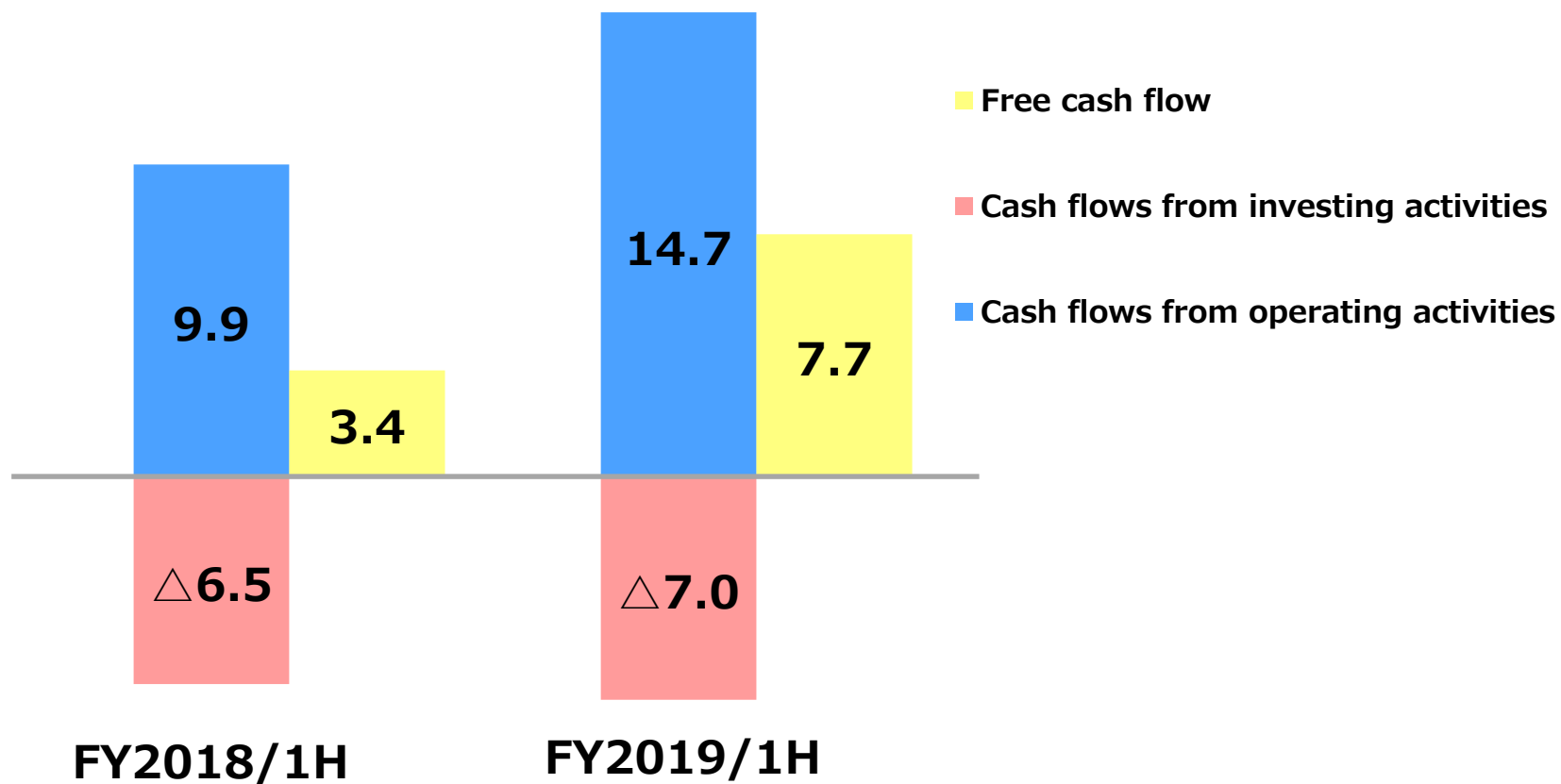
## Liabilities and Net Assets



# FY2019/1H Cash Flows

Created free cash flow through efficient cash management

(Billions of yen)



# 03

## FY2019 Forecast



# FY2019 Forecast, Overall

| (Billions of yen)   |      | FY2019                | FY2019                | FY2018                | Difference                |                      |
|---|------|-----------------------|-----------------------|-----------------------|---------------------------|----------------------|
|   |      | Forecast              | Forecast<br>(May 10)  | Actual                | vs. FY2019 FC<br>(May 10) | vs. FY2018<br>Actual |
| Net Sales   |      | <b>480.0</b>          | <b>480.0</b>          | <b>476.8</b>          | —                         | <b>+3.2</b>          |
| Operating Profit<br>(Rate of sales)                           |      | <b>20.0</b><br>(4.2%) | <b>20.0</b><br>(4.2%) | <b>18.0</b><br>(3.8%) | —                         | <b>+2.0</b>          |
| Ordinary Profit<br>(Rate of sales)                            |      | <b>18.0</b><br>(3.8%) | <b>18.0</b><br>(3.8%) | <b>16.5</b><br>(3.5%) | —                         | <b>+1.5</b>          |
| Profit Attributable to<br>Owners of Parent<br>(Rate of sales) |      | <b>12.0</b><br>(2.5%) | <b>12.0</b><br>(2.5%) | <b>11.2</b><br>(2.4%) | —                         | <b>+0.8</b>          |
| Foreign currency<br>exchange rate<br>(Yen)                    | US\$ | <b>107.34*</b>        | <b>105.00</b>         | <b>110.69</b>         | <b>+2.34</b>              | <b>△3.35</b>         |
|   | EUR  | <b>120.84*</b>        | <b>125.00</b>         | <b>128.78</b>         | <b>△4.16</b>              | <b>△7.94</b>         |

\* Foreign currency exchange rates of 19/2H forecasts are US\$=105yen, EUR=120yen.

# FY2019 Forecast by Segment

|                                   | (Billions of yen) | FY2019   | FY2019               | FY2018 | Difference                |                      |
|-----------------------------------|-------------------|----------|----------------------|--------|---------------------------|----------------------|
|                                   |                   | Forecast | Forecast<br>(May 10) | Actual | vs. FY2019 FC<br>(May 10) | vs. FY2018<br>Actual |
| Retail Solutions Business Group   | Net Sales         | 301.0    | 296.0                | 292.3  | +5.0                      | +8.7                 |
|                                   | Operating Profit  | 15.0     | 13.5                 | 12.3   | +1.5                      | +2.7                 |
|                                   | (Rate of Sales)   | (5.0%)   | (4.6%)               | (4.2%) |                           |                      |
| Printing Solutions Business Group | Net Sales         | 188.0    | 193.0                | 192.9  | △5.0                      | △5.0                 |
|                                   | Operating Profit  | 5.0      | 6.5                  | 5.7    | △1.5                      | △0.7                 |
|                                   | (Rate of Sales)   | (2.7%)   | (3.4%)               | (2.9%) |                           |                      |
| Consolidated Total                | Net Sales         | 480.0    | 480.0                | 476.8  | —                         | +3.2                 |
|                                   | Operating Profit  | 20.0     | 20.0                 | 18.0   | —                         | +2.0                 |
|                                   | (Rate of Sales)   | (4.2%)   | (4.2%)               | (3.8%) |                           |                      |

# Appendix

# FY2019 Forecast: Impact of Currency Exchange Rate

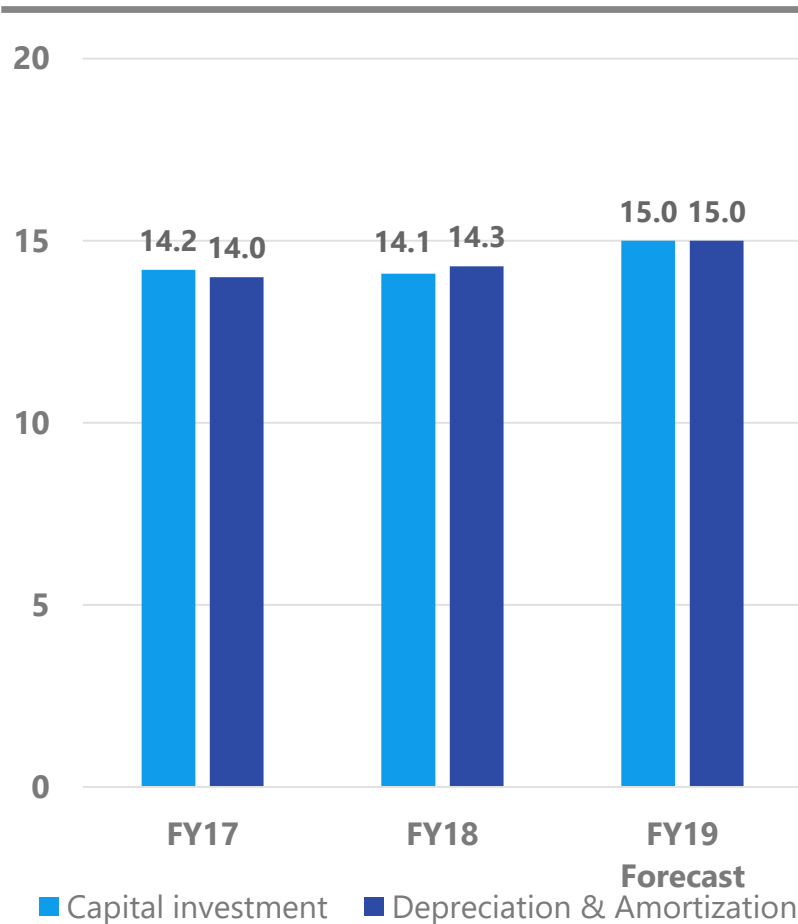
|      | Premise Rate | Effect of depreciation by 1 yen (Annual) |                   |
|------|--------------|--|-------------------|
|      | FY2019/2H    | Net Sales                                | Operating Profit  |
| US\$ | 105 yen      | + 1.9 billion yen                        | △ 0.1 billion yen |
| EUR  | 125 yen      | +0.4 billion yen                         | +0.2 billion yen  |

# FY2019 Forecast:

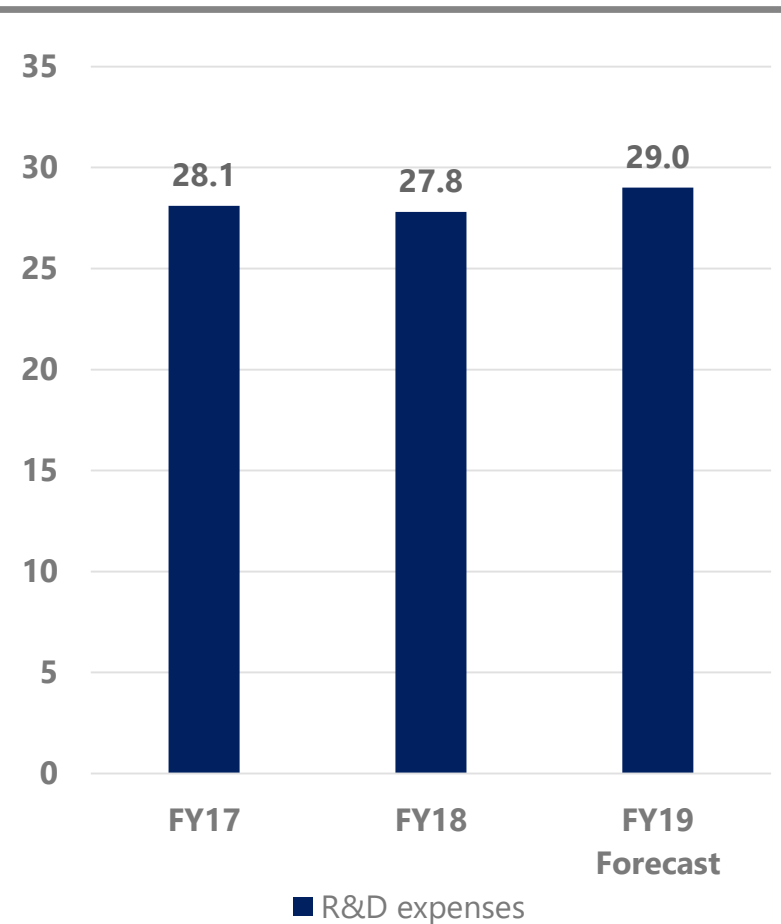
## Capital investment, Depreciation and Amortization, R&D expenses

(Billions of Yen)

### Capital investment , Depreciation and Amortization



### R&D expenses





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

