

November 12, 2021
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Toshiba Announces Consolidated Results for the First Six Months
and the Second Quarter for Fiscal Year 2021, Ending March 2022**

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced its consolidated results for the first six months (April-September) and the second quarter (July-September) of fiscal year (FY) 2021, ending March 31, 2022.

Note:

For convenience only, all dollar amounts used in reporting the second quarter of FY2021 are calculated at 112 yen to the dollar.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Sep. 30, 2021 (A)	Mar. 31, 2021 (B)	(A)-(B)	Sep. 30, 2021
Assets				
Current assets	¥2,004,386	¥2,130,908	¥(126,522)	\$17,896,304
Cash and cash equivalents	465,690	525,456	(59,766)	4,157,946
Notes, accounts receivable and contract assets	767,899	898,605	(130,706)	6,856,241
Inventories	537,821	475,765	62,056	4,801,973
Other current assets	232,976	231,082	1,894	2,080,144
Long-term receivables	3,440	4,231	(791)	30,714
Investments	551,081	529,797	21,284	4,920,366
Property, plant and equipment	465,058	455,703	9,355	4,152,304
Operating lease right-of-use assets	114,956	119,739	(4,783)	1,026,393
Other assets	284,476	260,258	24,218	2,539,964
Total assets	¥3,423,397	¥3,500,636	¥(77,239)	\$30,566,045
Liabilities and equity				
Current liabilities	¥1,304,180	¥1,254,881	¥49,299	\$11,644,464
Short-term borrowings and current portion of long-term debt	16,692	15,988	704	149,036
Notes and accounts payable	473,551	481,877	(8,326)	4,228,134
Current operating lease liabilities	37,449	38,757	(1,308)	334,366
Other current liabilities	776,488	718,259	58,229	6,932,928
Accrued pension and severance costs	287,726	295,442	(7,716)	2,568,982
Non-current operating lease liabilities	79,986	84,517	(4,531)	714,161
Long-term debt and other liabilities	564,039	561,266	2,773	5,036,063
Equity	1,187,466	1,304,530	(117,064)	10,602,375
Equity attributable to shareholders of the Company	1,045,168	1,164,534	(119,366)	9,331,857
Common stock	200,558	200,558	0	1,790,696
Additional paid-in capital	149	207	(58)	1,330
Retained earnings	1,002,351	1,127,130	(124,779)	8,949,563
Accumulated other comprehensive loss	(155,670)	(158,307)	2,637	(1,389,911)
Treasury stock	(2,220)	(5,054)	2,834	(19,821)
Equity attributable to noncontrolling interests	142,298	139,996	2,302	1,270,518
Total liabilities and equity	¥3,423,397	¥3,500,636	¥(77,239)	\$30,566,045

Breakdown of accumulated other comprehensive loss

Net unrealized gains and losses on securities	¥(45)	¥4	¥(49)	\$(402)
Foreign currency translation adjustments	(20,001)	(17,561)	(2,440)	(178,580)
Pension liability adjustments	(133,716)	(138,345)	4,629	(1,193,893)
Unrealized gains and losses on derivative instruments	(1,908)	(2,405)	497	(17,036)
Total interest-bearing debt	¥513,231	¥517,702	¥(4,471)	\$4,582,420

Comparative Consolidated Statements of Operations

1.First Six Months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30				
	2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Sales and other income					
Net sales	¥1,546,397	¥1,371,385	¥175,012	113%	\$13,807,116
Interest income	858	808	50	106%	7,661
Dividend income	878	921	(43)	95%	7,839
Equity in earnings of affiliates	25,394	7,979	17,415	318%	226,732
Other income	21,273	34,191	(12,918)	62%	189,938
Costs and expenses					
Cost of sales	1,139,530	1,008,272	131,258	113%	10,174,375
Selling, general and administrative expenses	361,891	359,999	1,892	101%	3,231,170
Interest expenses	2,185	2,345	(160)	93%	19,509
Other expenses	9,073	24,617	(15,544)	37%	81,009
Income before income taxes and noncontrolling interests	82,121	20,051	62,070	410%	733,223
Income taxes	12,423	12,516	(93)	99%	110,919
Net income before noncontrolling interests	69,698	7,535	62,163	925%	622,304
Less:Net income attributable to noncontrolling interests	9,903	4,042	5,861	245%	88,420
Net income attributable to shareholders of the Company	¥59,795	¥3,493	¥56,302	—	\$533,884

Comparative Consolidated Statements of Operations

2.Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Sales and other income					
Net sales	¥818,534	¥771,562	¥46,972	106%	\$7,308,339
Interest income	500	409	91	122%	4,464
Dividend income	0	98	(98)	—	0
Equity in earnings of affiliates	19,011	5,433	13,578	350%	169,741
Other income	7,615	14,807	(7,192)	51%	67,992
Costs and expenses					
Cost of sales	604,205	571,439	32,766	106%	5,394,687
Selling, general and administrative expenses	183,881	184,374	(493)	100%	1,641,795
Interest expenses	1,120	1,223	(103)	92%	10,000
Other expenses	3,535	11,592	(8,057)	30%	31,563
Income before income taxes and noncontrolling interests	52,919	23,681	29,238	223%	472,491
Income taxes	6,702	6,971	(269)	96%	59,839
Net income before noncontrolling interests	46,217	16,710	29,507	277%	412,652
Less:Net income attributable to noncontrolling interests	4,418	1,869	2,549	236%	39,447
Net income attributable to shareholders of the Company	¥41,799	¥14,841	¥26,958	282%	\$373,205

Comparative Consolidated Statements of Comprehensive Income**1. First Six Months ended September 30**

(¥ in millions, US\$ in thousands)

	Six months ended September 30				
	2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Net income before noncontrolling interests	¥69,698	¥7,535	¥62,163	925%	\$622,304
Other comprehensive income (loss) , net of tax					
Unrealized gains (losses) on securities	(49)	59	(108)	—	(438)
Foreign currency translation adjustments	(2,417)	(4,988)	2,571	—	(21,580)
Pension liability adjustments	4,643	11,156	(6,513)	42%	41,455
Unrealized gains (losses) on derivative instruments	497	(504)	1,001	—	4,438
Total other comprehensive income	2,674	5,723	(3,049)	47%	23,875
Comprehensive income	72,372	13,258	59,114	546%	646,179
Less: Comprehensive income attributable to noncontrolling interests	9,940	3,959	5,981	251%	88,750
Comprehensive income attributable to shareholders of the Company	¥62,432	¥9,299	¥53,133	671%	\$557,429

2. Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Net income before noncontrolling interests	¥46,217	¥16,710	¥29,507	277%	\$412,652
Other comprehensive income (loss), net of tax					
Unrealized gains (losses) on securities	(31)	24	(55)	—	(277)
Foreign currency translation adjustments	1,070	(1,376)	2,446	—	9,554
Pension liability adjustments	2,309	4,159	(1,850)	56%	20,616
Unrealized losses on derivative instruments	(531)	(37)	(494)	—	(4,741)
Total other comprehensive income	2,817	2,770	47	102%	25,152
Comprehensive income	49,034	19,480	29,554	252%	437,804
Less: Comprehensive income attributable to noncontrolling interests	4,384	1,479	2,905	296%	39,143
Comprehensive income attributable to shareholders of the Company	¥44,650	¥18,001	¥26,649	248%	\$398,661

Comparative Consolidated Statements of Cash Flows

First Six Months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30			
	2021(A)	2020(B)	(A)-(B)	2021
Cash flows from operating activities				
Net income before noncontrolling interests	¥69,698	¥7,535	¥62,163	\$622,304
Depreciation and amortization	42,963	42,088	875	383,598
Equity in earnings of affiliates, net of dividends	(19,711)	(2,186)	(17,525)	(175,991)
Gain from sales and impairment of securities, net	(1,510)	(8,137)	6,627	(13,482)
Decrease in notes and accounts receivable, trade	133,660	201,010	(67,350)	1,193,393
Increase in inventories	(61,509)	(39,386)	(22,123)	(549,188)
Decrease in notes and accounts payable, trade	(9,220)	(70,654)	61,434	(82,322)
Others	30,146	(74,758)	104,904	269,161
Adjustments to reconcile net income before noncontrolling interests to net cash provided by operating activities	114,819	47,977	66,842	1,025,169
Net cash provided by operating activities	184,517	55,512	129,005	1,647,473
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	3,169	14,011	(10,842)	28,295
Acquisition of property, plant and equipment	(44,509)	(61,145)	16,636	(397,402)
Acquisition of intangible assets	(15,051)	(9,648)	(5,403)	(134,384)
Purchase of securities	(1,392)	(1,095)	(297)	(12,429)
Decrease in investments in affiliates	5,640	32	5,608	50,357
Others	(932)	9,441	(10,373)	(8,321)
Net cash used in investing activities	(53,075)	(48,404)	(4,671)	(473,884)
Cash flows from financing activities				
Proceeds from long-term debt	355	200,217	(199,862)	3,170
Repayment of long-term debt	(3,179)	(12,712)	9,533	(28,384)
Increase in short-term borrowings, net	1,085	1,853	(768)	9,687
Dividends paid	(87,488)	(12,128)	(75,360)	(781,143)
Purchase of treasury stock, net	(100,123)	(21)	(100,102)	(893,955)
Payment of acquisition of 3 listed subsidiaries' shares to become wholly owned subsidiaries	(9)	(33,550)	33,541	(80)
Others	(7)	(26)	19	(63)
Net cash provided by (used in) financing activities	(189,366)	143,633	(332,999)	(1,690,768)
Effect of exchange rate changes on cash and cash equivalents	(1,842)	1,784	(3,626)	(16,446)
Net increase (decrease) in cash and cash equivalents	(59,766)	152,525	(212,291)	(533,625)
Cash and cash equivalents at beginning of the period	525,456	376,973	148,483	4,691,571
Cash and cash equivalents at end of the period	¥465,690	¥529,498	¥(63,808)	\$4,157,946

Note: The 3 listed subsidiaries above are Toshiba Plant System & Services Corporation, NISHISHIBA ELECTRIC CO., LTD., and NuFlare Technology, Inc.

Industry Segment Information

1.First Six Months ended September 30

(¥ in millions, US\$ in thousands)

		Six months ended September 30				
		2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Net sales (Share of total sales)	Energy Systems & Solutions	¥236,017 (14%)	¥190,083 (13%)	¥45,934 (1%)	124%	\$2,107,295
	Infrastructure Systems & Solutions	272,084 (17%)	282,005 (19%)	(9,921) (-2%)	96%	2,429,321
	Building Solutions	285,805 (17%)	259,291 (17%)	26,514 (-)	110%	2,551,830
	Retail & Printing Solutions	221,702 (13%)	194,063 (13%)	27,639 (-)	114%	1,979,482
	Electronic Devices & Storage Solutions	432,856 (26%)	323,957 (22%)	108,899 (4%)	134%	3,864,786
	Digital Solutions	103,503 (6%)	99,881 (7%)	3,622 (-1%)	104%	924,134
	Others	107,487 (7%)	137,026 (9%)	(29,539) (-2%)	78%	959,706
	Total	1,659,454 (100%)	1,486,306 (100%)	173,148	112%	14,816,554
	Eliminations	(113,057)	(114,921)	1,864	—	(1,009,438)
	Consolidated	¥1,546,397	¥1,371,385	¥175,012	113%	\$13,807,116
Segment operating income (loss)	Energy Systems & Solutions	¥4,531	¥(7,484)	¥12,015	—	\$40,455
	Infrastructure Systems & Solutions	259	6,494	(6,235)	4%	2,313
	Building Solutions	10,216	10,314	(98)	99%	91,214
	Retail & Printing Solutions	4,286	(6,768)	11,054	—	38,268
	Electronic Devices & Storage Solutions	34,719	4,648	30,071	747%	309,991
	Digital Solutions	8,526	4,630	3,896	184%	76,125
	Others	(19,742)	(12,540)	(7,202)	—	(176,268)
	Total	42,795	(706)	43,501	—	382,098
	Eliminations	2,181	3,820	(1,639)	—	19,473
	Consolidated	¥44,976	¥3,114	¥41,862	—	\$401,571

2.Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Net sales (Share of total sales)	Energy Systems & Solutions	¥137,293 (16%)	¥113,866 (14%)	¥23,427 (2%)	121%	\$1,225,830
	Infrastructure Systems & Solutions	144,032 (16%)	150,168 (18%)	(6,136) (-2%)	96%	1,286,000
	Building Solutions	143,773 (16%)	136,407 (16%)	7,366 (-)	105%	1,283,688
	Retail & Printing Solutions	111,230 (13%)	108,614 (13%)	2,616 (-)	102%	993,125
	Electronic Devices & Storage Solutions	231,928 (26%)	198,758 (24%)	33,170 (2%)	117%	2,070,786
	Digital Solutions	54,997 (6%)	54,800 (7%)	197 (-1%)	100%	491,045
	Others	57,056 (7%)	73,837 (8%)	(16,781) (-1%)	77%	509,428
	Total	880,309 (100%)	836,450 (100%)	43,859	105%	7,859,902
	Eliminations	(61,775)	(64,888)	3,113	—	(551,563)
	Consolidated	¥818,534	¥771,562	¥46,972	106%	\$7,308,339
Segment operating income (loss)	Energy Systems & Solutions	¥6,306	¥(10)	¥6,316	—	\$56,304
	Infrastructure Systems & Solutions	661	4,245	(3,584)	16%	5,902
	Building Solutions	3,814	4,718	(904)	81%	34,054
	Retail & Printing Solutions	460	(2,513)	2,973	—	4,107
	Electronic Devices & Storage Solutions	24,404	9,286	15,118	263%	217,893
	Digital Solutions	5,626	3,363	2,263	167%	50,232
	Others	(11,776)	(5,039)	(6,737)	—	(105,144)
	Total	29,495	14,050	15,445	210%	263,348
	Eliminations	953	1,699	(746)	—	8,509
	Consolidated	¥30,448	¥15,749	¥14,699	193%	\$271,857

Notes:

- 1) Segment sales total includes intersegment transactions.
- 2) Segment operating income (loss) is derived by deducting the segment's cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as legal settlement costs have been excluded from segment operating income (loss) presentation herein.

Net Sales by Region

1.First Six months ended September 30

(¥ in millions, US\$ in thousands)

		Six months ended September 30				
		2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Japan		¥777,449 (50%)	¥779,308 (57%)	¥(1,859) (-7%)	100%	\$6,941,509
Overseas		768,948 (50%)	592,077 (43%)	176,871 (7%)	130%	6,865,607
	Asia	430,118 (28%)	337,095 (25%)	93,023 (3%)	128%	3,840,339
	North America	175,180 (11%)	138,777 (10%)	36,403 (1%)	126%	1,564,107
	Europe	116,184 (8%)	82,361 (6%)	33,823 (2%)	141%	1,037,357
	Others	47,466 (3%)	33,844 (2%)	13,622 (1%)	140%	423,804
Net Sales		¥1,546,397 (100%)	¥1,371,385 (100%)	¥175,012	113%	\$13,807,116

2.Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2021(A)	2020(B)	(A)-(B)	(A)/(B)	2021
Japan		¥419,054 (51%)	¥428,685 (56%)	¥(9,631) (-5%)	98%	\$3,741,553
Overseas		399,480 (49%)	342,877 (44%)	56,603 (5%)	117%	3,566,786
	Asia	226,802 (28%)	198,895 (26%)	27,907 (2%)	114%	2,025,018
	North America	85,627 (10%)	76,194 (10%)	9,433 (-)	112%	764,527
	Europe	62,024 (8%)	48,626 (6%)	13,398 (2%)	128%	553,786
	Others	25,027 (3%)	19,162 (2%)	5,865 (1%)	131%	223,455
Net Sales		¥818,534 (100%)	¥771,562 (100%)	¥46,972	106%	\$7,308,339

Note: Net sales by region is determined based upon the locations of the customers.

Subsequent event

Toshiba Group's Strategic Reorganization

For further details, please refer to a press release, dated November 12, 2021.

Others

- (1) Changes in significant subsidiaries during the period (changes in Specified Subsidiaries (“Tokutei Kogaisha”) involving changes in the scope of consolidation):
None.
- (2) Use of simplified accounting procedures, and particular accounting procedures in preparation of quarterly consolidated financial statements:

Income taxes

Interim income tax expense (benefit) is computed by multiplying income (loss) before income taxes and noncontrolling interests for the six-month period ended September 30, 2021 by a reasonably estimated annual effective tax rate after applying the effect of deferred taxes for FY2021, ending March 31, 2022.

Disclaimer:

This report of business results contains forward-looking statements concerning future plans, strategies and forecasts of Toshiba Group business results. These statements are based on management’s assumptions and beliefs in light of the economic, financial and other data currently available. Since Toshiba Group is promoting business in various market environments in many countries and regions, it is subject to a number of risks and uncertainties. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations. Major risk factors that may have a material influence on results are indicated below, although this list is not exhaustive.

- Major disasters, including earthquakes and typhoons;
- Disputes, including lawsuits, in Japan and other countries;
- Success or failure of alliances or joint ventures promoted in collaboration with other companies;
- Success or failure of new businesses or R&D investment;
- Changes in political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Rapid changes in the supply and demand situation in major markets and intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.