

**TOSHIBA**

# **FY2023 First Quarter Consolidated Business Results**

**Toshiba Tec Corporation**

Aug 7, 2023

# Contents

**01 Key Messages**

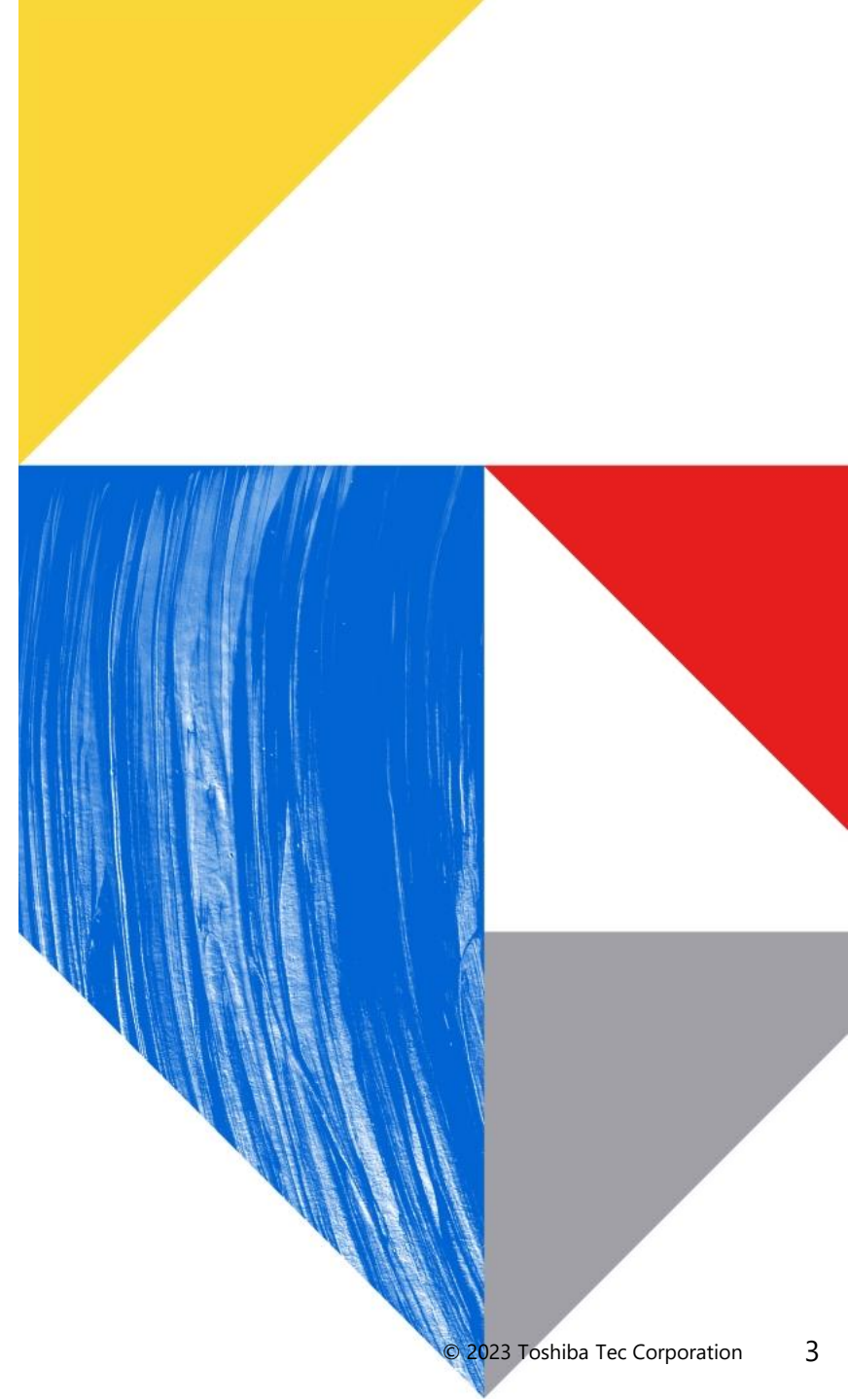
**02 FY2023 First Quarter  
Consolidated Business Results**

**03 FY2023 Forecast**

**04 Tender Offer for Treasury Shares**

# 01

## Key Messages



# Key Messages

**In the 1st quarter (April – June) of FY2023, financial indicators (mentioned the below) exceeded the performances of previous year for all company**

- Net sales, operating profit, ordinary profit and profit attributable to owners of parent

**In the 1st quarter (April – June) of FY2023, both net sales and operating profit increased year-on-year**

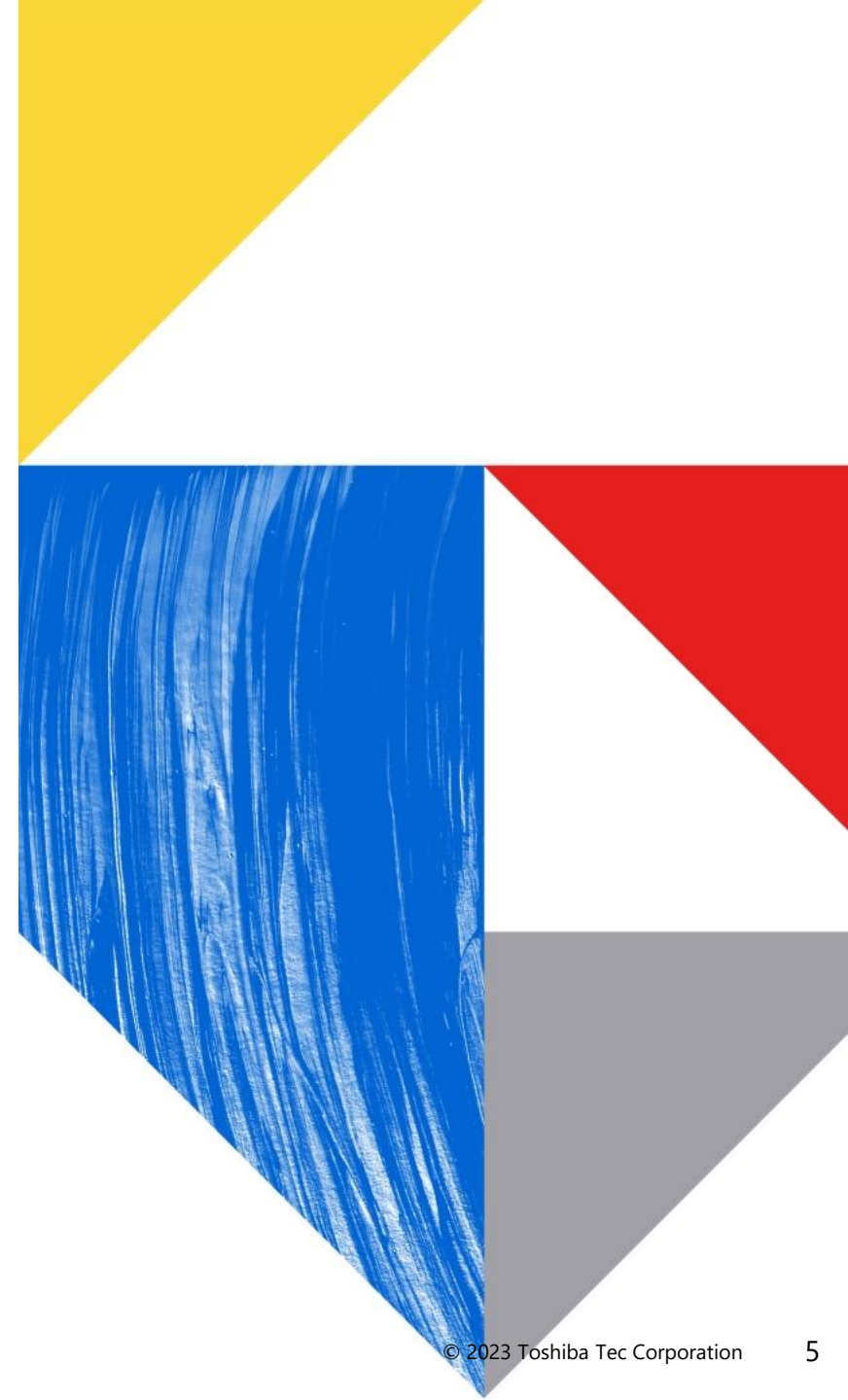
In the 1<sup>st</sup> quarter (April- June), both Retail Solutions and Workplace Solutions businesses posted higher net sales year-on-year, and operating profit increased by 1.1 billion yen mainly due to a strong contribution by Workplace Solutions business

**Commence tender offer for treasury shares (2,444,200 shares)**

Announced the commencement of tender offer for treasury shares to return profits to shareholders through improved capital efficiency, including earnings per share (EPS) and return on equity (ROE)

# 02

## **FY2023 First Quarter Consolidated Business Results**

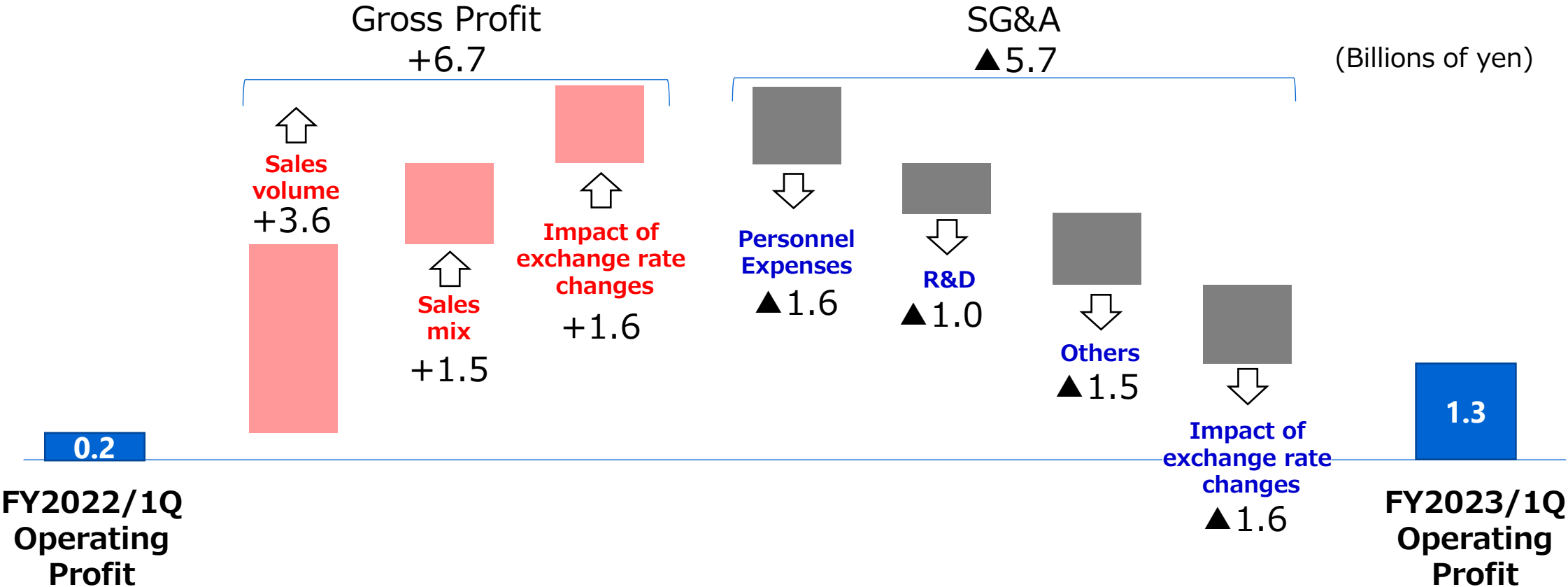


# FY2023/1Q Business Results (Consolidated)

(Billions of yen)

		FY2023/1Q Actual	FY2022/1Q Actual	Difference vs FY2022/1Q
<b>Net Sales</b>		<b>122.4</b>	<b>109.3</b>	<b>+13.1</b>
<b>Operating Profit</b>		<b>1.3</b>	<b>0.2</b>	<b>+1.1</b>
	(Rate of sales)	(1.1%)	(0.2%)	
<b>Ordinary Profit/loss</b>		<b>0.4</b>	<b>△2.3</b>	<b>+2.7</b>
	(Rate of sales)	(0.3%)	(-%)	
<b>Profit/loss Attributable to Owners of Parent</b>		<b>0.0</b>	<b>△2.2</b>	<b>+2.2</b>
	(Rate of sales)	(0.0%)	(-%)	
<b>Foreign Currency Exchange Rate (Yen)</b>	<b>US\$</b>	<b>135.79</b>	<b>126.51</b>	<b>+9.28</b>
	<b>EUR</b>	<b>147.93</b>	<b>136.75</b>	<b>+11.18</b>

# Operating Profit Analysis of FY2023/1Q

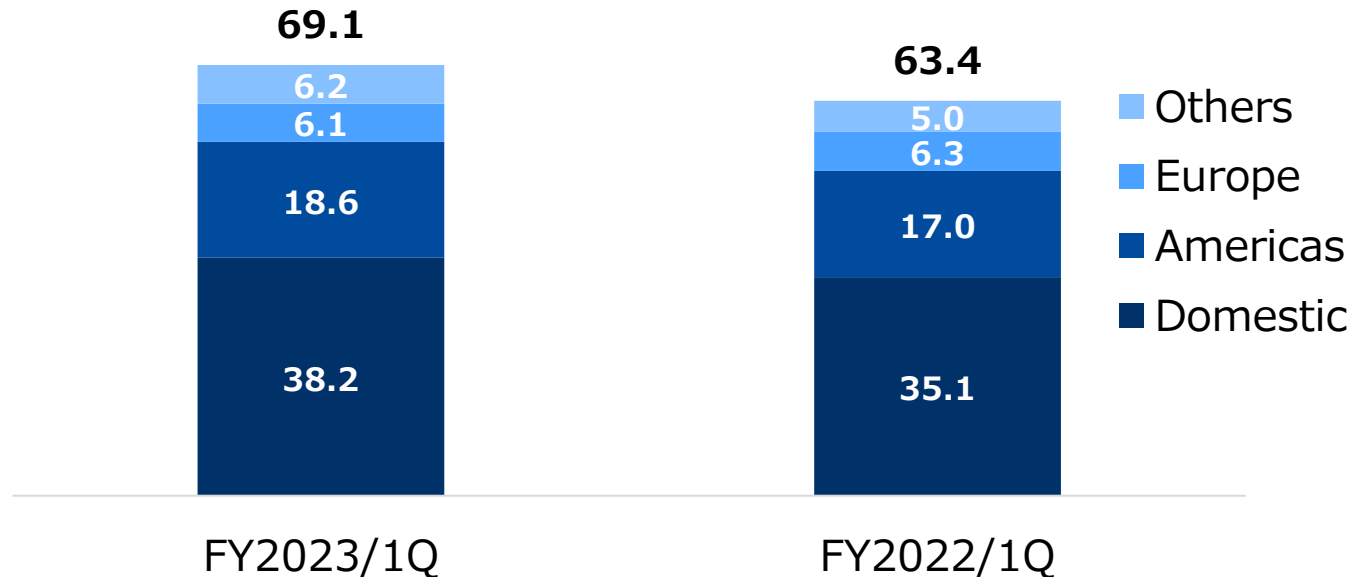


# FY2023/1Q Business Results by Segment

(Billions of yen)

	FY2023/1Q Actual	FY2022/1Q Actual	Difference vs FY2022/1Q
<b>Retail Solutions Business Group</b>			
<b>Net Sales</b>	<b>69.1</b>	<b>63.4</b>	<b>+5.7</b>
<b>Operating Profit</b>	<b>△0.8</b>	<b>0.1</b>	<b>△0.9</b>
(Rate of sales)	(-%)	(0.1%)	

Sales by regions



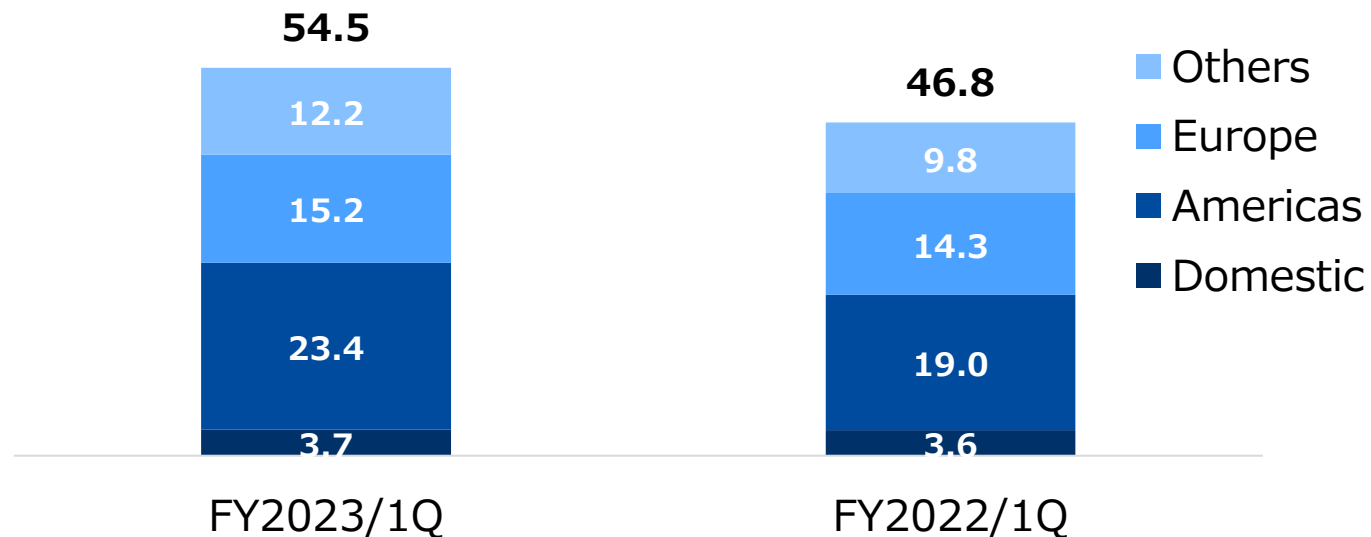


# FY2023/1Q Business Results by Segment

(Billions of yen)

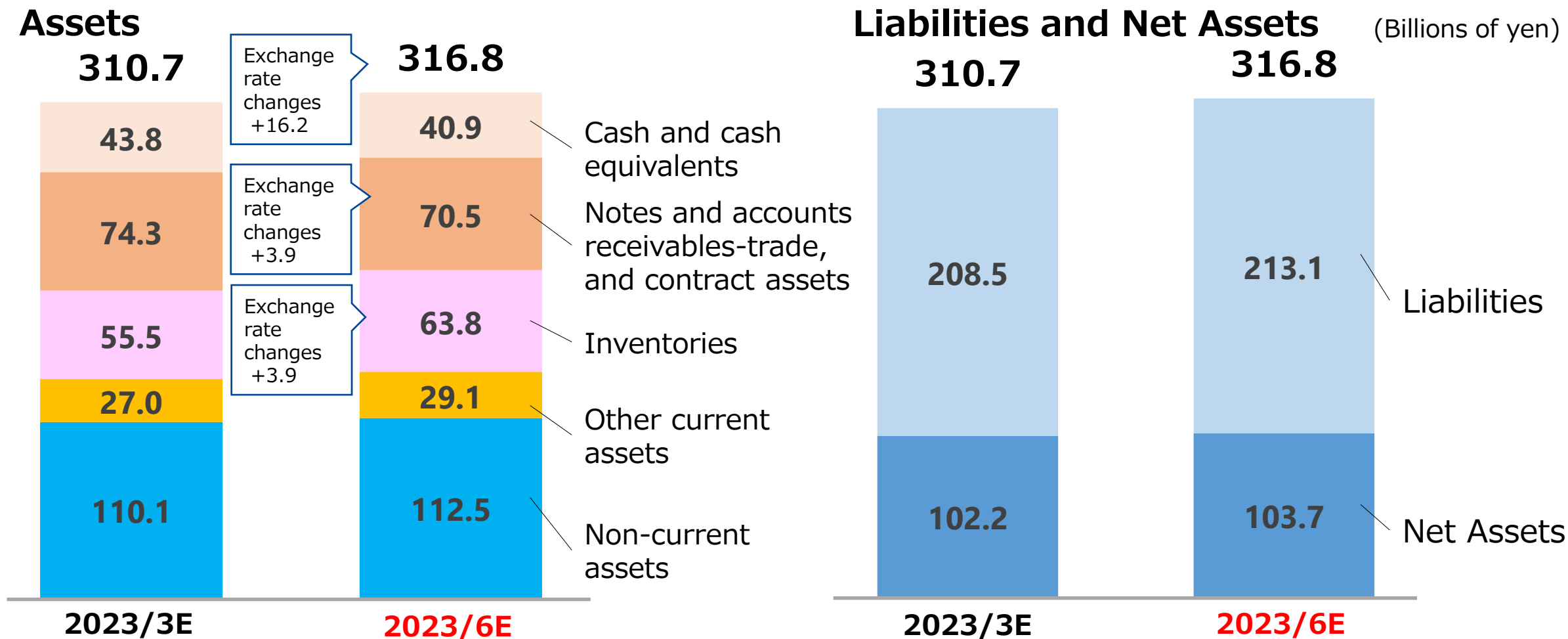
		FY2023/1Q Actual	FY2022/1Q Actual	Difference vs FY2022/1Q
Workplace Solutions Business Group	Net Sales	54.5	46.8	+7.7
	Operating Profit <small>(Rate of sales)</small>	2.1 <small>(3.9%)</small>	0.1 <small>(0.3%)</small>	+2.0

Sales by regions



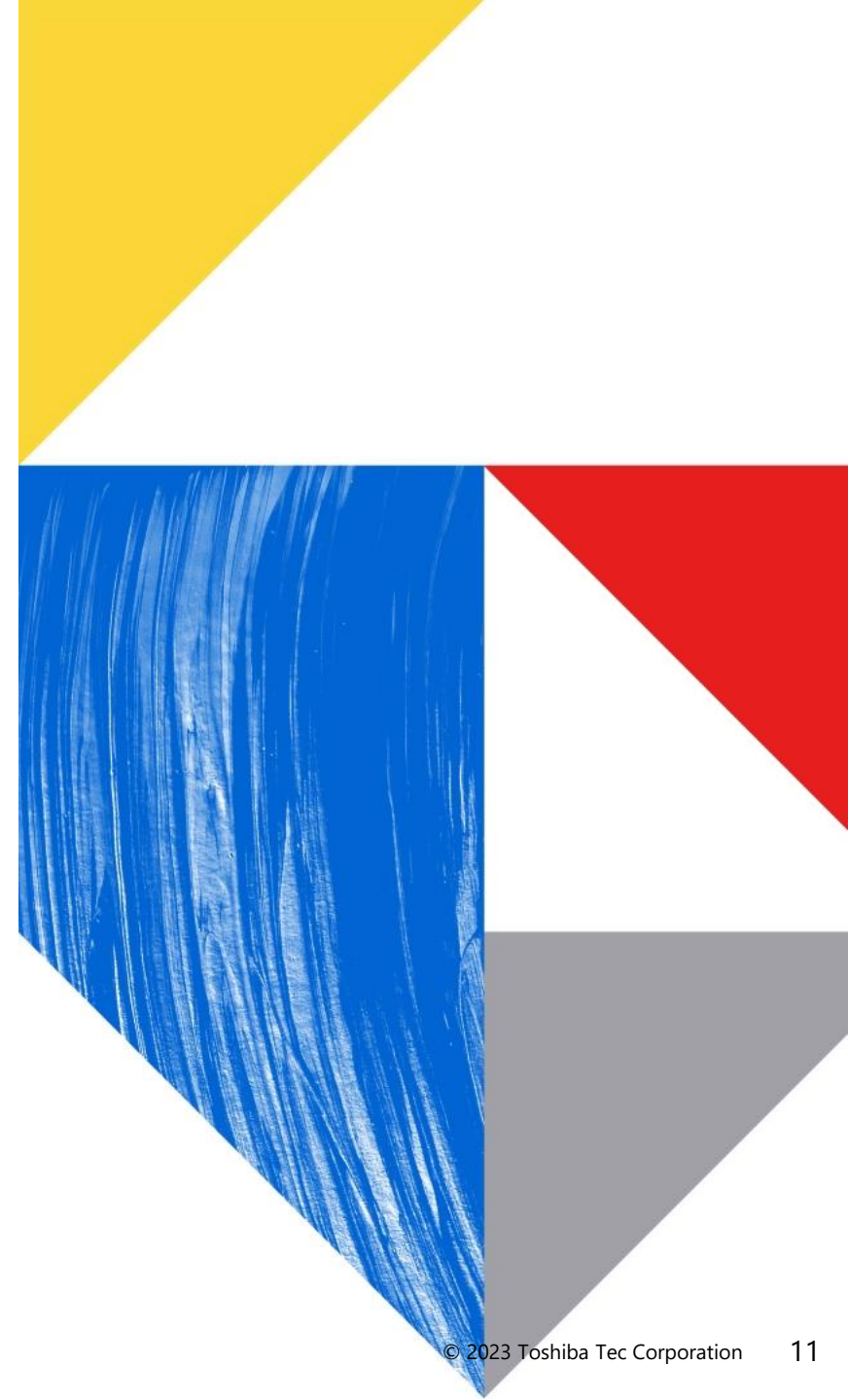
# Balance Sheet

The equity ratio at the end of the 1st quarter remains appropriate  
 The tender offer will be financed by borrowings,  
 but the appropriate capital adequacy ratio will be maintained



# 03

## FY2023 Forecast



# FY2023 Forecast (Consolidated)

(Billions of yen)

		<b>FY2023</b>	<b>FY2023</b>	<b>FY2022</b>	<b>Difference</b>	
		<b>Forecast</b>	<b>Prev. Forecast</b> (May 11)	<b>Actual</b>	<b>vs Prev. Forecast</b>	<b>vs FY2022 Actual</b>
<b>Net Sales</b>		<b>530.0</b>	<b>520.0</b>	<b>510.8</b>	<b>+10.0</b>	<b>+19.2</b>
<b>Operating Profit</b>		<b>18.0</b>	<b>18.0</b>	<b>16.1</b>	<b>-</b>	<b>+1.9</b>
	(Rate of sales)	(3.4%)	(3.5%)	(3.1%)		
<b>Ordinary Profit</b>		<b>15.0</b>	<b>15.0</b>	<b>13.1</b>	<b>-</b>	<b>+1.9</b>
	(Rate of sales)	(2.8%)	(2.9%)	(2.6%)		
<b>Profit/loss Attributable to Owners of Parent</b>		<b>7.0</b>	<b>7.0</b>	<b>△13.7</b>	<b>-</b>	<b>+20.7</b>
	(Rate of sales)	(1.3%)	(1.3%)	(-%)		
<b>Dividends</b>		<b>45Yen</b>	<b>45Yen</b>	<b>40Yen</b>	<b>-</b>	<b>+5Yen</b>
<b>Foreign Currency Exchange Rate (Yen)</b>	<b>US\$</b>	<b>132.71*</b>	<b>130.00</b>	<b>135.11</b>	<b>+2.71</b>	<b>△2.40</b>
	<b>EUR</b>	<b>143.46*</b>	<b>140.00</b>	<b>140.86</b>	<b>+3.46</b>	<b>+2.60</b>

\*Foreign currency exchange rates of FY2023/2Q~ forecast are US\$=130.00 yen, EUR=140.00 yen.

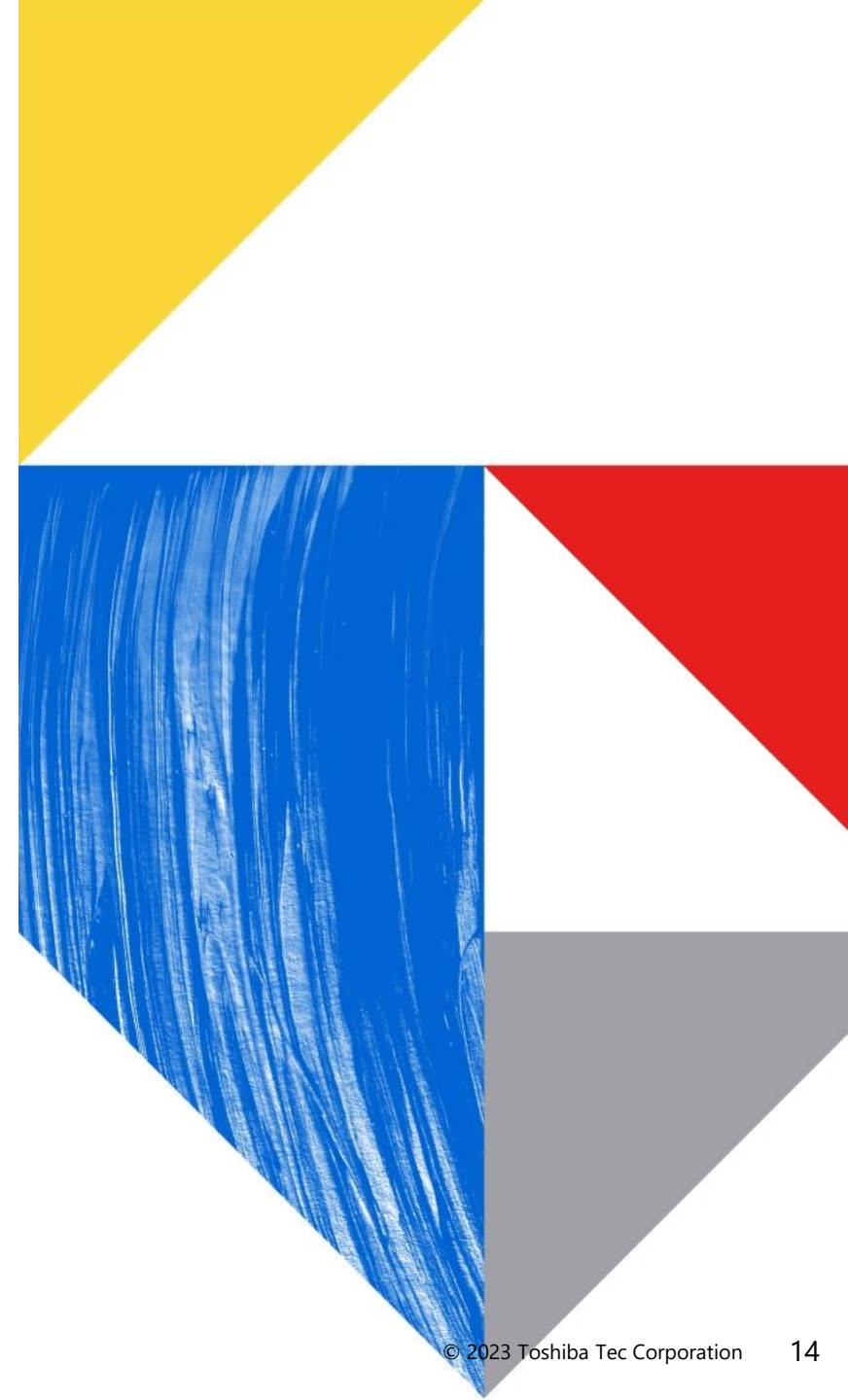
# FY2023 Forecast by Segment

(Billions of yen)

		FY2023	FY2023	FY2022	Difference	
		Forecast	Prev. Forecast (May 11)	Actual	vs Prev. Forecast	vs FY2022 Actual
Retail Solutions Business Group	Net Sales	310.0	307.0	297.0	+3.0	+13.1
	Operating Profit (Rate of sales)	11.0 (3.5%)	11.0 (3.6%)	9.2 (3.1%)	-	+1.8
Workplace Solutions Business Group	Net Sales	226.0	218.0	217.7	+8.0	+8.3
	Operating Profit (Rate of sales)	7.0 (3.1%)	7.0 (3.2%)	6.9 (3.2%)	-	+0.1

# 04

## Tender Offer for Treasury Shares



# Background and Purpose of the Tender Offer for the Treasury Shares

## 【Background】

- The company has deliberated purchases of treasury shares for the purpose of flexible equity policy
- The company has received a request from its parent company, Toshiba Corporation, in the 1<sup>st</sup> quarter of FY2023 that Toshiba wished to sell part of the common stock of the company held by Toshiba

## 【Purpose】

- Increase in the company's earnings per share (EPS) and improved capital efficiency (shareholder returns), such as return on equity (ROE)
- Avoid share price declines due to market sell-offs

# Impact of share repurchases on financial indicators (EPS, ROE)

(\*) Effect simulation at the end of fiscal year

Before TOB	After TOB	Effect
<b>Estimated EPS</b> 126.47 yen	<b>Estimated EPS</b> 131.76 yen	+5.29 yen
<b>Estimated ROE</b> 7.3%	<b>Estimated ROE</b> 7.9%	+0.6%

## Assumptions for calculations :

- Net profit : 7,000 million yen (Estimated net profit for the fiscal year ending March 2024)
- Total number of issued shares : 55,347,472 shares (As of March 31, 2023 <Excluding treasury shares>)
- Net worth : 96,195 million yen (Balance at the end of March 2023)
- The number of shares to be purchased : 2,222,000 shares (Calculated based on the number of Pre-Tendered shares out of the number of to be purchased)



# Summary of the Tender Offer

- Date of public notice of the commencement of the tender offer : August 8, 2023
- Period of tender offer : From August 8, 2023 to September 5, 2023
- The number of shares to be purchased : 2,444,200 shares  
(4.42% of total number of issued shares<excluding treasury shares>)
- Purchase price : 3,575 yen (Acquisition amount : 8.7 billion yen)

# Appendix

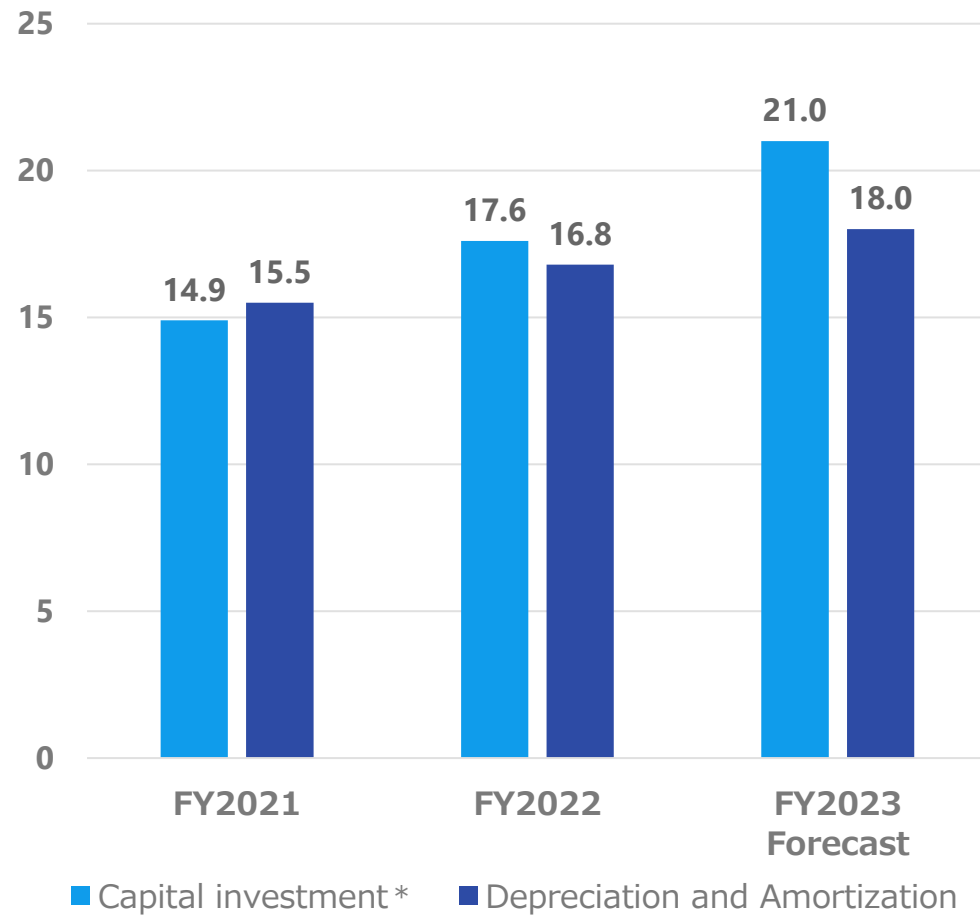
# FY2023 Forecast : Impact of Currency Exchange Rate

	Premise Rate	Effect of depreciation by 1 yen	
	FY2023/2Q~	Net Sales (Annual)	Operating Profit (Annual)
US\$	130 yen	+1.8 billion yen	△0.1 billion yen
EUR	140 yen	+0.3 billion yen	+0.1 billion yen

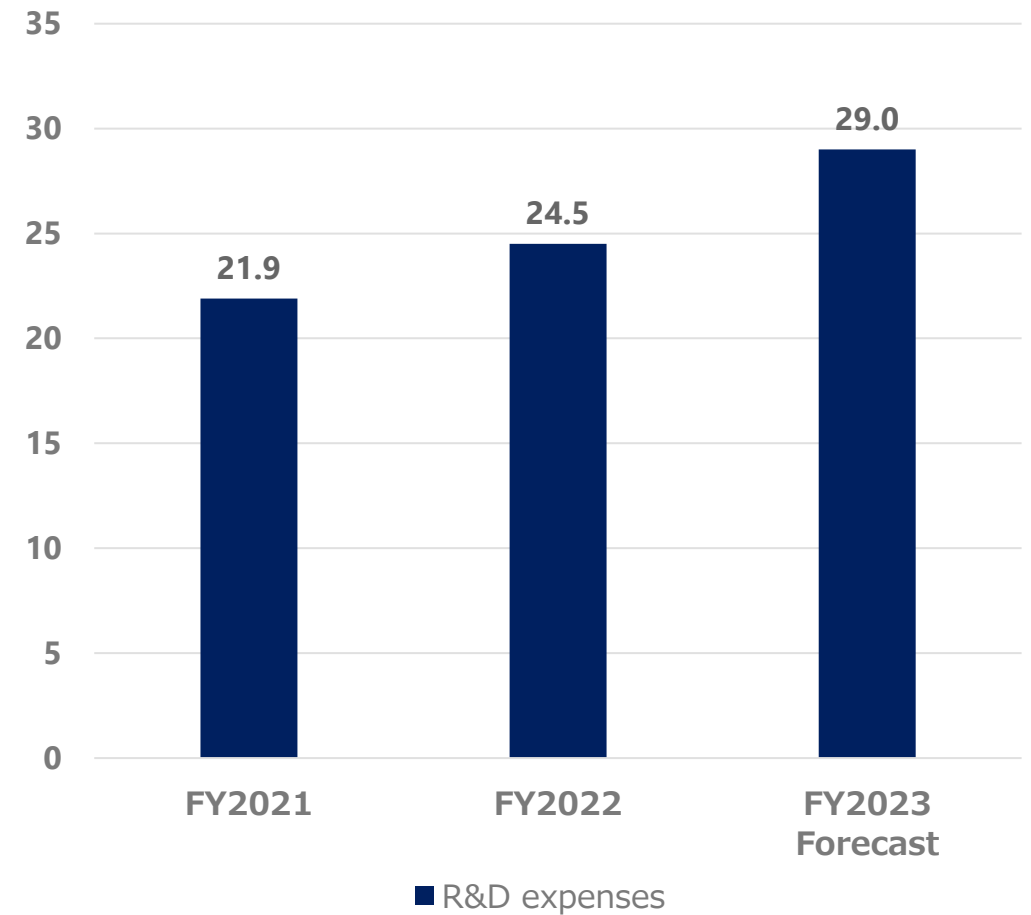
# FY2023 Forecast: Capital investment\*, Depreciation and Amortization, R&D expenses

(Billions of yen)

## Capital investment\*, Depreciation and Amortization



## R&D expenses



\*The increase amount of tangible assets and intangible assets

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

