

TOSHIBA

FY2024 Third Quarter Consolidated Business Results

Toshiba Corporation
February 14, 2025

Highlights

Higher sales and higher operating income YoY; operating income turned into the black and recorded a significant increase of over 120 billion yen; the highest Q1-Q3 operating income^{*1}

	FY2023/Q1-Q3	FY2024/Q1-Q3	Difference
Net sales	2,256.7	2,477.0	+220.3
Operating income (before provisions, etc.)	55.1	130.4	+75.3
ROS	2.4%	5.3%	+2.9%pt
Provisions, etc. ^{*2}	-67.0	-16.1	+50.9
Operating income	-11.9	114.3	+126.2
ROS	-0.5%	4.6%	+5.1%pt
Non-operating income	-81.6	138.8	+220.4
Equity earnings from Kioxia ^{*3} (included)	-100.9	95.4	+196.3
Income before income taxes	-93.5	253.1	+346.6
Net income	-107.0	184.8	+291.8
EBITDA ^{*4}	75.0	192.5	+117.5
EBITDA margin	3.3%	7.8%	+4.5%pt
Free cash flows ^{*5}	20.4	-11.3	-31.7
Cash flows from operating activities	93.6	30.6	-63.0
Cash flows from investing activities	-73.2	-41.9	+31.3
Average exchange rate during the fiscal year (US\$)	143 yen	152 yen	+9 yen

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

*1 Since FY2018, when the memory business was excluded from the company's portfolio *2 Provision for product warranty, etc., and analysis of project costs, etc. *3 Kioxia Holdings Corporation

*4 EBITDA=Operating income + Depreciation + Goodwill impairment *5 Free cash flows exclude the impact of restricted cash

Comment on FY2024/Q1-Q3 Consolidated Business Results

**All segment achieved increases in operating income both before and after provisions, etc.
Steady contribution of effects of management reforms and of self-help efforts**

Koji Ikeya, Corporate Officer and Corporate Senior Executive Vice President, made the following comment on the FY2024/Q1-Q3 Consolidated Business Results.

- Continuing from H1, net sales increased, operating income before and after provisions, etc., and net income were **all in the black, significantly surpassing the previous year**.
- While Semiconductors, etc., saw decreased sales, due to a slow market recovery, good performances by businesses such as HDDs and Others, Power Generation Systems, and improved operating income in Building Solutions, which advanced reforms focused on profitability, realized **increases in operating income in all segments, both before and after provisions, etc.**
- In addition, a continued strengthening of risk analysis realized **a decrease in provisions, etc., of 50.9 billion yen YoY. Operating income moved into the black from the red**, and stood at 114.3 billion yen, **the highest Q1-Q3 result** since FY2018, when the memory business was excluded from the portfolio. This is a result of **management reforms and self-help efforts, such as continued sales price reviews and fixed cost reductions, that have steadily borne fruit**.
- **Net income was 184.8 billion yen (+291.8 billion yen YoY), a significant increase continuing from H1**, on an increase in equity earnings from affiliates from Kioxia's improved performance.

Supplementary Explanation on FY2024/Q1-Q3 Consolidated Business Results

Category	Explanation
Net sales	<ul style="list-style-type: none"> Although Semiconductors, etc., saw a decrease in a slow market recovery, overall net sales were higher YoY on increased sales in HDDs and Others, Power Generation Systems, Transmission & Distribution Systems, Retail & Printing, Public Infrastructure, and Railways & 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, contributed to 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 Power Generation Systems, Transmission & Distribution Systems, Building Solutions (the elevator business in Japan) , and Public Infrastructure, etc., resulted in a significant increase in operating income YoY. Provisions, etc., saw a significant YoY decrease of 50.9 billion yen, even after continued group-wide risk reanalysis and recording of provisions for some projects (-16.1 billion yen*).
Net income	<ul style="list-style-type: none"> Net income increased significantly YoY on increased equity earnings from Kioxia's improved performance, etc.
FCF	<ul style="list-style-type: none"> Despite improvements in EBITDA and working capital, and the sales of shares in Kioxia, YoY free cash flows deteriorated due to the impact of taxes and costs related to an early retirement program, 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 also saw an YoY increase from large-scale projects in Energy Systems & Solutions and an increase in orders for Infrastructure Systems & Solutions. Both orders received and order backlog recorded the highest amount since FY2018, when the current disclosure started.

* Figures are for amounts incurred in FY2024/Q1-Q3

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 nine months of FY2024, unless otherwise stated.

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