

**TOSHIBA**

# **FY2023 First Quarter Consolidated Business Results**

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**Executive Officer**

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**Toshiba Corporation**

**August 7, 2023**

# 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. Please refer to the annual securities report (*Yuukashoken houkokusho*) and the quarterly securities report (*Shihanki houkokusho*) for detailed information on Toshiba Group’s business risk. Both the annual securities report and the quarterly securities report are issued in Japanese only.
- 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 FY2023, unless otherwise stated.
- Results in segments have been reclassified to reflect the current organizational structure as of June 30, 2023, 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 flow do not include the impact of Kioxia.

# Key Points

**FY2023/Q1 Actual: Lower YoY net income, despite higher operating income on higher sales\***  
**FY2023 Forecast: Operating income of 110.0 billion yen expected, as announced on May 12**

\*excluding the impact of the deconsolidation of the air conditioning business, etc.

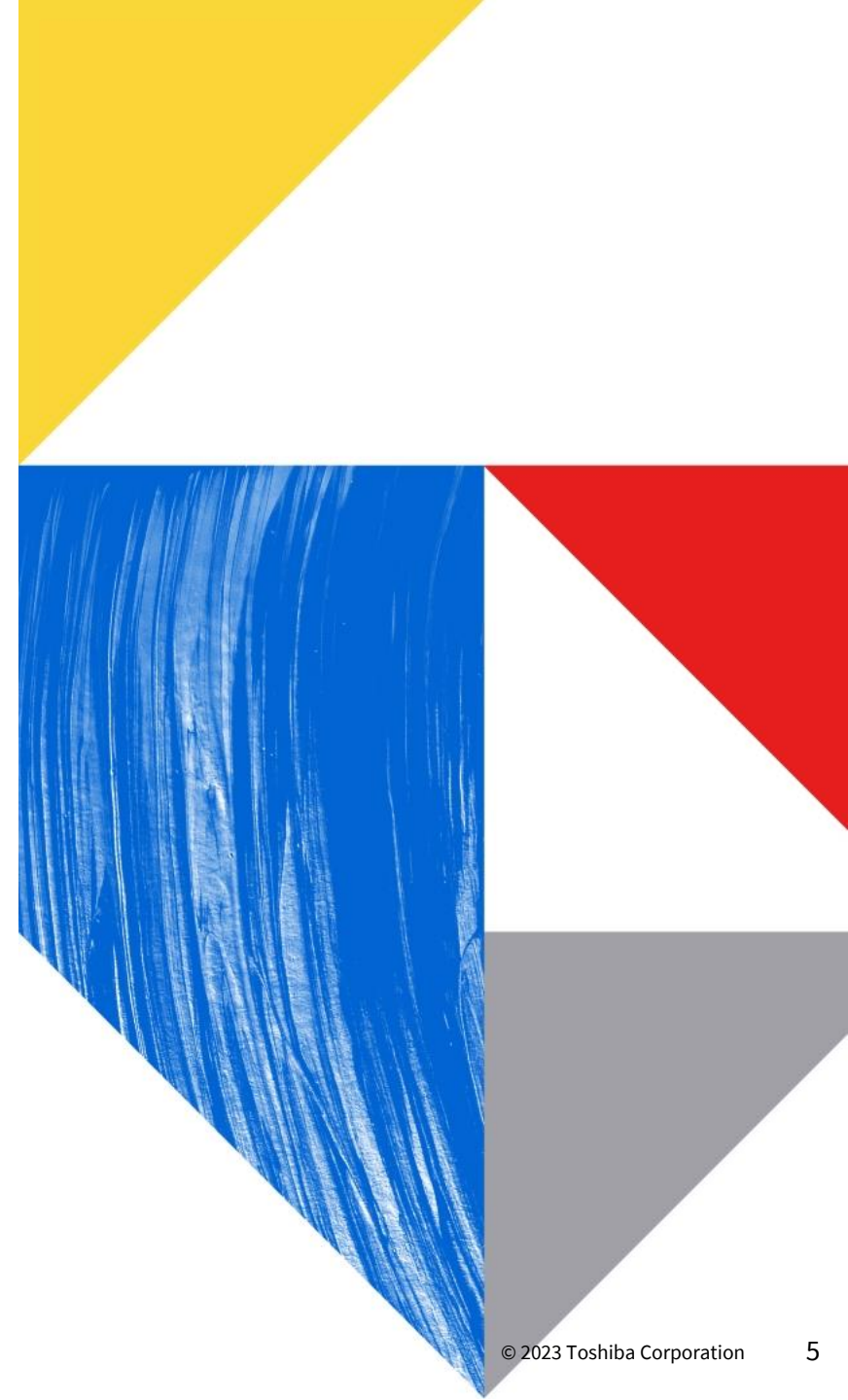
- Higher YoY operating income, but lower net income due to a decrease in non-operating income.
  - Net sales                      FY2022/Q1    740.7 billion yen            →    FY2023/Q1    704.1 billion yen (YoY    -36.6 billion yen)
  - Operating income            FY2022/Q1       -4.8 billion yen            →    FY2023/Q1       11.4 billion yen (YoY    +16.2 billion yen)
  - Net income                    FY2022/Q1       25.9 billion yen            →    FY2023/Q1       -25.4 billion yen (YoY    -51.3 billion yen)
- YoY free cash flows fell due to the impact of large-scale advance payments in the previous years, etc.
- Orders received increased 26% YoY, on orders for large-scale projects. Order backlog increased steadily.
- FY2023 operating income forecast is 110.0 billion yen, with removal of last year's one-time factors, and fixed costs for future growth, etc., as announced on May 12.

# Agenda

- 01 Overall Business Results**
- 02 Business Results by Segment**
- 03 Supplementary Information**
- 04 FY2023 Forecast**

# 01

## Overall Business Results



# FY2023/Q1 Income and Loss Items

Despite increased YoY operating income,  
YoY net income decreased due to lower non-operating income

	FY2022/Q1	FY2023/Q1	Difference	Contributory Factors
(Yen in billions, except earnings per share)				
(↗): Better (↘): Worse				
Net sales	740.7	<b>704.1</b>	-36.6	(↗) Energy Systems & Solutions, Infrastructure Systems & Solutions, Retail & Printing Solutions, Digital Solutions
Growth rate			-5%	(↘) Building Solutions, Electronic Devices & Storage Solutions, Others including the impact of exchange rate changes: +15.8
Operating income	-4.8	<b>11.4</b>	+16.2	(↗) Energy Systems & Solutions, Infrastructure Systems & Solutions, Retail & Printing Solutions, Digital Solutions, Others
ROS	-0.6%	<b>1.6%</b>	+2.2%pt	(↘) Building Solutions, Electronic Devices & Storage Solutions including the impact of exchange rate changes: +1.5
EBITDA <sup>*1</sup>	17.3	<b>35.7</b>	+18.4	
EBITDA margin	2.3%	<b>5.1%</b>	+2.8%pt	
Income before income taxes	41.7	<b>-18.1</b>	-59.8	(↘) Operating income +16.2 Non-operating income -76.0
Net income	25.9	<b>-25.4</b>	-51.3	
Net earnings per share attributable to shareholders of the Company	59.85yen	<b>-58.68yen</b>	-118.53yen	
Total number of shares issued (shares in thousands) <sup>*2</sup>	432,645	<b>432,688</b>	+43	
Average exchange rate (US\$) during the fiscal year	127 yen	<b>136 yen</b>	+9 yen	

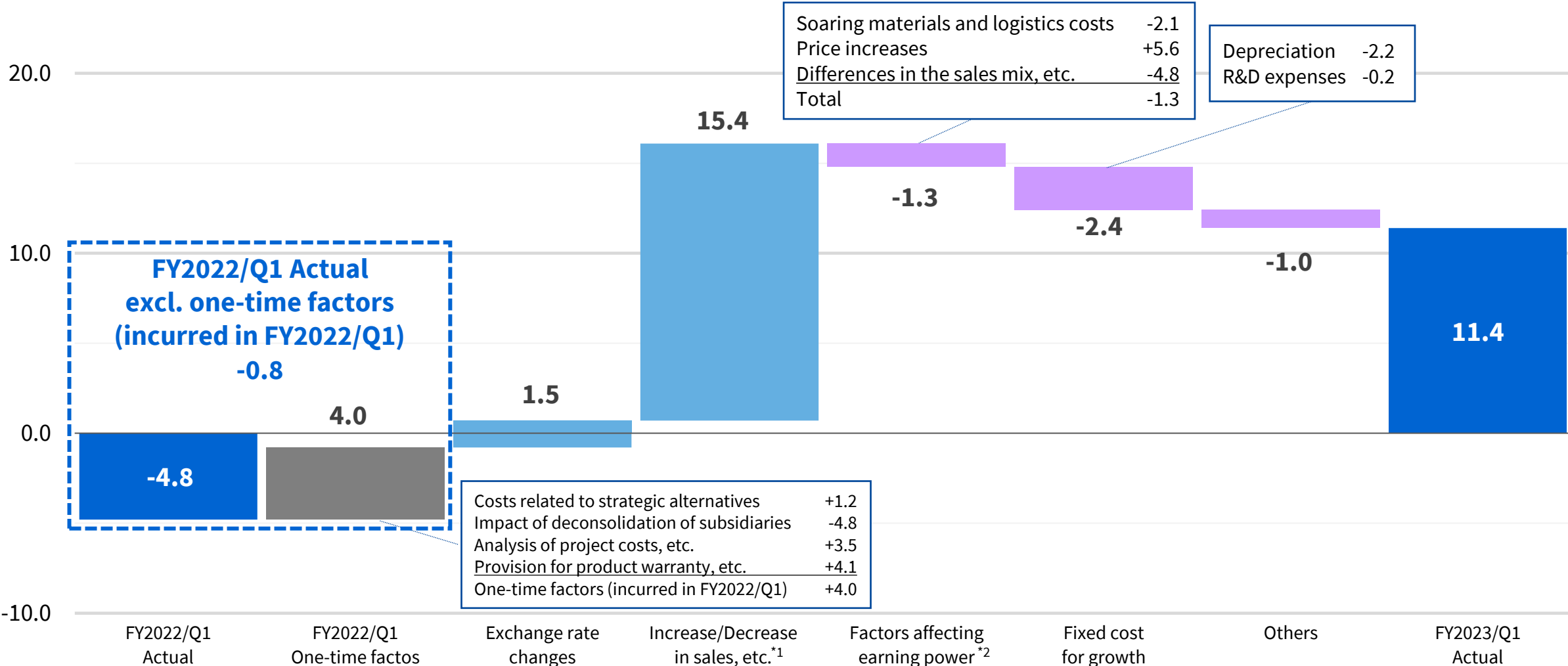
\*1 EBITDA=Operating income + Depreciation + Goodwill impairment \*2 Average rates during the fiscal year (after deduction of own shares)

# Operating Income, FY2022/Q1 to FY2023/Q1 Analysis

## Higher operating income on higher sales\*

(Yen in billions)

\*excluding the impact of the deconsolidation of the air conditioning business, etc.



\*1 Increase or decrease in sales, increase or decrease in fixed costs, etc. \*2 Soaring materials and logistics costs, sales price, differences in the sales mix, etc.

# Non-operating Income

YoY non-operating income decreased, due to the impact of equity earnings from Kioxia, etc.

(Yen in billions)

	FY2022/Q1	FY2023/Q1	Difference
Net financial income	0.0	<b>1.0</b>	+1.0
Exchange rate income	3.2	<b>2.4</b>	-0.8
Income on sale or disposal of fixed assets	4.6	<b>-0.9</b>	-5.5
Income on sale of securities	30.1 <sup>*1</sup>	<b>0.0</b>	-30.1
Settlement costs of lawsuits	-5.1	<b>-1.3</b>	+3.8
Equity earnings of affiliates	15.3	<b>-38.9</b>	-54.2 <sup>*2</sup>
Others	-1.6	<b>8.2</b> <sup>*3</sup>	+9.8
<b>Total</b>	<b>46.5</b>	<b>-29.5</b>	<b>-76.0</b>

<sup>\*1</sup> Earnings from the sale of Guangdong Meizhi Precision Manufacturing Co. Ltd and Guangdong Mishiba Macro Compressor Ltd: 20.0  
Earnings from the sale of Chubu Toshiba Engineering Corporation\*: 10.0

<sup>\*2</sup> Change in equity earnings from Kioxia: -53.3  
(FY2022/Q1 12.2 → FY2023/Q1 -41.1)

<sup>\*3</sup> Gain from valuation of securities: 8.2  
(Shibaura Mechatronics Corporation +5.0)

\* Toshiba is not involved in Kioxia's management and not in a position to explain Kioxia's performance, therefore, refrains from doing so.

\* Now Kioxia Engineering Corporation



# FY2023/Q1 Cash Flows and Balance Sheet Items

(Yen in billions)

(↗): Better

(↘): Worse

	FY2022/Q1	FY2023/Q1	Difference	Contributory Factors
Free cash flows	93.6	<b>19.9</b>	-73.7	
Cash flows from operating activities	111.0	<b>55.3</b>	-55.7 (↘)	Impact of large-scale advance payments received in previous years
Cash flows from investing activities	-17.4	<b>-35.4</b>	-18.0	

	2023/3E	2023/6E	Difference	Contributory Factors
Equity attributable to shareholders of the Company	1,247.4	<b>1,247.7</b>	+0.3 (↗)	Accumulated other comprehensive income +24.7
Shareholders' equity ratio	35.2%	<b>35.3%</b>	+0.1%pt (↘)	Net income -25.4
Net interest-bearing debt *	161.7	<b>137.7</b>	-24.0 (↗)	Free cash flows +19.9
Excluding operating leases liabilities	65.7	46.0	-19.7	
Net debt-to-equity ratio	13%	<b>11%</b>	-2%pt	
Excluding operating leases liabilities	5%	4%	-1%pt	

\* A negative net interest-bearing debt balance indicates a net cash position, whereby cash and cash equivalents exceed interest-bearing debt.

# FY2023/Q1 Detailed Items

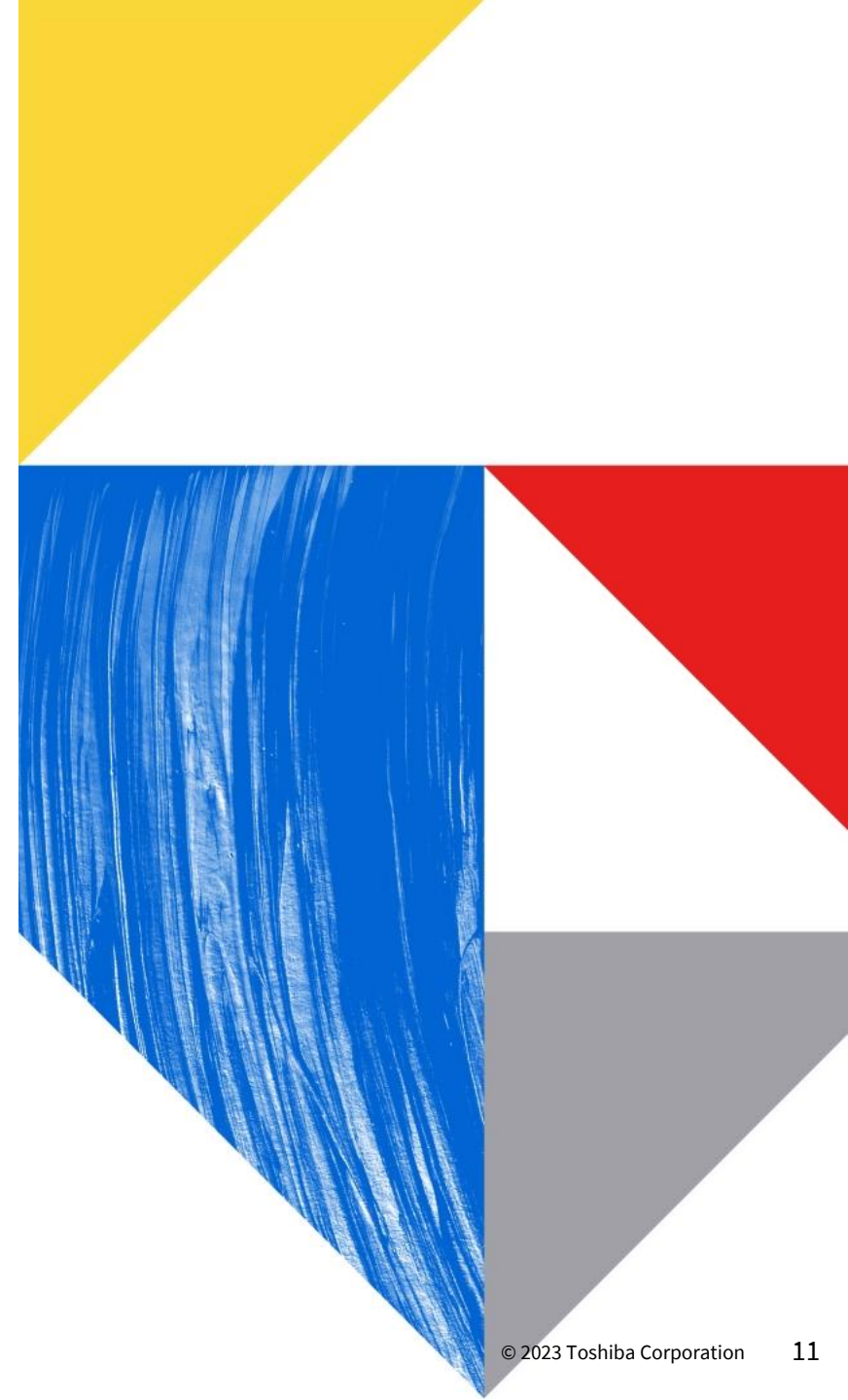
(Yen in billions, except earnings per share)

	FY2022/Q1	<b>FY2023/Q1</b>	Difference
Net sales	740.7	<b>704.1</b>	-36.6
Operating income	-4.8	<b>11.4</b>	+16.2
Non-operating income	46.5	<b>-29.5</b>	-76.0
Income before income taxes	41.7	<b>-18.1</b>	-59.8
Tax expenses	-5.5	<b>-6.2</b>	-0.7
Net income before noncontrolling interests	36.2	<b>-24.3</b>	-60.5
Net income attributable to noncontrolling interests	-10.3	<b>-1.1</b>	+9.2
Net income	25.9	<b>-25.4</b>	-51.3
Net earnings per share attributable to shareholders of the Company	59.85 yen	<b>-58.68 yen</b>	-118.53 yen
Free cash flows	93.6	<b>19.9</b>	-73.7

	2023/3E	<b>2023/6E</b>	Difference
Equity attributable to shareholders of the Company	1,247.4	<b>1,247.7</b>	+0.3
Shareholders' equity ratio	35.2%	<b>35.3%</b>	+0.1%pt
Net assets	1,337.1	<b>1,340.1</b>	+3.0
Net interest-bearing debt	161.7	<b>137.7</b>	-24.0
Net debt-to-equity ratio	13%	<b>11%</b>	-2%pt
Exchange rate (US\$) at the end of period	134 yen	<b>145 yen</b>	+11 yen

# 02

## **Business Results by Segment**



# FY2023/Q1 Consolidated Business Results by Segment

(Yen in billions)

		FY2022/Q1	FY2023/Q1	Difference	Growth rate
Energy Systems & Solutions	Net sales	121.8	<b>140.8</b>	+19.0	+16%
	Operating income	-7.6	<b>7.4</b>	+15.0	
	ROS	-6.2%	<b>5.3%</b>	+11.5%pt	
Infrastructure Systems & Solutions	Net sales	133.8	<b>138.0</b>	+4.2	+3%
	Operating income	1.0	<b>3.9</b>	+2.9	
	ROS	0.7%	<b>2.8%</b>	+2.1%pt	
Building Solutions	Net sales	142.3	<b>81.8</b>	-60.5	-43%
	Operating income	0.3	<b>-1.5</b>	-1.8	
	ROS	0.2%	<b>-1.8%</b>	-2.0%pt	
Retail & Printing Solutions	Net sales	110.6	<b>122.4</b>	+11.8	+11%
	Operating income	0.2	<b>1.2</b>	+1.0	
	ROS	0.2%	<b>1.0%</b>	+0.8%pt	
Electronic Devices & Storage Solutions	Net sales	181.5	<b>171.9</b>	-9.6	-5%
	Operating income	7.7	<b>4.1</b>	-3.6	
	ROS	4.2%	<b>2.4%</b>	-1.8%pt	
Digital Solutions	Net sales	49.7	<b>50.8</b>	+1.1	+2%
	Operating income	2.0	<b>2.6</b>	+0.6	
	ROS	4.0%	<b>5.1%</b>	+1.1%pt	
Others	Net sales	50.6	<b>50.4</b>	-0.2	-0%
	Operating income	-10.6	<b>-8.9</b>	+1.7	
Eliminations	Net sales	-49.6	<b>-52.0</b>	-2.4	
	Operating income	2.2	<b>2.6</b>	+0.4	
Total	Net sales	740.7	<b>704.1</b>	-36.6	-5%
	Operating income	-4.8	<b>11.4</b>	+16.2	
	ROS	-0.6%	<b>1.6%</b>	+2.2%pt	

\* Actual business results of FY2022/Q1 have been partially reclassified between Infrastructure Systems & Solutions and Digital Solutions.

\* FY2022/Q1 results of Building Solutions include air conditioning business, which was deconsolidated in August, 2022.

# Energy Systems & Solutions Results Breakdown

(Yen in billions)

		FY2022/Q1	FY2023/Q1	Difference	Contributory Factors
Energy Systems & Solutions	Net sales	121.8	<b>140.8</b>	+19.0	Impact of exchange rate changes: +1.8
	Operating income	-7.6	<b>7.4</b>	+15.0	Impact of exchange rate changes: +0.2
	ROS	-6.2%	<b>5.3%</b>	+11.5%pt	
	FCF by segment		<b>-26.8</b>		
Power Generation Systems	Net sales	77.6	<b>89.7</b>	+12.1	
	Operating income	-4.3	<b>6.6</b>	+10.9	(↗) Higher operating income due to reduction of unprofitable projects
	ROS	-5.5%	<b>7.4%</b>	+12.9%pt	
Nuclear Power Systems		24.2	<b>28.1</b>	+3.9	(↗) Difference in progress of projects to enhance safety measures, etc.
Thermal & Hydro Power Systems	Net sales	53.4	<b>61.6</b>	+8.2	(↗) Difference in progress of orders received in thermal power projects in Japan, etc.
Transmission & Distribution Systems	Net sales	48.6	<b>53.9</b>	+5.3	(↗) Transmission & Distribution Systems
	Operating income	-2.7	<b>0.6</b>	+3.3	(↗) Higher operating income due to higher sales
	ROS	-5.6%	<b>1.1%</b>	+6.7%pt	
Others	Net sales	-4.4	<b>-2.8</b>	+1.6	
	Operating income	-0.6	<b>0.2</b>	+0.8	

\* Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.

# Infrastructure Systems & Solutions Results Breakdown

(Yen in billions)

	FY2022/Q1	FY2023/Q1	Difference	Contributory Factors	
Infrastructure Systems & Solutions	Net sales	133.8	<b>138.0</b>	+4.2	Impact of exchange rate changes: +1.7
	Operating income	1.0	<b>3.9</b>	+2.9	Impact of exchange rate changes: +0.1
	ROS	0.7%	<b>2.8%</b>	+2.1%pt	
	FCF by segment		<b>31.0</b>		
Public Infrastructure	Net sales	71.6	<b>67.5</b>	-4.1	(↓) Lower sales in social systems and defense and electronic systems
	Operating income	2.9	<b>1.6</b>	-1.3	(↓) Lower operating income due to lower sales in social systems and defense and electronic systems
	ROS	4.1%	<b>2.4%</b>	-1.7%pt	
Railways and Industrial Systems	Net sales	71.8	<b>79.4</b>	+7.6	(↑) Higher sales in industrial systems and from exchange rate changes
	Operating income	-1.9	<b>2.3</b>	+4.2	(↑) Higher operating income due to higher sales in industrial systems
	ROS	-2.6%	<b>2.9%</b>	+5.5%pt	
Others	Net sales	-9.6	<b>-8.9</b>	+0.7	

\* Actual business results of FY2022/Q1 have been partially reclassified between Infrastructure Systems & Solutions and Digital Solutions.

\* Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.

# Building Solutions

(Yen in billions)

	FY2022/Q1	<b>FY2023/Q1</b>	Difference	Contributory Factors
<b>Building Solutions</b>				Impact of exchange rate changes: +0.7
Net sales	142.3	<b>81.8</b>	-60.5	(↗) Elevator and escalator (Japan, Overseas), Lighting (↘) Impact of air conditioning business deconsolidation
Operating income	0.3	<b>-1.5</b>	-1.8	Impact of exchange rate changes: +0.1
ROS	0.2%	<b>-1.8%</b>	-2.0%pt	(↗) Elevator and escalator (Japan, Overseas), Lighting (↘) Impact of air conditioning business deconsolidation
FCF by segment		<b>11.4</b>		

\* FY2022/Q1 results include air conditioning business, which was deconsolidated in August, 2022.

\* Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.

# Electronic Devices & Storage Solutions Results Breakdown

(Yen in billions)

	FY2022/Q1	FY2023/Q1	Difference	Contributory Factors	
Electronic Devices & Storage Solutions	Net sales	181.5	<b>171.9</b>	-9.6	Impact of exchange rate changes: +6.6
	Operating income	7.7	<b>4.1</b>	-3.6	Impact of exchange rate changes: +1.3
	ROS	4.2%	<b>2.4%</b>	-1.8%pt	
	FCF by segment		<b>-5.5</b>		
Semiconductors* <sup>1</sup>	Net sales	91.7	<b>108.2</b>	+16.5	(↗) (N) Increase in sales of mask writers
	Operating income	12.4	<b>17.2</b>	+4.8	(↗) (N) Higher operating income due to higher sales
	ROS	13.5%	<b>15.9%</b>	+2.4%pt	
HDDs & Others* <sup>2</sup>	Net sales	89.8	<b>63.7</b>	-26.1	(↘) (H) Shrinkage in mobile and desktop markets (↘) (H) Nearline HDD market adjustment
	Operating income	-4.7	<b>-13.1</b>	-8.4	(↘) (H) Lower operating income due to lower sales
	ROS	-5.2%	<b>-20.6%</b>	-15.4%pt	(↘) (H) Provision for product warranty*

\* As a result of continuing discussions with a customer on product quality, a provision for product warranty has been made, in conformity with accounting standards. The impact is approximately -6.0 billion yen.

(N) : NuFlare Technology  
(H) : HDDs

\*1 Including sales of discrete semiconductors, system LSIs, and those by NuFlare Technology(NFT).

\*2 Including sales of HDDs, Materials & Devices, and resale of memory products, etc.

\* Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.



# Retail & Printing Solutions

## Digital Solutions

(Yen in billions)

	FY2022/Q1	FY2023/Q1	Difference	Contributory Factors
<b>Retail &amp; Printing Solutions</b>				
Net sales	110.6	<b>122.4</b>	+11.8	Impact of exchange rate changes: +4.8 (↗) (R) Higher sales, (P) Higher sales
Operating income	0.2	<b>1.2</b>	+1.0	Impact of exchange rate changes: ±0
ROS	0.2%	<b>1.0%</b>	+0.8%pt	(↗) (P) Higher operating income (↘) (R) Lower operating income
FCF by segment		<b>-2.6</b>		

(R): Retail Business

(P): Printing (workplace) business

	FY2022/Q1	FY2023/Q1	Difference	Contributory Factors
<b>Digital Solutions</b>				
Net sales	49.7	<b>50.8</b>	+1.1	Impact of exchange rate changes: ±0 (↗) System projects for public and private sectors (↘) Impact of the sale of Chubu Toshiba Engineering Corporation*
Operating income	2.0	<b>2.6</b>	+0.6	Impact of exchange rate changes: ±0
ROS	4.0%	<b>5.1%</b>	+1.1%pt	(↗) Higher operating income due to higher sales (↘) Impact of the sale of Chubu Toshiba Engineering Corporation*
FCF by segment		<b>14.3</b>		

\* Now Kioxia Engineering Corporation

\* Actual business results of FY2022/Q1 have been partially reclassified between Infrastructure Systems & Solutions and Digital Solutions.

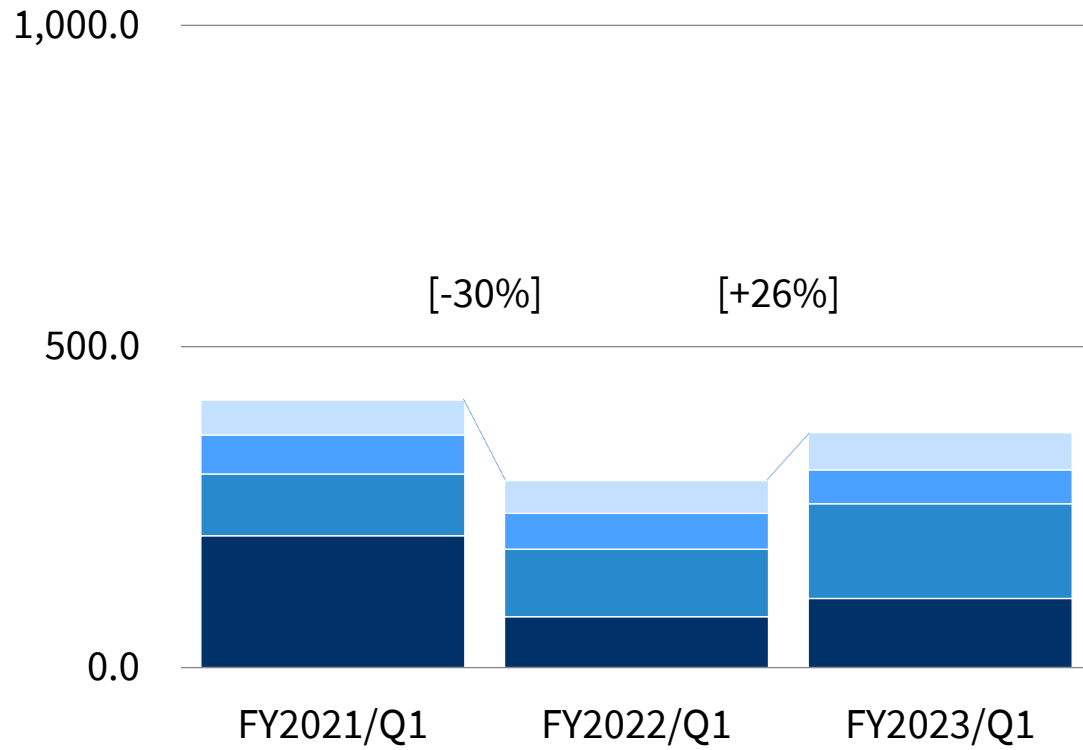
\* Free cash flows by segment are treated as an index for in-house management only, and the impact of exchange rate changes is treated differently from free cash flows in the Consolidated Statements of Cash Flows.

# Orders Received and Order Backlog

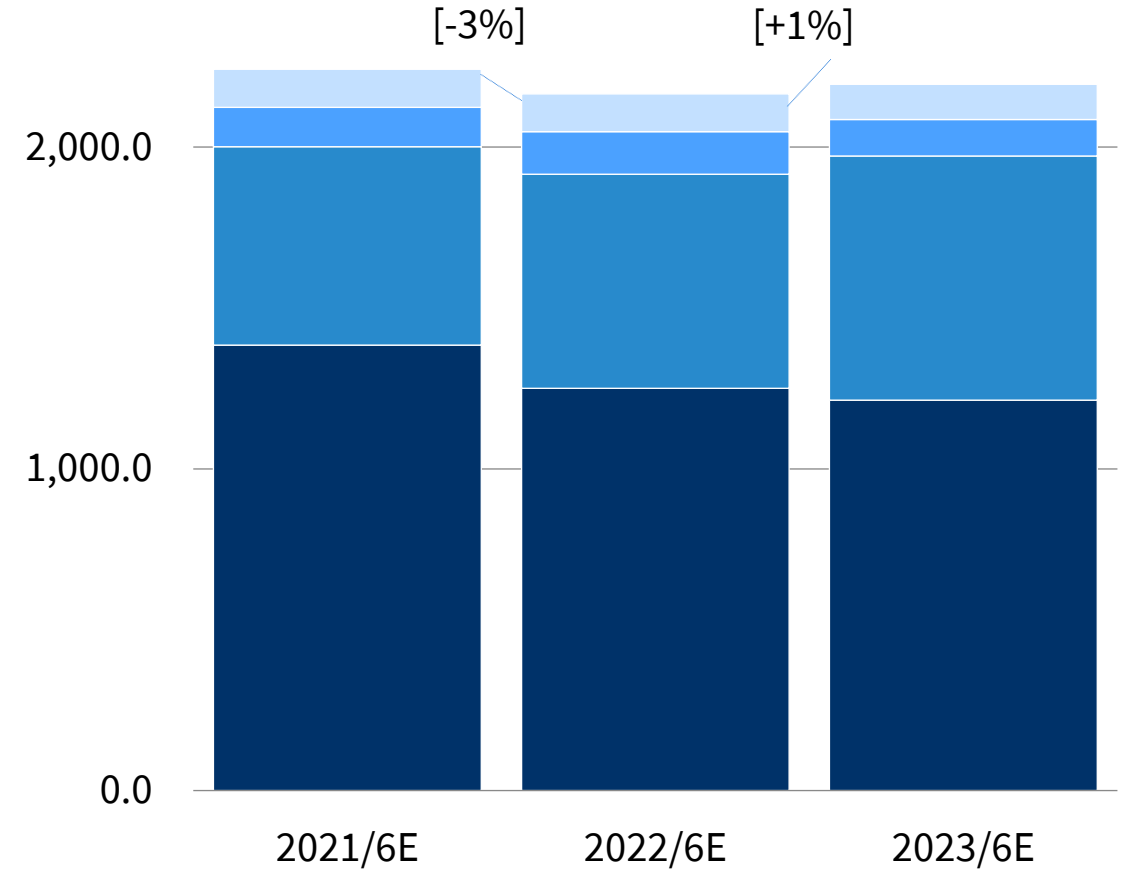
## Steady orders received and order backlog

(Yen in billions)

### Orders Received



### Order Backlog

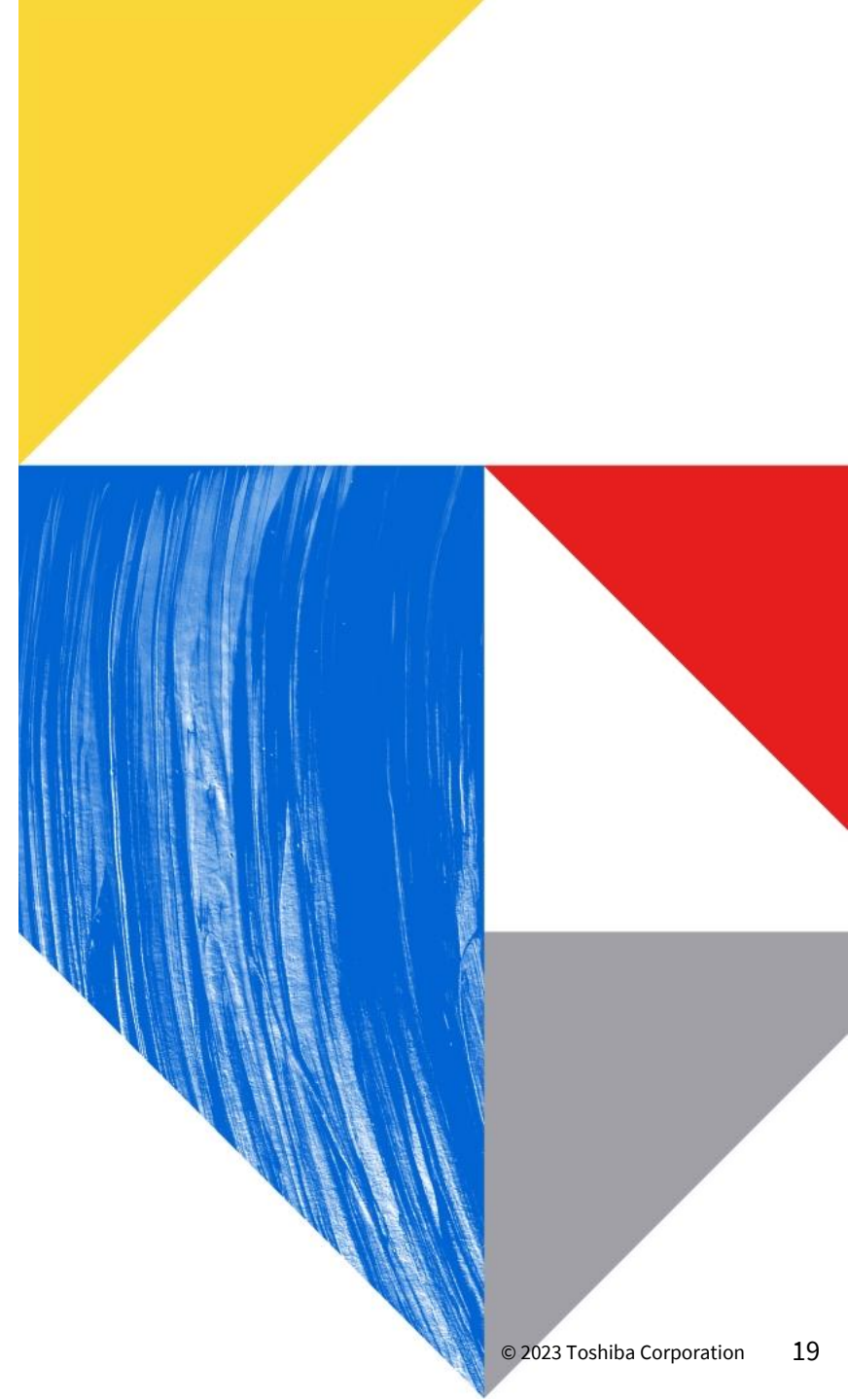


- Elevator and escalator (Building Solutions)
- Digital Solutions
- Infrastructure Systems & Solutions
- Energy Systems & Solutions

• Orders received and Order backlog are metrics for in-house management only, and differ from unsatisfied performance obligations, which are disclosed in the quarterly securities report (*Shihanki houkokusho*).

# 03

## **Supplementary Information**



# Equity Earnings from Kioxia

(Yen in billions)

		Equity earnings	Impact of PPA included	Excluding the impact of PPA
FY2022	Q1 Actual	12.2	-4.1	16.3
	Q2 Actual	13.1	-1.6	14.7
	Q3 Actual	-33.9	-1.5	-32.4
	Q4 Actual	-49.0	-1.4	-47.6
<b>FY2023</b>	<b>Q1 Actual</b>	<b>-41.1</b>	<b>-1.1</b>	<b>-40.0</b>

(Reference) Bit Growth and Change in ASP

		Bit Growth (vs. the previous quarter)	ASP (vs. the previous quarter)
<b>FY2022</b>	Q1 Actual	Decreased lower-20% range	Increased lower-10% range
	Q2 Actual	Increased lower-20% range	Decreased lower-10% range
	Q3 Actual	Decreased mid-10% range	Decreased lower-20% range
	Q4 Actual	Increased lower-10% range	Decreased higher-20% range
<b>FY2023</b>	<b>Q1 Actual</b>	<b>Increased mid-10% range</b>	<b>Decreased mid-single digit %</b>

Data provided by Kioxia

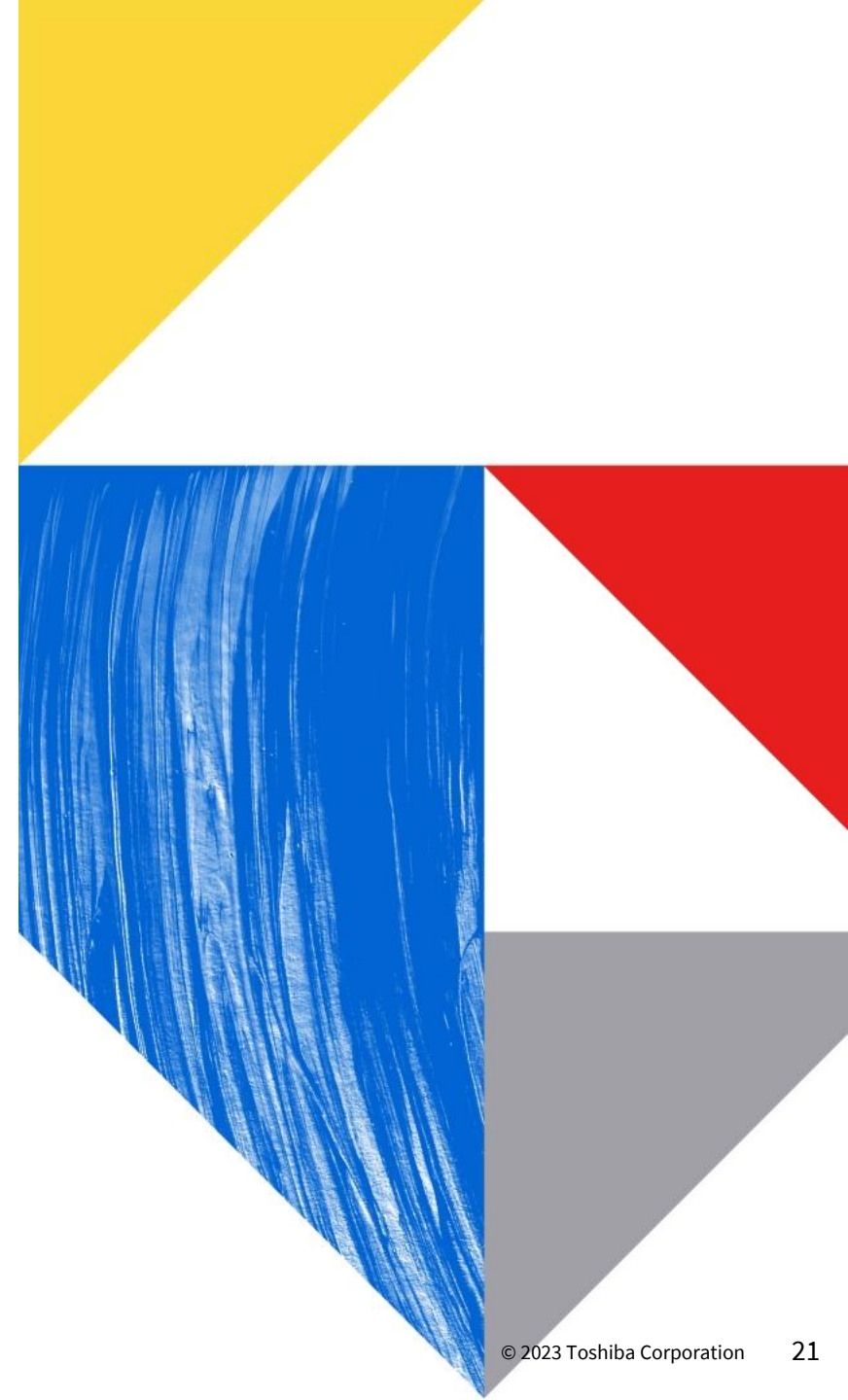
[Forecast]

Toshiba does not receive any information related to Kioxia's forecasts of equity earnings or losses. Only Kioxia's actual results are explained, as part of the consolidated business results.

→ The FY2023 forecast is disclosed for reference only and does not include Kioxia's forecast of equity earnings or losses.

# 04

## **FY2023 Forecast**



# Overall

	FY2022 Actual	<b>FY2023 Forecast</b>	Difference	Vs. previous forecast of May 12
Net sales	3,361.7	<b>3,200.0</b>	-161.7	0.0
Growth rate			-5%	
Operating income	110.5	<b>110.0</b>	-0.5	0.0
ROS	3.3%	<b>3.4%</b>	+0.1%pt	0.0%pt
EBITDA	226.4	<b>215.0</b>	-11.4	0.0
EBITDA margin	6.7%	<b>6.7%</b>	-0.0%pt	0.0%pt
Income before income taxes	189.0	<b>60.0*</b>	-129.0	-40.0
Net income	126.6	<b>30.0*</b>	-96.6	-40.0
ROE	10.3%	<b>2.4%*</b>	-7.9%pt	-3.1%pt
ROIC <sup>*1</sup>	8.7%	<b>2.6%*</b>	-6.1%pt	-2.5%pt
Free cash flows	25.2	<b>0.0</b>	-25.2	0.0

(Yen in billions)

	2023/3E Actual	<b>2024/3E Forecast</b>	Difference	Vs. previous forecast of May 12
Equity attributable to shareholders of the Company	1,247.4	<b>1,270.0*</b>	+22.6	-40.0
Shareholders' equity ratio	35.2%	<b>34.3%</b>	-0.9%pt	-0.9%pt
Net interest-bearing debt	161.7	<b>170.0*</b>	+8.3	-10.0
Net debt-to-equity ratio	13%	<b>13%</b>	+0%pt	-1%pt
Exchange rate (US\$) at the end of period	134 yen	120 yen	-14 yen	0 yen

\*The FY2023 forecast is disclosed for reference only and does not include Kioxia's forecast of equity earnings or losses.

\* FY2022 results of Building Solutions include air conditioning business, which was deconsolidated in August, 2022.

\*1 ROIC=(Net income – Net income attributable to noncontrolling interests – Interest expenses x (1 – Tax rate)) / (Net interest-bearing debt + Net assets)

# Forecast by Segment

(Yen in billions)

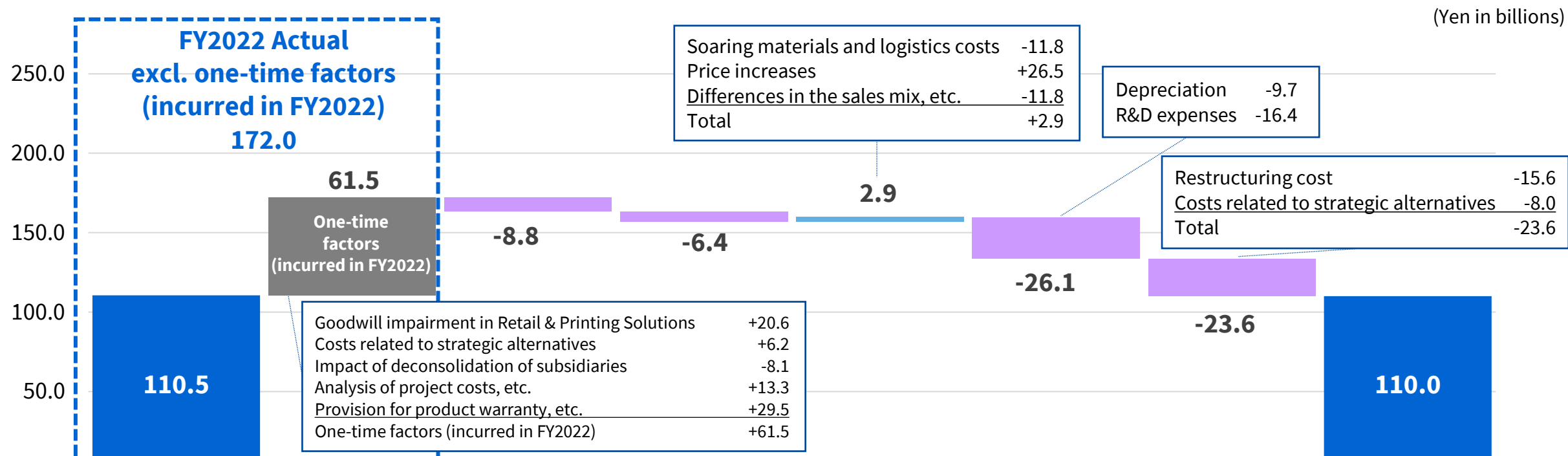
		FY2022 Actual	FY2023 Forecast	Difference	Growth rate	Vs. previous forecast of May 12
Energy Systems & Solutions	Net sales	669.5	<b>590.0</b>	-79.5	-12%	+30.0
	Operating income	30.4	<b>30.0</b>	-0.4		+3.0
	ROS	4.5%	<b>5.1%</b>	+0.6%pt		+0.3%pt
Infrastructure Systems & Solutions	Net sales	686.3	<b>740.0</b>	+53.7	+8%	0.0
	Operating income	45.9	<b>55.0</b>	+9.1		0.0
	ROS	6.7%	<b>7.4%</b>	+0.7%pt		0.0%pt
Building Solutions	Net sales	448.1	<b>360.0</b>	-88.1	-20%	+10.0
	Operating income	5.9	<b>-3.0</b>	-8.9		-1.0
	ROS	1.3%	<b>-0.8%</b>	-2.1%pt		-0.2%pt
Retail & Printing Solutions	Net sales	513.1	<b>510.0</b>	-3.1	-1%	+20.0
	Operating income	-4.1	<b>18.0</b>	+22.1		0.0
	ROS	-0.8%	<b>3.5%</b>	+4.3%pt		-0.2%pt
Electronic Devices & Storage Solutions	Net sales	797.1	<b>750.0</b>	-47.1	-6%	-60.0
	Operating income	42.9	<b>40.0</b>	-2.9		-17.0
	ROS	5.4%	<b>5.3%</b>	-0.1%pt		-1.7%pt
Digital Solutions	Net sales	245.9	<b>250.0</b>	+4.1	+2%	0.0
	Operating income	26.2	<b>26.0</b>	-0.2		+1.0
	ROS	10.7%	<b>10.4%</b>	-0.3%pt		+0.4%pt
Others, Eliminations	Net sales	1.7	<b>0.0</b>	-1.7		0.0
	Operating income	-36.7	<b>-56.0</b>	-19.3		+14.0
Total	Net sales	3,361.7	<b>3,200.0</b>	-161.7	-5%	0.0
	Operating income	110.5	<b>110.0</b>	-0.5		0.0
	ROS	3.3%	<b>3.4%</b>	+0.1%pt		0.0%pt

\* Actual business results of FY2022 have been partially reclassified between Infrastructure Systems & Solutions and Digital Solutions.

\* FY2022 results of Building Solutions include air conditioning business, which was deconsolidated in August, 2022.

# Operating Income, FY2022 to FY2023 Analysis

Operating income of 110.0 billion yen reflects improvement from removal of one-time factors, and increased costs for securing future growth



Q1	-4.8	4.0	1.5	15.4	-1.3	-2.4	-1.0	11.4
Q2-Q4	115.3	57.5	-10.3	-21.8	4.2	-23.7	-22.6	98.6
Total	110.5	61.5	-8.8	-6.4	2.9	-26.1	-23.6	110.0
Vs. previous (May 12)	±0.0	±0.0	+5.0	-15.7	-6.7	+5.0	+12.4	±0.0

FY2022 Actual

FY2022 One-time factors

Exchange rate changes

Increase/Decrease in sales, etc.<sup>\*1</sup>

Factors affecting earning power<sup>\*2</sup>

Fixed cost for growth

Others

FY2023 Forecast

\*1 Increase or decrease in sales, increase or decrease in fixed costs, etc. \*2 Restructuring, Soaring materials and logistics costs, sales price, differences in the sales mix, etc.



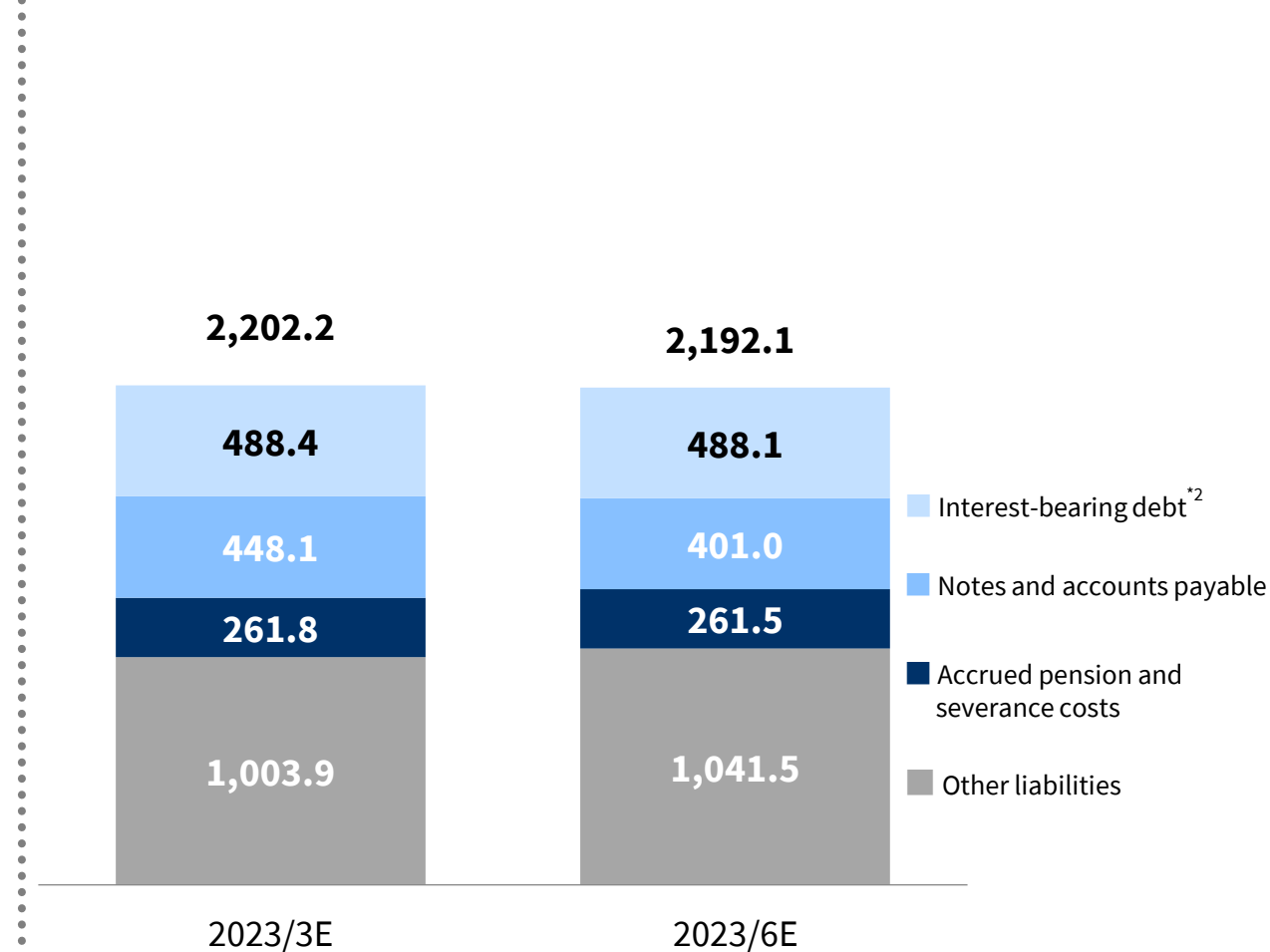
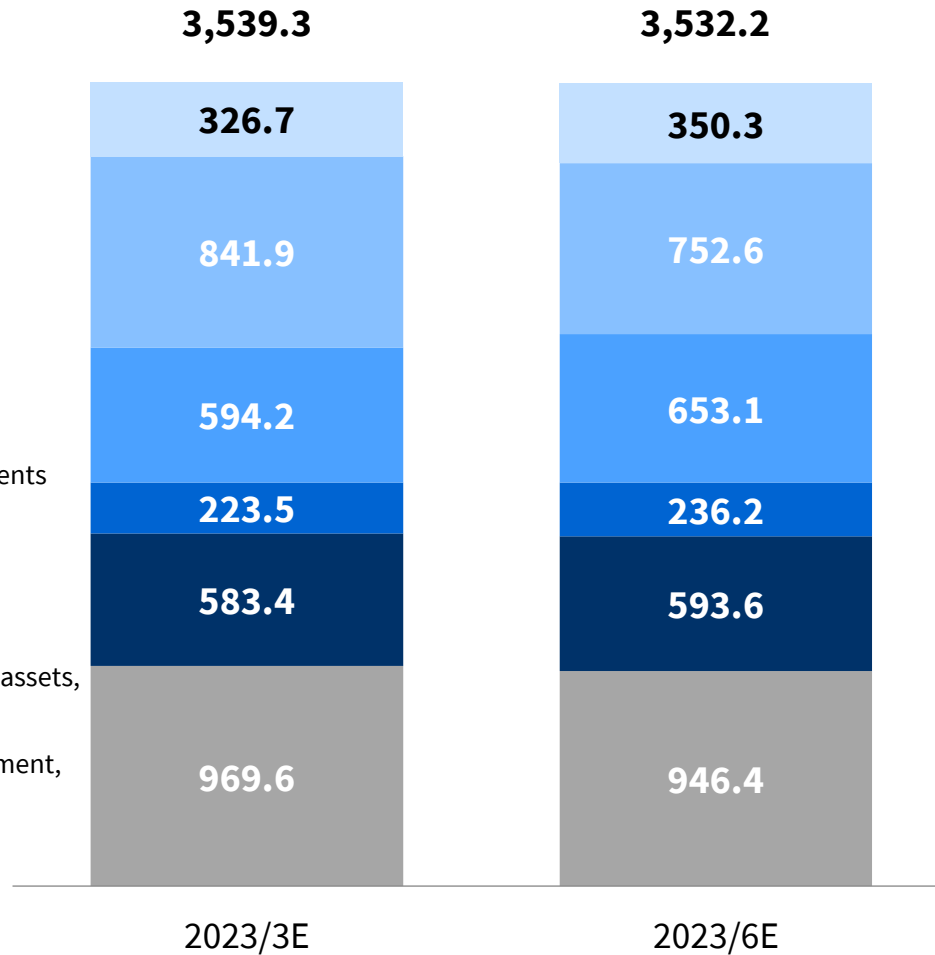
# Appendix

# Balance Sheet

## Assets

## Liabilities

(Yen in billions)



\*1 Including right-of-use assets of operating leases (2023/3E 92.0 billion yen, 2023/6E 88.8 billion yen)

\*2 Including operating leases liabilities (2023/3E 96.0 billion yen, 2023/6E 91.7 billion yen)

# Capital Expenditures (Commitment Basis)

(Yen in billions)

Capital Expenditures (Commitment Basis)	FY2022 Actual	FY2023 Forecast	Vs. previous forecast of May 12	FY2023/Q1 Actual	Major Items in FY2023/Q1
Energy Systems & Solutions	6.8	12.0	-7.0	1.2	
Infrastructure Systems & Solutions	11.8	12.0	-6.0	3.2	
Building Solutions	7.1	5.0	0.0	0.5	
Retail & Printing Solutions	6.1	12.0	0.0	2.2	
Electronic Devices & Storage Solutions	117.2	73.0	-6.0	38.9	Investment in increased production of power semiconductors
Digital Solutions	1.6	2.0	0.0	0.4	
Others	40.6	64.0	-12.0	34.0	Investment in manufacturing equipment for rechargeable battery Renewal of IT system/Next generation core IT system
<b>Total</b>	191.2	180.0	-31.0	80.4	
<b>Investments and loans</b>	2.6	5.0	0.0		

\* FY2022 results of Building Solutions include air conditioning business, which was deconsolidated in August, 2022.

# Energy Systems & Solutions Forecast Breakdown

(Yen in billions)

		FY2022 Actual	FY2023 Forecast	Difference	Growth rate	Vs. previous forecast of May 12
Energy Systems & Solutions	Net sales	669.5	<b>590.0</b>	-79.5	-12%	+30.0
	Operating income	30.4	<b>30.0</b>	-0.4		+3.0
	ROS	4.5%	<b>5.1%</b>	+0.6%pt		+0.3%pt
Power Generation Systems	Net sales	449.9	<b>370.0</b>	-79.9	-18%	+20.0
	Operating income	31.8	<b>25.0</b>	-6.8		0.0
	ROS	7.1%	<b>6.8%</b>	-0.3%pt		-0.3%pt
Nuclear Power Systems		181.3	<b>170.0</b>	-11.3		0.0
Thermal & Hydro Power Systems	Net sales	268.6	<b>200.0</b>	-68.6		+20.0
Transmission & Distribution Systems	Net sales	233.1	<b>230.0</b>	-3.1	-1%	+10.0
	Operating income	3.9	<b>5.0</b>	+1.1		+3.0
	ROS	1.7%	<b>2.2%</b>	+0.5%pt		+1.3%pt
Others	Net sales	-13.5	<b>-10.0</b>	+3.5		0.0
	Operating income	-5.3	<b>0.0</b>	+5.3		0.0

# Infrastructure Systems & Solutions Forecast Breakdown

## Building Solutions

		FY2022 Actual	FY2023 Forecast	Difference	Growth rate	Vs. previous forecast of May 12	(Yen in billions)
Infrastructure Systems & Solutions	Net sales	686.3	<b>740.0</b>	+53.7	+8%	0.0	
	Operating income	45.9	<b>55.0</b>	+9.1		0.0	
	ROS	6.7%	<b>7.4%</b>	+0.7%pt		0.0%pt	
Public Infrastructure	Net sales	384.5	<b>440.0</b>	+55.5	+14%	0.0	
	Operating income	37.7	<b>44.0</b>	+6.3		0.0	
	ROS	9.8%	<b>10.0%</b>	+0.2%pt		0.0%pt	
Railways and Industrial Systems	Net sales	353.0	<b>360.0</b>	+7.0	+2%	0.0	
	Operating income	8.2	<b>11.0</b>	+2.8		0.0	
	ROS	2.3%	<b>3.1%</b>	+0.8%pt		0.0%pt	
Others	Net sales	-51.2	<b>-60.0</b>	-8.8		0.0	
Building Solutions	Net sales	448.1	<b>360.0</b>	-88.1	-20%	+10.0	
	Operating income	5.9	<b>-3.0</b>	-8.9		-1.0	
	ROS	1.3%	<b>-0.8%</b>	-2.1%pt		-0.2%pt	
Elevator and escalator		235.6	<b>229.0</b>	-6.6	-3%	+5.0	
Lighting	Net sales	119.1	<b>127.0</b>	+7.9	+7%	0.0	
Air Conditioning		94.9	<b>0.0</b>	-94.9	-	0.0	

\* Actual business results of FY2022 have been partially reclassified between Infrastructure Systems & Solutions and Digital Solutions.

\* FY2022 results of Building Solutions include air conditioning business, which was deconsolidated in August, 2022.

# Electronic Devices & Storage Solutions Forecast Breakdown

(Yen in billions)

		FY2022 Actual	<b>FY2023 Forecast</b>	Difference	Growth rate	Vs. previous forecast of May 12
Electronic Devices & Storage Solutions	Net sales	797.1	<b>750.0</b>	-47.1	-6%	-60.0
	Operating income	42.9	<b>40.0</b>	-2.9		-17.0
	ROS	5.4%	<b>5.3%</b>	-0.1%pt		-1.7%pt
Semiconductors <sup>*1</sup>	Net sales	445.4	<b>430.0</b>	-15.4	-3%	-30.0
	Operating income	71.0	<b>53.0</b>	-18.0		-12.0
	ROS	15.9%	<b>12.3%</b>	-3.6%pt		-1.8%pt
HDDs and others <sup>*2</sup>	Net sales	351.7	<b>320.0</b>	-31.7	-9%	-30.0
	Operating income	-28.1	<b>-13.0</b>	+15.1		-5.0
	ROS	-8.0%	<b>-4.1%</b>	+3.9%pt		-1.8%pt

\*1 Including sales of discrete semiconductors, system LSIs, and those by NuFlare Technology(NFT).

\*2 Including sales of HDDs, Materials & Devices, and resale of memory products, etc.

**TOSHIBA**