

TOSHIBA

FY2023
Consolidated Business Results

Toshiba Corporation

May 16, 2024

Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies, and the performance of Toshiba Corporation (hereinafter “Toshiba” or “the Company”) and its consolidated subsidiaries (hereinafter “Toshiba Group” or “the Group”).
- These forward-looking statements are not historical facts; rather, they are based on management’s assumptions and beliefs in light of the economic, financial, and other data currently available.
- Since Toshiba Group promotes business in various market environments in many countries and regions, its activities are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations, and other factors. Toshiba therefore wishes to caution readers that actual results might differ from the expectations.
- Toshiba Group’s fiscal year (FY) runs from April 1 to March 31. H1 refers to the first six months (April–September); H2 refers to the latter six months (October–March); Q1 refers to the first quarter (April–June); Q2 refers to the second quarter (July–September); Q3 refers to the third quarter (October–December); and Q4 refers to the fourth quarter (January–March).
- All figures are consolidated totals for the FY2023, unless otherwise stated.
- Since Toshiba is not involved in the management of Kioxia Holdings Corporation (hereinafter “Kioxia”) and is not provided with any forecasted business results, Toshiba Group’s forward-looking statements concerning financial conditions, results of operation and cash flows do not include the impact of Kioxia.
- FY2023 results are unaudited figures, as of May 16, 2024.

Highlights

(Yen in billions)

	FY2022	FY2023	Q1-Q3	Q4	Difference, FY2022 to FY2023
Net sales	3,361.7	3,285.8	2,256.7	1,029.1	-75.9
Growth rate					-2%
Operating income (before provisions, etc.)	174.6	148.4	55.1	93.3	-26.2
ROS	5.2%	4.5%	2.4%	9.1%	-0.7%pt
Provisions, etc.* ¹	-64.1	-108.5	-67.0	-41.5	-44.4
Operating income	110.5	39.9	-11.9	51.8	-70.6
ROS	3.3%	1.2%	-0.5%	5.0%	-2.1%pt
EBITDA* ²	226.4	180.0	75.0	105.0	-46.4
EBITDA margin	6.7%	5.5%	3.3%	10.2%	-1.2%pt
Income before income taxes	189.0	-20.3	-93.5	73.2	-209.3
Equity earnings from Kioxia (included)	-57.6	-87.3	-100.9	13.6	-29.7
Net income	126.6	-74.8	-107.0	32.2	-201.4
Average exchange rate (US\$) during the fiscal year	135 yen	144 yen			+9 yen

	FY2022	FY2023	Difference
Free cash flows* ³	25.2	109.6	+84.4
Cash flows from operating activities	34.0	230.7	+196.7
Cash flows from investing activities	-8.8	-121.1	-112.3

* The Group's financial statements are based on US-GAAP, where, unlike J-GAAP, temporary or irregular losses incurred outside regular day-to-day business operations are recorded in operating income.

*1 Provision for product warranty, etc., analysis of project costs, etc., goodwill impairment, and restructuring cost *2 EBITDA=Operating income + Depreciation + Goodwill impairment

*3 Free cash flows exclude restricted cash (FY2023: 426.5 billion yen)

Comment on FY2023 Consolidated Business Results

Koji Ikeya, Corporate Senior Executive Vice President, made the following comment on the FY2023 Consolidated Business Results.

- These are the first full year business results announced since the transition to the new management structure. We recorded an ROS of 4.5%, before making provisions, mainly on good performances in Power Generation Systems, Transmission & Distribution Systems, and Public Infrastructure. This demonstrates Toshiba Group's solid profitability.
- However, we looked to the future and carried out further risk analysis and had to make additional provisions for some projects. We will continue to exercise thorough risk management.
- As to the next medium-term business plan, corporate management and business units discussed measures to drastically improve profitability and our future growth strategy, and they are incorporated into the "Toshiba's Revitalization Plan," also announced today.

Supplementary Explanation on FY2023 Consolidated Business Results

- Net sales:
 - ✓ Retail & Printing and Infrastructure Systems saw higher sales on increased volumes.
 - ✓ Overall net sales decreased YoY, mainly due to the sale to Toshiba Carrier Corporations (-94.9 billion yen).
- Operating income:
 - ✓ Public Infrastructure, Transmission & Distribution Systems and Power Generation Systems saw improvement/expansion YoY on good performances.
 - ✓ Overall operating income deteriorated YoY, due to provisions, etc.
(provisions for HDD product warranties, and for Power Generation Systems, etc. (-36.8 billion yen^{*1}); reanalysis of project costs, etc. (-30.8 billion yen^{*1}); and goodwill impairment in the Printing business (-11.5 billion yen^{*1})*², etc.)
- Net income deteriorated YoY due to equity earnings from Kioxia (-87.3 billion yen) and the impact of sales of businesses in the last fiscal year.
- YoY free cash flows increased on improved working capital, etc.
- Orders received increased 8% YoY, on orders for large-scale projects. Order backlog increased steadily.

*1: Figures are for amounts incurred in FY2023

*2: Treatment in the Group's consolidated level, as required by US-GAAP. In Toshiba Tec Corporation's consolidated accounting, most of the goodwill was equally amortized at the end of FY2021, in accordance with J-GAAP.

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