

August 7, 2019  
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Toshiba Announces Consolidated Results**  
**for the First Quarter of the Fiscal Year 2019, Ending March 2020**

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced its consolidated results for the first quarter of fiscal year (FY) 2019, ending March 31, 2020.

**Note:**

For convenience only, all dollar figures used in reporting the first quarter of FY2019 are calculated at 108 yen to the dollar.

**Comparative Consolidated Balance Sheets**

(¥ in millions, US\$ in thousands)

	Jun. 30, 2019 (A)	Mar. 31, 2019 (B)	(A)-(B)	Jun. 30, 2019
<b>Assets</b>				
Current assets	¥2,663,947	¥3,033,858	¥(369,911)	\$24,666,176
Cash and cash equivalents	1,062,667	1,335,520	(272,853)	9,839,509
Notes, accounts receivable and contract assets	868,853	1,015,255	(146,402)	8,044,935
Inventories	513,189	468,878	44,311	4,751,750
Other current assets	219,238	214,205	5,033	2,029,982
Long-term receivables	11,213	8,603	2,610	103,824
Investments	541,253	587,017	(45,764)	5,011,602
Property, plant and equipment	406,864	385,720	21,144	3,767,259
Operating lease right-of-use assets	156,476	—	156,476	1,448,852
Other assets	276,009	282,146	(6,137)	2,555,639
Total assets	¥4,055,762	¥4,297,344	¥(241,582)	\$37,553,352
<b>Liabilities and equity</b>				
Current liabilities	¥1,792,139	¥1,878,419	¥(86,280)	\$16,593,880
Short-term borrowings and current portion of long-term debt	171,988	357,744	(185,756)	1,592,481
Notes and accounts payable	623,415	660,792	(37,377)	5,772,361
Current operating lease liabilities	42,901	—	42,901	397,231
Other current liabilities	953,835	859,883	93,952	8,831,807
Accrued pension and severance costs	427,255	434,487	(7,232)	3,956,065
Non-current operating lease liabilities	116,608	—	116,608	1,079,704
Long-term debt and other liabilities	282,068	285,393	(3,325)	2,611,740
Equity	1,437,692	1,699,045	(261,353)	13,311,963
Equity attributable to shareholders of the Company	1,199,071	1,456,659	(257,588)	11,102,509
Common stock	200,044	200,044	0	1,852,259
Retained earnings	1,301,976	1,528,463	(226,487)	12,055,333
Accumulated other comprehensive loss	(268,846)	(262,311)	(6,535)	(2,489,315)
Treasury stock	(34,103)	(9,537)	(24,566)	(315,768)
Equity attributable to noncontrolling interests	238,621	242,386	(3,765)	2,209,454
Total liabilities and equity	¥4,055,762	¥4,297,344	¥(241,582)	\$37,553,352

Breakdown of accumulated other comprehensive loss

Net unrealized gains and losses on securities	¥31	¥20	¥11	\$287
Foreign currency translation adjustments	(30,723)	(20,085)	(10,638)	(284,473)
Pension liability adjustments	(237,902)	(241,772)	3,870	(2,202,796)
Unrealized gains and losses on derivative instruments	(252)	(474)	222	(2,333)
Total interest-bearing debt	¥417,035	¥434,679	¥(17,644)	\$3,861,435

**Comparative Consolidated Statements of Operations**

**First Quarter ended June 30**

(¥ in millions, US\$ in thousands)

	<b>Three months ended June 30</b>				
	<b>2019(A)</b>	<b>2018(B)</b>	<b>(A)-(B)</b>	<b>(A)/(B)</b>	<b>2019</b>
<b>Sales and other income</b>					
Net sales	<b>¥813,158</b>	¥842,277	¥(29,119)	97%	<b>\$7,529,241</b>
Interest income	<b>788</b>	1,620	(832)	49%	<b>7,296</b>
Dividend income	<b>1,023</b>	978	45	105%	<b>9,472</b>
Equity in earnings of affiliates	—	13,651	(13,651)	—	—
Other income	<b>6,647</b>	29,966	(23,319)	22%	<b>61,546</b>
<b>Costs and expenses</b>					
Cost of sales	<b>610,559</b>	639,176	(28,617)	96%	<b>5,653,324</b>
Selling, general and administrative expenses	<b>194,771</b>	202,371	(7,600)	96%	<b>1,803,436</b>
Interest expenses	<b>1,952</b>	4,156	(2,204)	47%	<b>18,074</b>
Equity in losses of affiliates	<b>37,657</b>	—	37,657	—	<b>348,676</b>
Other expense	<b>106,385</b>	14,382	92,003	740%	<b>985,045</b>
<b>Income from continuing operations, before income taxes and noncontrolling interests</b>	<b>(129,708)</b>	28,407	(158,115)	—	<b>(1,201,000)</b>
<b>Income taxes</b>	<b>4,600</b>	13,142	(8,542)	35%	<b>42,593</b>
<b>Income (loss) from continuing operations, before noncontrolling interests</b>	<b>(134,308)</b>	15,265	(149,573)	—	<b>(1,243,593)</b>
<b>Income from discontinued operations, before noncontrolling interests</b>	—	1,007,745	(1,007,745)	—	—
<b>Net income before noncontrolling interests</b>	<b>(134,308)</b>	1,023,010	(1,157,318)	—	<b>(1,243,593)</b>
<b>Less: Net income attributable to noncontrolling interests</b>	<b>5,920</b>	6,282	(362)	94%	<b>54,814</b>
<b>Net income attributable to shareholders of the Company</b>	<b>¥(140,228)</b>	¥1,016,728	¥(1,156,956)	—	<b>\$(1,298,407)</b>

**Comparative Consolidated Statements of Comprehensive Income**

**First Quarter ended June 30**

(¥ in millions, US\$ in thousands)

	<b>Three months ended June 30</b>				
	<b>2019(A)</b>	<b>2018(B)</b>	<b>(A)-(B)</b>	<b>(A)/(B)</b>	<b>2019</b>
<b>Net income (loss) before noncontrolling interests</b>	<b>¥(134,308)</b>	<b>¥1,023,010</b>	<b>¥(1,157,318)</b>	<b>—</b>	<b>\$(1,243,593)</b>
<b>Other comprehensive income (loss), net of tax</b>					
Unrealized gains on securities	22	—	22	—	204
Foreign currency translation adjustments	(13,025)	46,860	(59,885)	—	(120,602)
Pension liability adjustments	3,663	11,101	(7,438)	33%	33,916
Unrealized gains on derivative instruments	204	305	(101)	67%	1,889
<b>Total other comprehensive income (loss)</b>	<b>(9,136)</b>	<b>58,266</b>	<b>(67,402)</b>	<b>—</b>	<b>(84,593)</b>
<b>Comprehensive income (loss)</b>	<b>(143,444)</b>	<b>1,081,276</b>	<b>(1,224,720)</b>	<b>—</b>	<b>(1,328,186)</b>
<b>Less: Comprehensive income attributable to noncontrolling interests</b>	<b>3,319</b>	<b>4,976</b>	<b>(1,657)</b>	<b>67%</b>	<b>30,731</b>
<b>Comprehensive income (loss) attributable to shareholders of the Company</b>	<b>¥(146,763)</b>	<b>¥1,076,300</b>	<b>¥(1,223,063)</b>	<b>—</b>	<b>\$(1,358,917)</b>

**Comparative Consolidated Statements of Cash Flows**

**First Quarter ended June 30**

(¥ in millions, US\$ in thousands)

	<b>Three months ended June 30</b>			
	<b>2019(A)</b>	<b>2018(B)</b>	<b>(A)-(B)</b>	<b>2019</b>
<b>Cash flows from operating activities</b>				
Net income (loss) before noncontrolling interests	¥(134,308)	¥1,023,010	¥(1,157,318)	\$(1,243,593)
Depreciation and amortization	19,976	18,495	1,481	184,963
Equity in (earnings) losses of affiliates, net of dividends	39,669	(13,319)	52,988	367,306
Gain from sales and impairment of securities, net	(11)	(936,526)	936,515	(102)
Decrease in notes and accounts receivable, trade	142,801	202,678	(59,877)	1,322,231
Increase in inventories	(48,624)	(89,283)	40,659	(450,222)
Decrease in notes and accounts payable, trade	(33,440)	(38,122)	4,682	(309,630)
Others	82,313	29,802	52,511	762,158
Adjustments to reconcile net income (loss) before noncontrolling interests to net cash provided by operating activities	202,684	(826,275)	1,028,959	1,876,704
Net cash provided by operating activities	68,376	196,735	(128,359)	633,111
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment, intangible assets and securities	503	2,213	(1,710)	4,657
Acquisition of property, plant and equipment	(26,868)	(60,148)	33,280	(248,778)
Acquisition of intangible assets	(2,618)	(3,160)	542	(24,241)
Purchase of securities	(953)	(8)	(945)	(8,824)
Decrease (Increase) in investments in affiliates	271	(31,243)	31,514	2,509
Proceeds from sale of Toshiba Memory Corporation stock	-	1,453,601	(1,453,601)	-
Others	1,166	15,562	(14,396)	10,797
Net cash provided by (used in) investing activities	(28,499)	1,376,817	(1,405,316)	(263,880)
<b>Cash flows from financing activities</b>				
Proceeds from long-term debt	6,787	400	6,387	62,843
Repayment of long-term debt	(182,513)	(62,887)	(119,626)	(1,689,935)
Decrease in short-term borrowings, net	(17,572)	(43,539)	25,967	(162,704)
Dividends paid	(8,977)	(3,863)	(5,114)	(83,120)
Purchase of treasury stock, net	(104,831)	(7)	(104,824)	(970,657)
Others	(1,376)	4,005	(5,381)	(12,742)
Net cash used in financing activities	(308,482)	(105,891)	(202,591)	(2,856,315)
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>(4,248)</b>	<b>748</b>	<b>(4,996)</b>	<b>(39,333)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(272,853)</b>	<b>1,468,409</b>	<b>(1,741,262)</b>	<b>(2,526,417)</b>
<b>Cash, cash equivalents and restricted cash at beginning of the period</b>	<b>1,335,520</b>	<b>548,657</b>	<b>786,863</b>	<b>12,365,926</b>
<b>Cash, cash equivalents and restricted cash at end of the period</b>	<b>1,062,667</b>	<b>2,017,066</b>	<b>(954,399)</b>	<b>9,839,509</b>

Cash, cash equivalents and restricted cash at end of the period are included in the following accounts in the quarterly consolidated balance sheets.

<b>Cash and cash equivalents</b>	<b>1,062,667</b>	<b>2,001,528</b>	<b>(938,861)</b>	<b>9,839,509</b>
<b>Restricted cash included in other assets</b>	<b>-</b>	<b>15,538</b>	<b>(15,538)</b>	<b>-</b>
<b>Cash, cash equivalents and restricted cash at end of the period</b>	<b>¥1,062,667</b>	<b>¥2,017,066</b>	<b>¥(954,399)</b>	<b>\$9,839,509</b>

**Industry Segment Information****First Quarter ended June 30**

(¥ in millions, US\$ in thousands)

		Three months ended June 30				
		2019(A)	2018(B)	(A)-(B)	(A)/(B)	2019
Net sales (Share of total sales)	Energy Systems & Solutions	<b>¥129,211</b> (15%)	¥132,480 (14%)	¥(3,269) (1%)	98%	<b>\$1,196,398</b>
	Infrastructure Systems & Solutions	<b>148,664</b> (17%)	139,889 (15%)	8,775 (2%)	106%	<b>1,376,519</b>
	Building Solutions	141,246 (16%)	129,088 (14%)	12,158 (2%)	109%	<b>1,307,833</b>
	Retail & Printing Solutions	<b>118,297</b> (13%)	116,973 (13%)	1,324 (-)	101%	<b>1,095,343</b>
	Electronic Devices & Storage Solutions	<b>197,037</b> (22%)	225,449 (24%)	(28,412) (-2%)	87%	<b>1,824,417</b>
	Digital Solutions	<b>69,243</b> (8%)	56,391 (6%)	12,852 (2%)	123%	<b>641,139</b>
	Others	<b>77,161</b> (9%)	123,671 (14%)	(46,510) (-5%)	62%	<b>714,453</b>
	Total	880,859 (100%)	923,941 (100%)	(43,082)	95%	<b>8,156,102</b>
	Eliminations	<b>(67,701)</b>	(81,664)	13,963	—	<b>(626,861)</b>
Consolidated		<b>¥813,158</b>	¥842,277	¥(29,119)	97%	<b>\$7,529,241</b>
Segment operating income (loss)	Energy Systems & Solutions	<b>¥(3,352)</b>	¥(4,296)	¥944	—	<b>\$(31,037)</b>
	Infrastructure Systems & Solutions	<b>2,314</b>	(2,132)	4,446	—	<b>21,426</b>
	Building Solutions	<b>8,069</b>	3,240	4,829	249%	<b>74,713</b>
	Retail & Printing Solutions	<b>4,208</b>	4,535	(327)	93%	<b>38,963</b>
	Electronic Devices & Storage Solutions	<b>1,206</b>	4,399	(3,193)	27%	<b>11,167</b>
	Digital Solutions	<b>2,206</b>	(1,468)	3,674	—	<b>20,426</b>
	Others	<b>(9,255)</b>	(5,333)	(3,922)	—	<b>(85,694)</b>
	Total	5,396	(1,055)	6,451	—	<b>49,964</b>
	Eliminations	<b>2,432</b>	1,785	647	—	<b>22,517</b>
Consolidated		<b>¥7,828</b>	¥730	¥7,098	—	<b>\$72,481</b>

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.
- 3) Prior-period data relating to the consolidated segment information has been reclassified to conform with the current classification.

**Net Sales by Region**

**First Quarter ended June 30**

(¥ in millions, US\$ in thousands)

	<b>Three months ended June 30</b>				
	<b>2019(A)</b>	<b>2018(B)</b>	<b>(A)-(B)</b>	<b>(A)/(B)</b>	<b>2019</b>
Japan	<b>¥446,399</b> <b>(55%)</b>	¥447,040 (53%)	¥(641) (2%)	100%	<b>\$4,133,324</b>
Overseas	<b>366,759</b> <b>(45%)</b>	395,237 (47%)	(28,478) (-2%)	93%	<b>3,395,917</b>
Asia	<b>208,118</b> <b>(26%)</b>	235,344 (28%)	(27,226) (-2%)	88%	<b>1,927,019</b>
North America	<b>79,514</b> <b>(10%)</b>	76,990 (9%)	2,524 (1%)	103%	<b>736,241</b>
Europe	<b>53,174</b> <b>(7%)</b>	56,556 (7%)	(3,382) (-)	94%	<b>492,352</b>
Others	<b>25,953</b> <b>(2%)</b>	26,347 (3%)	(394) (-1%)	99%	<b>240,306</b>
<b>Net Sales</b>	<b>¥813,158</b> <b>(100%)</b>	¥842,277 (100%)	¥(29,119)	97%	<b>\$7,529,241</b>

Notes:

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

## 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 three-months period ending June 30, 2019 by a reasonably estimated annual effective tax rate after applying the effect of deferred taxes for FY2019, ending March 31, 2020.

If a reliable estimate cannot be made as in the circumstances that the annual estimated ordinary pretax income(loss) approximates break-even or is forecasted negative, the Company utilizes the actual year-to-date effective tax rate.

- (3) Change in accounting policies:

In February 2016, the FASB issued ASU No. 2016-02 “Leases”. ASU No. 2016-02 requires lessees to recognize right-of-use assets and lease liabilities in the consolidated balance sheets, with some exceptions, related to their lease agreements that are classified as operating leases. The Group adopted ASU No. 2016-02 effective from the first quarter, beginning April 1, 2019, and recognized the cumulative effect of initial application as an adjustment to the opening balance of retained earnings. In applying ASU No. 2016-02, for contracts that have expired or still effective as of the initial application date, the Group adopted the series of practical expedients that allows an entity to not reassess whether a lease contract contains a lease, the existing lease classification and the capitalization of any initial direct costs. The Group also elected to apply the short-term lease exemption.

As a result, right-of-use assets and lease liabilities recognized at April 1, 2019 were ¥174,005 million and ¥176,825 million, respectively. Right-of-use assets are included in non-current assets in the quarterly consolidated balance sheets, while lease liabilities are included in current and non-current liabilities. The Group assessed the impact on the opening balance of retained earnings, other items within profit or loss, and the consolidated statement of cash flows as immaterial.



**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 under various market environments in many countries and regions, they are subject to a number of their 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 necessarily 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.