

TOSHIBA

FY2024 First Half Consolidated Business Results

Toshiba Corporation
November 14, 2024

Highlights

(Yen in billions)

	FY2023/H1	FY2024/H1	Difference
Net sales	1,497.7	1,621.9	+124.2
Operating income (before provisions, etc.)	40.0	85.0	+45.0
ROS	2.7%	5.2%	+2.5%pt
Provisions, etc. ^{*1}	-17.7	-14.5	+3.2
Operating income	22.3	70.5	+48.2
ROS	1.5%	4.3%	+2.8%pt
Non-operating income	-61.7	100.8	+162.5
Equity earnings from Kioxia ^{*2} (included)	-76.1	63.0	+139.1
Income before income taxes	-39.4	171.3	+210.7
Net income	-52.1	116.3	+168.4
EBITDA ^{*3}	71.6	122.2	+50.6
EBITDA margin	4.8%	7.5%	+2.7%pt
Free cash flows ^{*4}	107.3	-13.6	-120.9
Cash flows from operating activities	138.9	65.4	-73.5
Cash flows from investing activities	-31.6	-79.0	-47.4
Average exchange rate during the fiscal year (US\$)	140 yen	154 yen	+14 yen

* The Group's financial statements are based on US-GAAP.

*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/H1 Consolidated Business Results

**Operating income was 3.2 times that of the previous year, the highest H1 result*¹
The effects of management reforms are already contributing**

Koji Ikeya, Corporate Officer and Corporate Senior Executive Vice President, made the following comment on the FY2024/H1 Consolidated Business Results.

- Continuing from Q1, net sales increased, and operating income before provisions, etc., operating income, and net income were **all in the black, significantly surpassing the previous year**.
- **All segments recorded higher sales, and higher operating income before provisions, etc.** While a slow market recovery caused a decreased sales in Semiconductors, etc., HDDs and Others, Power Systems, etc. performed well, and Building Solutions improved from being in the red in the previous year.
- As a result of profit improvement activities, such as sales price reviews and fixed cost reductions, **operating income was 70.5 billion yen, 3.2 times that of the previous year. This was the highest H1 result** since FY2018, when the memory business was excluded from the portfolio and **reflects contributions from the effects of management reforms under the new management**.
- With an increase in equity earnings from affiliates from Kioxia's*² improved performance, **net income saw a significant increase against the previous year, continuing from Q1**.

*1: The highest H1 result since FY2018 when the memory business was excluded from the portfolio.

*2: Kioxia Holdings Corporation

Supplementary Explanation on FY2024/H1 Consolidated Business Results

Category	Explanation
Net sales	<ul style="list-style-type: none">Although Semiconductors, etc., saw a decrease in a slow market recovery, sales in all segments were higher YoY on increased sales in HDDs and Others, Transmission & Distribution Systems, Retail & Printing, Public Infrastructure and Railway and Industrial Systems, etc.
Operating income	<ul style="list-style-type: none">Along with such external factors as market conditions and exchange rates, the effects of management reforms and of self-help efforts, such as improving the marginal profit and fixed cost ratios, resulted in higher operating income.A decrease in the provision for product warranty and higher operating income on higher sales in HDDs and Others, and higher operating income in Building Solutions (elevator business in Japan), Transmission & Distribution, and Power Systems (thermal power), etc., resulted in increased operating income YoY.After continued group-wide risk reanalysis, provisions were recorded (-14.5 billion yen^{*1}, a reduction of 3.2 billion yen YoY).
Net income	<ul style="list-style-type: none">Net income significantly increased YoY on increased equity earnings from Kioxia's^{*2} improved performance, etc.
FCF	<ul style="list-style-type: none">Despite improved working capital, etc., YoY free cash flows deteriorated due to the impact of taxes, etc.
Orders received and order backlog	<ul style="list-style-type: none">Orders received increased YoY, on orders for large-scale projects in Energy Systems & Solutions. Order backlog increased YoY from large-scale projects in Energy Systems & Solutions and an increase in orders for Infrastructure Systems & Solutions, recording the highest level since FY2018, when the disclosure of orders received with the order backlog started.

*1 : Figures are for amounts incurred in FY2024/H1

*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 six 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.

TOSHIBA