

August 10, 2022
Toshiba Corporation

FOR IMMEDIATE RELEASE

Toshiba Announces Consolidated Financial Results
for the First Quarter of the Fiscal Year 2022, Ending March 2023

TOKYO--Toshiba Corporation (TOKYO: 6502) (hereinafter “Toshiba” or “the Company”) today announced its consolidated results for the first quarter of the fiscal year (FY) 2022, ending March 31, 2023.

Note:

For convenience only, all dollar amounts used in reporting the first quarter of FY2022 are calculated at 137 yen to the dollar.

Consolidated Financial Results for the First Three Months Ended June 30, 2022 (Under U.S. GAAP)

August 10, 2022

Company name : Toshiba Corporation
 Stock exchange listings : Tokyo, Nagoya
 Securities code : 6502 URL: <http://www.toshiba.co.jp>
 Representative : Taro Shimada, Representative Executive Officer, President and CEO
 Contact info : Kazuyoshi Ishiyama, Corporate Officer, General Manager, Corporate Communications Div. TEL: 03-3457-2095
 Scheduled date of quarterly report filing : August 10, 2022
 Scheduled date of dividend payment : August 8, 2022
 Supplemental materials of quarterly results : Yes
 Financial results briefing : Yes

1. Consolidated financial results for the first three months ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Income before income taxes and noncontrolling interests		Net income attributable to shareholders of the Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	740,650	1.8	(4,808)	-	41,714	42.8	25,893	43.9
June 30, 2021	727,863	21.3	14,528	-	29,202	-	17,996	-

Note: Comprehensive income For the three months ended June 30, 2022: ¥45,406million (155.3%)
 For the three months ended June 30, 2021: ¥17,782million (-%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
June 30, 2022	59.85		59.50	
June 30, 2021	39.65		-	

(2) Consolidated financial position

	Total assets	Total equity	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of					
June 30, 2022	3,841,472	1,392,672	1,221,733	31.8	2,823.88
March 31, 2022	3,734,519	1,366,664	1,206,634	32.3	2,788.95

2. Cash dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	110.00	40.00	-	70.00	220.00
FY2022	160.00				
FY2022 (Forecast)		60.00	-	70.00	290.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: Breakdown of 1Q dividend for the fiscal year ended March 2022: the special dividend of 110.00 yen.

Breakdown of 1Q dividend for the fiscal year ending March 2023: the special dividend of 160.00 yen.

3. Forecast of Consolidated Results for the Fiscal Year ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous year)

	Net sales		Operating income	
	Millions of yen	%	Millions of yen	%
FY2022	3,300,000	(1.1)	170,000	7.0

Note: Revisions to the forecast of consolidated results most recently announced: None

Note: Since Toshiba is not involved in the management of Kioxia Holdings (hereinafter "Kioxia") and is not provided with any forecasted business results, Toshiba Group's forward-looking statements concerning income before income taxes, net income attributable to shareholders of the Company and earnings per share do not include the impact of Kioxia.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in Specified Subsidiaries involving changes in the scope of consolidation): None

(2) Adoption of simplified method of accounting or specific accounting treatments: Yes
Please refer to "Others" for details.

(3) Changes in accounting policies

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

(4) Number of issued shares (common stock)

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

As of June 30, 2022	433,137,955 shares
As of March 31, 2022	433,137,955 shares

2) Number of shares of treasury stock at the end of the period

As of June 30, 2022	495,138 shares
As of March 31, 2022	489,871 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	432,644,936 shares
Three months ended June 30, 2021	453,836,861 shares

* This summary of quarterly financial statements is not subject to quarterly review by certified accountants or audit corporations.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Jun. 30, 2022 (A)	Mar. 31, 2022 (B)	(A)-(B)	Jun. 30, 2022
Assets				
Current assets	¥2,327,061	¥2,266,041	¥61,020	\$16,985,847
Cash and cash equivalents	483,976	421,219	62,757	3,532,672
Notes, accounts receivable and contract assets	697,925	859,186	(161,261)	5,094,343
Inventories	617,614	531,788	85,826	4,508,131
Other current assets	527,546	453,848	73,698	3,850,701
Long-term receivables	6,273	5,161	1,112	45,788
Investments	569,213	558,446	10,767	4,154,840
Property, plant and equipment	473,178	460,326	12,852	3,453,854
Operating lease right-of-use assets	101,283	105,027	(3,744)	739,292
Other assets	364,464	339,518	24,946	2,660,321
Total assets	¥3,841,472	¥3,734,519	¥106,953	\$28,039,942
Liabilities and equity				
Current liabilities	¥1,613,017	¥1,509,867	¥103,150	\$11,773,847
Short-term borrowings and current portion of long-term debt	104,629	75,680	28,949	763,715
Notes and accounts payable	452,715	482,266	(29,551)	3,304,489
Current operating lease liabilities	35,735	36,515	(780)	260,839
Other current liabilities	1,019,938	915,406	104,532	7,444,804
Accrued pension and severance costs	274,786	277,057	(2,271)	2,005,737
Non-current operating lease liabilities	68,520	72,568	(4,048)	500,146
Long-term debt and other liabilities	492,477	508,363	(15,886)	3,594,723
Equity	1,392,672	1,366,664	26,008	10,165,489
Equity attributable to shareholders of the Company	1,221,733	1,206,634	15,099	8,917,759
Common stock	200,869	200,869	-	1,466,197
Additional paid-in capital	-	-	-	-
Retained earnings	1,113,642	1,118,039	(4,397)	8,128,773
Accumulated other comprehensive loss	(90,498)	(110,011)	19,513	(660,569)
Treasury stock	(2,280)	(2,263)	(17)	(16,642)
Equity attributable to noncontrolling interests	170,939	160,030	10,909	1,247,730
Total liabilities and equity	¥3,841,472	¥3,734,519	¥106,953	\$28,039,942

Breakdown of accumulated other comprehensive loss

Net unrealized gains and losses on securities	¥(426)	¥(227)	¥(199)	\$ (3,109)
Foreign currency translation adjustments	44,219	14,150	30,069	322,766
Pension liability adjustments	(117,025)	(119,821)	2,796	(854,197)
Unrealized gains and losses on derivative instruments	(17,266)	(4,113)	(13,153)	(126,029)
Total interest-bearing debt	¥498,194	¥502,422	¥(4,228)	\$3,636,453

Comparative Consolidated Statements of Operations**First Quarter ended June 30**

(¥ in millions, US\$ in thousands)

	Three months ended June 30				
	2022(A)	2021(B)	(A)-(B)	(A)/(B)	2022
Sales and other income					
Net sales	¥740,650	¥727,863	¥12,787	102%	\$5,406,204
Interest income	377	358	19	105%	2,752
Dividend income	983	878	105	112%	7,175
Equity in earnings of affiliates	15,282	6,383	8,899	239%	111,547
Other income	43,706	15,625	28,081	280%	319,022
Costs and expenses					
Cost of sales	556,698	535,325	21,373	104%	4,063,489
Selling, general and administrative expenses	188,760	178,010	10,750	106%	1,377,810
Interest expenses	1,350	1,065	285	127%	9,854
Other expenses	12,476	7,505	4,971	166%	91,065
Income before income taxes and noncontrolling interests	41,714	29,202	12,512	143%	304,482
Income taxes	5,557	5,721	(164)	97%	40,562
Net income before noncontrolling interests	36,157	23,481	12,676	154%	263,920
Less: Net income attributable to noncontrolling interests	10,264	5,485	4,779	187%	74,920
Net income attributable to shareholders of the Company	¥25,893	¥17,996	¥7,897	144%	\$189,000

Comparative Consolidated Statements of Comprehensive Income**First Quarter ended June 30**

(¥ in millions, US\$ in thousands)

	Three months ended June 30				
	2022(A)	2021(B)	(A)-(B)	(A)/(B)	2022
Net income before noncontrolling interests	¥36,157	¥23,481	¥12,676	154%	\$263,920
Other comprehensive income (loss), net of tax					
Unrealized losses on securities	(199)	(18)	(181)	-	(1,453)
Foreign currency translation adjustments	37,588	(3,487)	41,075	-	274,365
Pension liability adjustments	2,733	2,334	399	117%	19,949
Unrealized gains (losses) on derivative instruments	(13,152)	1,028	(14,180)	-	(96,000)
Total other comprehensive income (loss)	26,970	(143)	27,113	-	196,861
Comprehensive income	63,127	23,338	39,789	270%	460,781
Less: Comprehensive income attributable to noncontrolling interests	17,721	5,556	12,165	319%	129,350
Comprehensive income attributable to shareholders of the Company	¥45,406	¥17,782	¥27,624	255%	\$331,431

Comparative Consolidated Statements of Cash Flows

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30			
	2022(A)	2021(B)	(A)-(B)	2022
Cash flows from operating activities				
Net income before noncontrolling interests	¥36,157	¥23,481	¥12,676	\$263,920
Depreciation and amortization	22,065	21,272	793	161,058
Equity in earnings of affiliates, net of dividends	(12,487)	(4,300)	(8,187)	(91,146)
(Gain) loss from sales and impairment of securities, net	(30,056)	162	(30,218)	(219,387)
Decrease in notes and accounts receivable, trade	180,598	142,338	38,260	1,318,233
Increase in inventories	(71,845)	(43,775)	(28,070)	(524,416)
Decrease in notes and accounts payable, trade	(46,153)	(33,835)	(12,318)	(336,883)
Others	32,769	80,706	(47,937)	239,190
Adjustments to reconcile net income before noncontrolling interests to net cash provided by operating activities	74,891	162,568	(87,677)	546,649
Net cash provided by operating activities	111,048	186,049	(75,001)	810,569
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, intangible assets and securities	6,647	181	6,466	48,518
Acquisition of property, plant and equipment	(28,266)	(23,622)	(4,644)	(206,321)
Acquisition of intangible assets	(6,126)	(6,998)	872	(44,716)
Purchase of securities	(449)	(186)	(263)	(3,277)
Decrease in investments in affiliates	-	-	-	-
Others	10,752	(75)	10,827	78,482
Net cash used in investing activities	(17,442)	(30,700)	13,258	(127,314)
Cash flows from financing activities				
Proceeds from long-term debt	243	187	56	1,774
Repayment of long-term debt	(1,552)	(1,526)	(26)	(11,329)
Increase (decrease) in short-term borrowings, net	(2,781)	1,531	(4,312)	(20,299)
Dividends paid	(31,164)	(34,134)	2,970	(227,474)
Purchase of treasury stock, net	(17)	(23)	6	(124)
Others	(5)	(9)	4	(37)
Net cash used in financing activities	(35,276)	(33,974)	(1,302)	(257,489)
Effect of exchange rate changes on cash and cash equivalents	7,333	(3,211)	10,544	53,526
Net increase in cash and cash equivalents	65,663	118,164	(52,501)	479,292
Cash and cash equivalents at beginning of the period	442,898	525,456	(82,558)	3,232,832
Less: Cash and cash equivalents classified as assets and liabilities held for sale	24,585	-	24,585	179,452
Cash and cash equivalents at end of the period	¥483,976	¥643,620	¥(159,644)	\$3,532,672

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

(¥ in millions, US\$ in thousands)

		Three months ended June 30				
		2022(A)	2021(B)	(A)-(B)	(A)/(B)	2022
Net sales (Share of total sales)	Energy Systems & Solutions	¥121,843 (15%)	¥98,724 (13%)	¥23,119 (2%)	123%	\$889,365
	Infrastructure Systems & Solutions	135,130 (17%)	128,052 (16%)	7,078 (1%)	106%	986,350
	Building Solutions	142,305 (18%)	142,032 (18%)	273 (-%)	100%	1,038,723
	Retail & Printing Solutions	110,563 (14%)	110,472 (14%)	91 (-%)	100%	807,029
	Electronic Devices & Storage Solutions	181,532 (23%)	200,928 (26%)	(19,396) (-3%)	90%	1,325,051
	Digital Solutions	47,800 (6%)	48,506 (6%)	(706) (-%)	99%	348,905
	Others	50,605 (7%)	50,431 (7%)	174 (-%)	100%	369,380
	Total	789,778 (100%)	779,145 (100%)	10,633	101%	5,764,803
	Eliminations	(49,128)	(51,282)	2,154	-	(358,599)
	Consolidated	¥740,650	¥727,863	¥12,787	102%	\$5,406,204
Segment operating income (loss)	Energy Systems & Solutions	¥(7,648)	¥(1,775)	¥(5,873)	-	\$(55,825)
	Infrastructure Systems & Solutions	457	(402)	859	-	3,336
	Building Solutions	322	6,402	(6,080)	5%	2,350
	Retail & Printing Solutions	231	3,826	(3,595)	6%	1,686
	Electronic Devices & Storage Solutions	7,668	10,315	(2,647)	74%	55,971
	Digital Solutions	2,455	2,900	(445)	85%	17,920
	Others	(10,462)	(7,966)	(2,496)	-	(76,365)
	Total	(6,977)	13,300	(20,277)	-	(50,927)
	Eliminations	2,169	1,228	941	-	15,832
Consolidated	¥(4,808)	¥14,528	¥(19,336)	-	\$(35,095)	

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

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30				2022
		2022(A)	2021(B)	(A)-(B)	(A)/(B)	
Japan		¥369,924 (50%)	¥358,395 (49%)	¥11,529 (1%)	103%	\$2,700,175
Overseas		370,726 (50%)	369,468 (51%)	1,258 (-1%)	100%	2,706,029
	Asia	198,531 (27%)	203,316 (28%)	(4,785) (-1%)	98%	1,449,131
	North America	96,870 (13%)	89,553 (12%)	7,317 (1%)	108%	707,080
	Europe	52,865 (7%)	54,160 (7%)	(1,295) (-%)	98%	385,876
	Others	22,460 (3%)	22,439 (4%)	21 (-1%)	100%	163,942
Net Sales		¥740,650 (100%)	¥727,863 (100%)	¥12,787	102%	\$5,406,204

Note: 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-month period ended June 30, 2022 by a reasonably estimated annual effective tax rate after applying the effect of deferred taxes for FY2022, ending March 31, 2023.

(3) Assets and Liabilities held for sale

The Company initially announced the transfer on February 7, 2022, that the Company and the US-based Carrier Corporation, a subsidiary of US-based Carrier Global Corporation (together, Carrier), had signed a share purchase agreement to transfer 55% of the outstanding shares of Toshiba Carrier Corporation (TCC) held by Toshiba, and the transfer had anticipated completion of the transfer by September 30, 2022, after regulatory approval and other customary closing conditions. Subsequently, in response to a request from Carrier, the purchaser was amended from Carrier Corporation to Global Comfort Solutions LLC, a wholly owned subsidiary of Carrier Corporation. The sales process was completed on August 1, 2022.

As a result of this transaction, the Company now expects to record a consolidated profit of approximately 80 billion yen in FY2022.

As of June 30, 2022, the Company has reclassified assets and liabilities owned by TCC and consolidated subsidiaries of TCC as held for sale. There are no valuation losses recorded as a result of this reclassification.

The details of assets and liabilities classified as held for sale are as follows. These assets and liabilities are reported in “Other current assets” and “Other current liabilities” in the Consolidated Balance Sheet.

	(¥ in millions, US\$ in thousands)		
Assets:	June 30, 2022	March 31, 2022	June 30, 2022
Cash and cash equivalents	¥24,585	¥21,679	\$179,452
Notes, accounts receivable and contract assets	66,242	66,688	483,518
Inventories	42,912	36,306	313,226
Other receivables	32,617	1,484	238,080
Investments in and advances to affiliates	17,754	31,550	129,591
Property, plant and equipment	46,706	44,570	340,920
Other assets	17,924	13,137	130,833
Total assets	¥248,740	¥215,414	\$1,815,620

	(¥ in millions, US\$ in thousands)		
Liabilities:	June 30, 2022	March 31, 2022	June 30, 2022
Short-term borrowings	¥716	¥1,916	\$5,226
Notes and accounts payable	45,613	43,323	332,942
Other payables and accrued expenses	15,716	10,486	114,715
Advance payments received	2,940	6,935	21,460
Accrued pension and severance costs	10,365	10,234	75,657
Other liabilities	25,485	19,766	186,022
Total liabilities	¥100,835	¥92,660	\$736,022

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.