

**TOSHIBA**

# **FY2024 First Quarter Consolidated Business Results**

**Toshiba Corporation**

**August 8, 2024**

# Highlights

(Yen in billions)

	FY2023/Q1	FY2024/Q1	Difference
Net sales	704.1	<b>749.1</b>	+45.0
Operating income (before provisions, etc.)	17.7	<b>22.2</b>	+4.5
ROS	2.5%	<b>3.0%</b>	+0.5%pt
Provisions, etc. <sup>*1</sup>	-6.3	<b>-7.9</b>	-1.6
Operating income	11.4	<b>14.3</b>	+2.9
ROS	1.6%	<b>1.9%</b>	+0.3%pt
Non-operating income	-29.5	<b>32.0</b>	+61.5
Equity earnings from Kioxia <sup>*2</sup> (included)	-41.1	<b>26.1</b>	+67.2
Income before income taxes	-18.1	<b>46.3</b>	+64.4
Net income	-25.4	<b>38.3</b>	+63.7
EBITDA <sup>*3</sup>	35.7	<b>39.9</b>	+4.2
EBITDA margin	5.1%	<b>5.3%</b>	+0.2%pt
Free cash flows <sup>*4</sup>	19.9	<b>36.7</b>	+16.8
Cash flows from operating activities	55.3	<b>76.8</b>	+21.5
Cash flows from investing activities	-35.4	<b>-40.1</b>	-4.7
Average exchange rate during the fiscal year (US\$)	136yen	<b>155yen</b>	+19yen

\* The Group's financial statements are based on US-GAAP, which record temporary or extraordinary loss in the operating income.

\*1 Provision for product warranty, etc., and analysis of project costs, etc. \*2 Kioxia Holdings Corporation \*3 EBITDA=Operating income + Depreciation + Goodwill impairment

\*4 Free cash flows exclude the impact of restricted cash

# Comment on FY2024/Q1 Consolidated Business Results

**Net income was in the black at 38.3 billion yen, on good performances by Transmission & Distribution Systems and Public Infrastructure, and Kioxia's improvement**

Koji Ikeya, Corporate Officer and Corporate Senior Executive Vice President, made the following comment on the FY2024/Q1 Consolidated Business Results.

- These are the first quarterly business results since the introduction of “Toshiba’s Revitalization Plan,” the medium-term business plan formulated after the company’s transition to the new management system. This is a good start. Net sales were higher, and operating income (before provisions, etc.), operating income, and net income were all in the black. All of these results surpassed those of the previous year.
- In addition to good performances by Transmission & Distribution Systems and Public Infrastructure, a continuation from FY2023, improvements by Railways and Industrial Systems, HDDs and Others, and Building Solutions, and the impact of exchange rate changes, contributed to higher overall sales and operating income. Although Semiconductors saw YoY deterioration in Q1, as the market was still in recovery, this was overcome by the good performances of other businesses.
- In addition, an increase in equity earnings of affiliates from Kioxia’s\* improved performance resulted in a significant improvement in YoY net income.

\* Kioxia Holdings Corporation

# Supplementary Explanation on FY2024/Q1 Consolidated Business Results

- Net sales:
  - ✓ HDDs and Others, Retail & Printing Solutions, Transmission & Distribution Systems, Railways and Industrial Systems, etc., saw higher sales on increased volumes.
  - ✓ Overall net sales increased YoY, despite the impact of a delayed recovery in the semiconductor market, etc.
- Operating income:
  - ✓ Despite the impact of decreased volume in Semiconductors, etc., overall operating income increased YoY, on good performances by Retail & Printing Solutions, Transmission & Distribution Systems, Railways and Industrial Systems and Public Infrastructure, improvements in HDDs and Others and Building Solutions, and the impact of exchange rate changes, etc.
  - ✓ After continued Group-wide risk reanalysis, provisions of -7.9 billion yen<sup>\*1</sup> were recorded. These include the impact of exchange rate changes of -2.6 billion yen<sup>\*1</sup>.
- Net income increased YoY on improved equity earnings from Kioxia<sup>\*2</sup> (26.1 billion yen), etc.
- YoY free cash flows increased on improved working capital, etc.
- Orders received increased YoY, on orders for large-scale projects in Energy Systems & Solutions. Order backlog is solid, with YoY increases in large-scale projects in Energy Systems & Solutions and larger-scale projects in Infrastructure Systems & Solutions.

\*1 : Figures are for amounts incurred in FY2024/Q1

\*2 Kioxia Holdings Corporation

# Forward-looking Statements

- This presentation contains forward-looking statements concerning plans, strategies, and the performance of Toshiba Corporation and its consolidated subsidiaries.
- 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 first three months of FY2024, unless otherwise stated.
- Since Toshiba is not involved in the management of Kioxia Holdings Corporation and is not provided with any forecasts of its business results, Toshiba Group's forward-looking statements concerning financial conditions, results of operations and cash flows do not include the impact of Kioxia Holdings Corporation.

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