

**TOSHIBA**

# **FY2023 Second Quarter Consolidated Business Results**

**Toshiba Corporation**

**November 14, 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 six months of FY2023, unless otherwise stated.
- Results in segments have been reclassified to reflect the current organizational structure as of September 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/H1 Actual:** Despite higher YoY operating income, YoY net income decreased due to the impact of non-operating income

**FY2023 Forecast :** Unchanged from the previous forecast of August 7

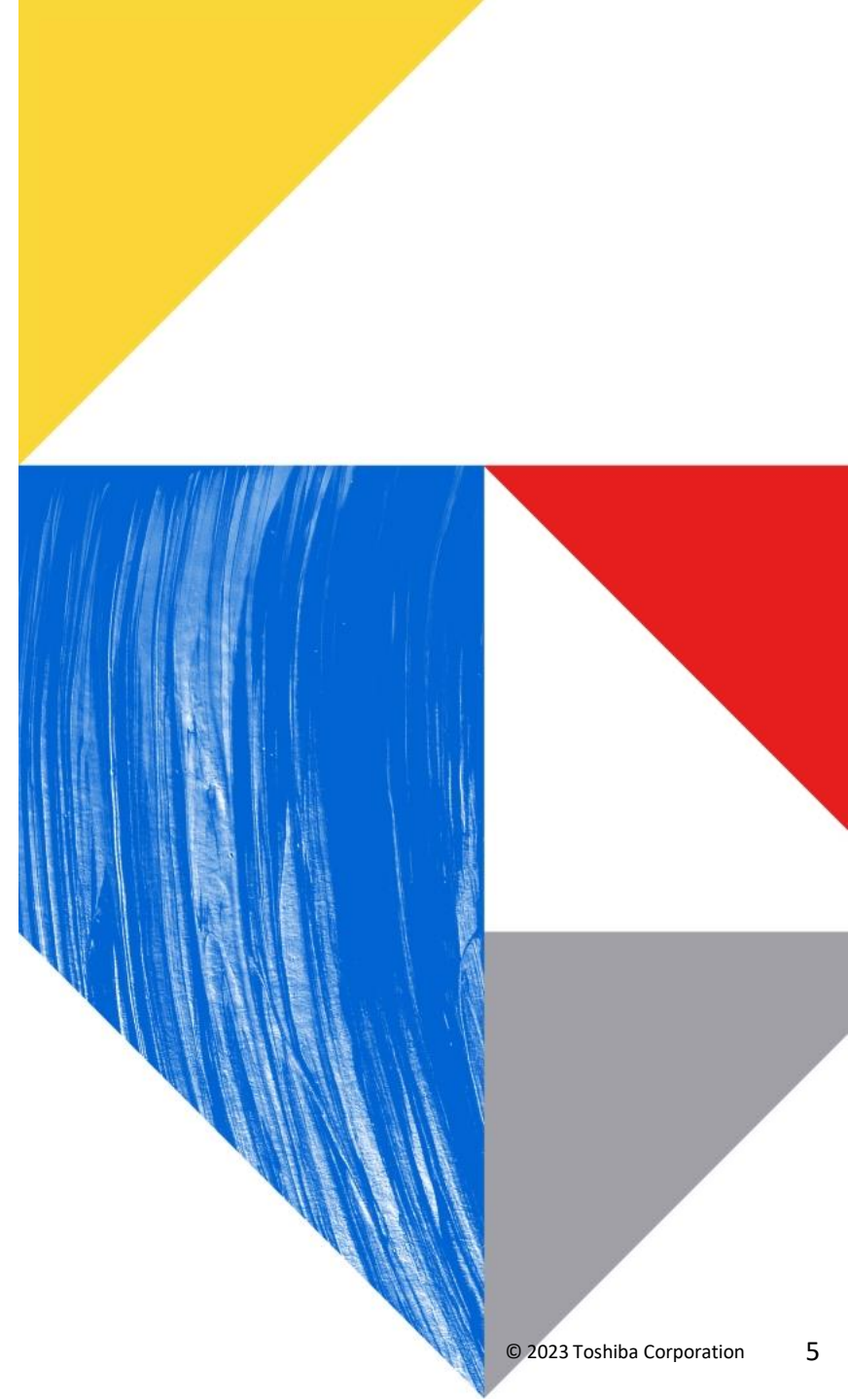
- Despite higher YoY operating income, YoY net income decreased due to a decrease in non-operating income.
  - Net sales                      FY2022/H1    1,595.2 billion yen    →    FY2023/H1    1,497.7 billion yen    (YoY    -97.5 billion yen)
  - Operating income            FY2022/H1            2.7 billion yen        →    FY2023/H1            22.3 billion yen      (YoY    +19.6 billion yen)
  - Net income                    FY2022/H1            100.7 billion yen    →    FY2023/H1            -52.1 billion yen     (YoY    -152.8 billion yen)
- YoY free cash flows increased on improvement of working capital, etc.
- Orders received increased 15% YoY, on orders for large-scale projects. Order backlog increased steadily.
- FY2023 operating income forecast of 110.0 billion yen is unchanged from the previous forecast of August 7, reflecting the current status.

# Agenda

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

# 01

## Overall Business Results



# FY2023/H1 Income and Loss Items

Despite higher YoY operating income,  
YoY net income decreased due to the impact of non-operating income

	FY2022/H1	FY2023/H1	Difference	Contributory Factors	(Yen in billions, except earnings per share)
Net sales	1,595.2	<b>1,497.7</b>	-97.5	(↗) Energy Systems & Solutions, Infrastructure Systems & Solutions, Retail & Printing Solutions	(↗): Better (↘): Worse
Growth rate			-6%	(↘) Building Solutions, Electronic Devices & Storage Solutions, Digital Solutions, Others including the impact of exchange rate changes: +30.8	
Operating income	2.7	<b>22.3</b>	+19.6	(↗) Energy Systems & Solutions, Infrastructure Systems & Solutions, Retail & Printing Solutions, Others	
ROS	0.2%	<b>1.5%</b>	+1.3%pt	(↘) Building Solutions, Electronic Devices & Storage Solutions, Digital Solutions including the impact of exchange rate changes: +3.1	
EBITDA*1	58.8	<b>71.6</b>	+12.8		
EBITDA margin	3.7%	<b>4.8%</b>	+1.1%pt		
Income before income taxes	130.5	<b>-39.4</b>	-169.9	(↘) Operating income +19.6 Non-operating income -189.5	
Net income	100.7	<b>-52.1</b>	-152.8		
Net earnings per share attributable to shareholders of the Company	232.67yen	<b>-120.47yen</b>	-353.14yen		
Total number of shares issued (shares in thousands)*2	432,642	<b>432,765</b>	+123		
Average exchange rate (US\$) during the fiscal year	132 yen	<b>140 yen</b>	+8 yen		

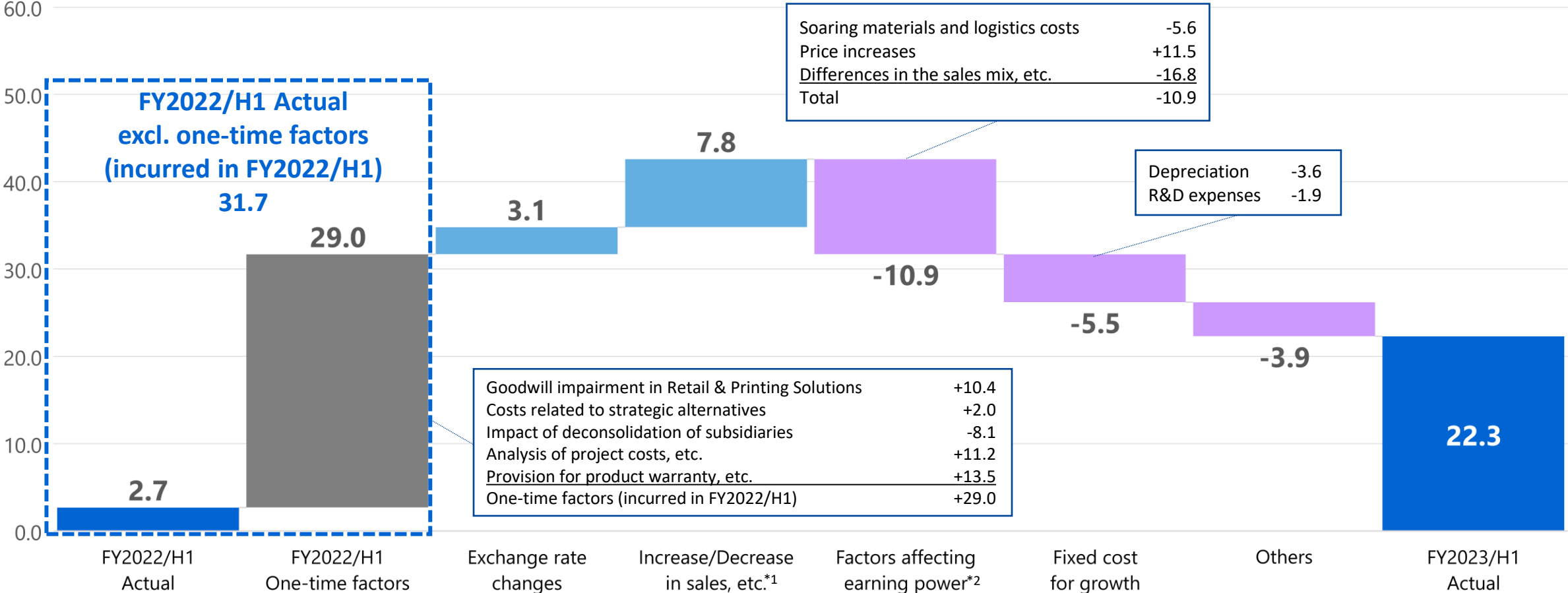
\*1 EBITDA=Operating income + Depreciation + Goodwill impairment

\*2 Average rates during the fiscal year (after deduction of own shares)

# Operating Income, FY2022/H1 to FY2023/H1 Analysis

Despite a negative impact of differences in the sales mix, etc., YoY operating income increased on reduction in one-time factors

(Yen in billions)



\*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/H1	FY2023/H1	Difference
Net financial income	-0.7	<b>0.6</b>	+1.3
Exchange rate income	-8.5	<b>1.7</b>	+10.2
Income on sale or disposal of fixed assets	4.4	<b>-1.1</b>	-5.5
Income on sale of securities	91.9 <sup>*1</sup>	<b>0.0</b>	-91.9
Settlement costs of lawsuits	-8.8	<b>-2.1</b>	+6.7
Equity earnings of affiliates	31.8	<b>-69.0</b>	-100.8 <sup>*2</sup>
Others	17.7 <sup>*3</sup>	<b>8.2</b> <sup>*4</sup>	-9.5
<b>Total</b>	<b>127.8</b>	<b>-61.7</b>	<b>-189.5</b>

\*1 Earnings from the sale of Toshiba Carrier Corporation: 61.8  
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

\*2 Change in equity earnings from Kioxia: -101.4  
(FY2022/H1 25.3 → FY2023/H1 -76.1)

\*3 Revaluation of the residual equity of Toshiba Carrier Corporation: 10.0

\*4 Gain from valuation of securities: 10.6

\* 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/H1 Cash Flows and Balance Sheet Items

(Yen in billions)

(↗): Better

(↘): Worse

	FY2022/H1	FY2023/H1	Difference	Contributory Factors
Free cash flows	75.8	107.3	+31.5	
Cash flows from operating activities	18.0	138.9	+120.9 (↗)	Improved working capital, decrease in tax, etc.
Cash flows from investing activities	57.8	-31.6	-89.4 (↘)	Impact of sales of securities in previous year <sup>*1</sup> , etc.

	2023/3E	2023/9E	Difference	Contributory Factors
Equity attributable to shareholders of the Company	1,247.4	1,234.9	-12.5 (↗)	Accumulated other comprehensive income +37.3
Shareholders' equity ratio	35.2%	36.1%	+0.9%pt (↘)	Net income -52.1
Net interest-bearing debt <sup>*</sup>	161.7	47.7	-114.0 (↗)	Free cash flows +107.3
Excluding operating leases liabilities	65.7	-37.7	-103.4	
Net debt-to-equity ratio	13%	4%	-9%pt	
Excluding operating leases liabilities	5%	-3%	-8%pt	

\*1 Impact of sales of securities of Toshiba Carrier Corporation, Guangdong Meizhi Precision Manufacturing Co. Ltd, Guangdong Mishiba Macro Compressor Ltd, and Chubu Toshiba Engineering Corporation (Now Kioxia Engineering Corporation).

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

# FY2023/H1 Detailed Items

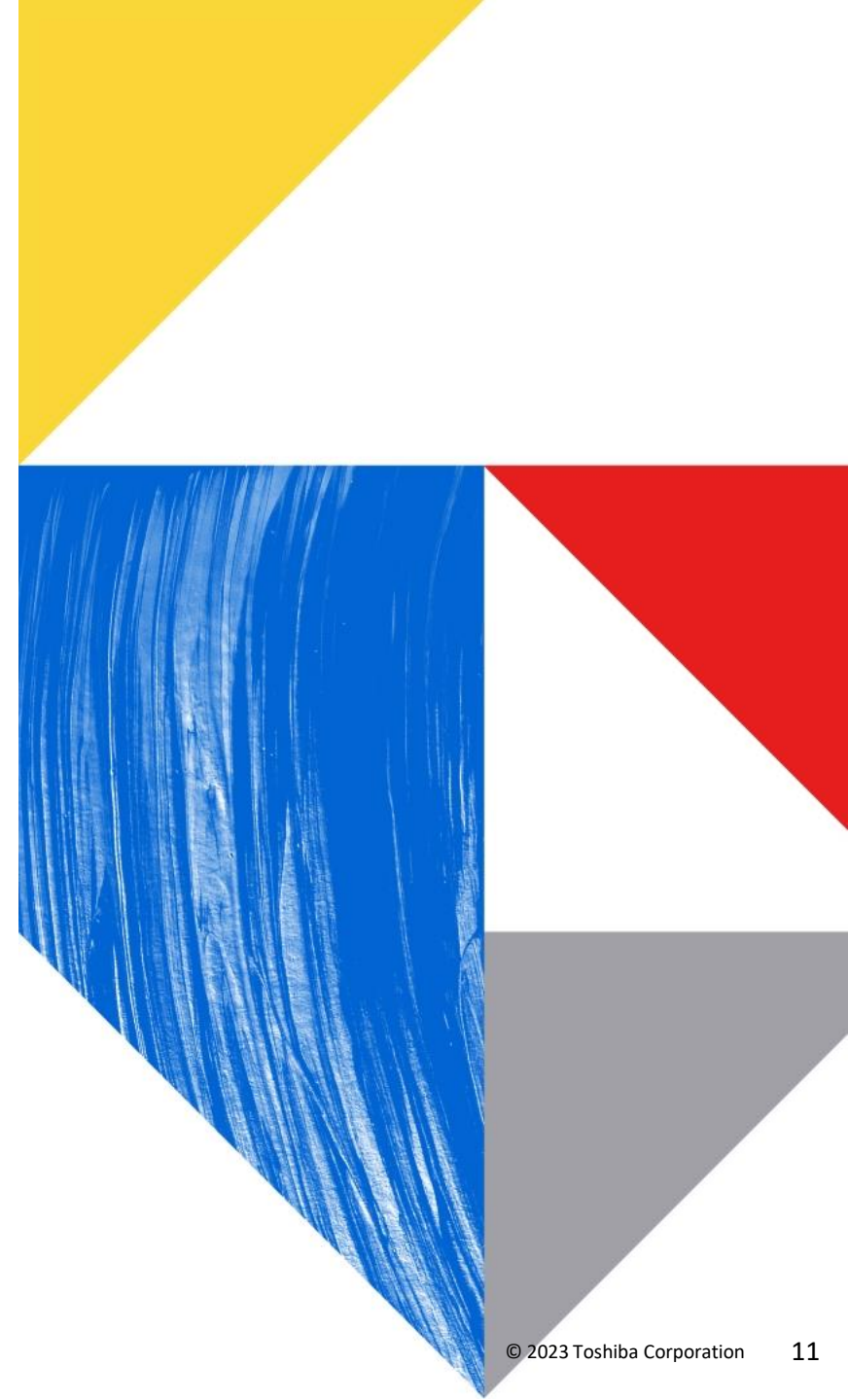
(Yen in billions, except earnings per share)

	FY2022/H1	<b>FY2023/H1</b>	Difference
Net sales	1,595.2	<b>1,497.7</b>	-97.5
Operating income	2.7	<b>22.3</b>	+19.6
Non-operating income	127.8	<b>-61.7</b>	-189.5
Income before income taxes	130.5	<b>-39.4</b>	-169.9
Tax expenses	-19.9	<b>-10.1</b>	+9.8
Net income before noncontrolling interests	110.6	<b>-49.5</b>	-160.1
Net income attributable to noncontrolling interests	-9.9	<b>-2.6</b>	+7.3
Net income	100.7	<b>-52.1</b>	-152.8
Net earnings per share attributable to shareholders of the Company	232.67 yen	<b>-120.47 yen</b>	-353.14 yen
Free cash flows	75.8	<b>107.3</b>	+31.5

	2023/3E	<b>2023/9E</b>	Difference
Equity attributable to shareholders of the Company	1,247.4	<b>1,234.9</b>	-12.5
Shareholders' equity ratio	35.2%	<b>36.1%</b>	+0.9%pt
Net assets	1,337.1	<b>1,327.1</b>	-10.0
Net interest-bearing debt	161.7	<b>47.7</b>	-114.0
Net debt-to-equity ratio	13%	<b>4%</b>	-9%pt
Exchange rate (US\$) at the end of period	134 yen	<b>150 yen</b>	+16 yen

# 02

## Business Results by Segment



# FY2023/H1 Consolidated Business Results by Segment

(Yen in billions)

		FY2022/H1	FY2023/H1	Difference	Growth rate	FY2023/Q2	Vs. previous year
Energy Systems & Solutions	Net sales	280.5	<b>282.2</b>	+1.7	+1%	<b>141.4</b>	-17.3
	Operating income	-5.0	<b>8.3</b>	+13.3		<b>0.9</b>	-1.7
	ROS	-1.8%	<b>2.9%</b>	+4.7%pt		<b>0.6%</b>	-1.0%pt
Infrastructure Systems & Solutions	Net sales	297.0	<b>303.1</b>	+6.1	+2%	<b>165.1</b>	+1.9
	Operating income	3.7	<b>14.4</b>	+10.7		<b>10.5</b>	+7.8
	ROS	1.2%	<b>4.8%</b>	+3.6%pt		<b>6.4%</b>	+4.7%pt
Building Solutions	Net sales	258.1	<b>171.6</b>	-86.5	-34%	<b>89.8</b>	-26.0
	Operating income	0.7	<b>-2.3</b>	-3.0		<b>-0.8</b>	-1.2
	ROS	0.3%	<b>-1.3%</b>	-1.6%pt		<b>-0.9%</b>	-1.2%pt
Retail & Printing Solutions	Net sales	246.2	<b>263.6</b>	+17.4	+7%	<b>141.2</b>	+5.6
	Operating income	-4.5	<b>5.8</b>	+10.3		<b>4.6</b>	+9.3
	ROS	-1.8%	<b>2.2%</b>	+4.0%pt		<b>3.3%</b>	+6.8%pt
Electronic Devices & Storage Solutions	Net sales	403.2	<b>378.5</b>	-24.7	-6%	<b>206.6</b>	-15.1
	Operating income	20.2	<b>7.5</b>	-12.7		<b>3.4</b>	-9.1
	ROS	5.0%	<b>2.0%</b>	-3.0%pt		<b>1.6%</b>	-4.0%pt
Digital Solutions	Net sales	109.4	<b>107.2</b>	-2.2	-2%	<b>56.4</b>	-3.3
	Operating income	7.8	<b>6.3</b>	-1.5		<b>3.7</b>	-2.1
	ROS	7.1%	<b>5.9%</b>	-1.2%pt		<b>6.6%</b>	-3.1%pt
Others	Net sales	109.4	<b>105.1</b>	-4.3	-4%	<b>54.7</b>	-4.1
	Operating income	-22.8	<b>-21.7</b>	+1.1		<b>-12.8</b>	-0.6
Eliminations	Net sales	-108.6	<b>-113.6</b>	-5.0		<b>-61.6</b>	-2.6
	Operating income	2.6	<b>4.0</b>	+1.4		<b>1.4</b>	+1.0
Total	Net sales	1,595.2	<b>1,497.7</b>	-97.5	-6%	<b>793.6</b>	-60.9
	Operating income	2.7	<b>22.3</b>	+19.6		<b>10.9</b>	+3.4
	ROS	0.2%	<b>1.5%</b>	+1.3%pt		<b>1.4%</b>	+0.5%pt

\* Actual business results of FY2022/H1 have been partially reclassified between Infrastructure Systems & Solutions and Digital Solutions.

\* FY2022/H1 results of Building Solutions include air conditioning business, which was deconsolidated in August, 2022.

# Energy Systems & Solutions Results Breakdown

(Yen in billions)

		FY2022/H1	FY2023/H1	Difference	Contributory Factors	FY2023/Q2	Vs. previous year
Energy Systems & Solutions	Net sales	280.5	<b>282.2</b>	+1.7	Impact of exchange rate changes: +3.0	<b>141.4</b>	-17.3
	Operating income	-5.0	<b>8.3</b>	+13.3	Impact of exchange rate changes: +0.1	<b>0.9</b>	-1.7
	ROS	-1.8%	<b>2.9%</b>	+4.7%pt		<b>0.6%</b>	-1.0%pt
	FCF by segment		<b>-14.9</b>				
Power Generation Systems	Net sales	177.5	<b>180.5</b>	+3.0		<b>90.8</b>	-9.1
	Operating income	-1.4	<b>8.1</b>	+9.5	(↗) Thermal & Hydro Power Systems	<b>1.5</b>	-1.4
	ROS	-0.8%	<b>4.5%</b>	+5.3%pt		<b>1.7%</b>	-1.2%pt
Nuclear Power Systems		58.2	<b>64.7</b>	+6.5	(↗) Difference in progress of projects to enhance safety measures, etc.	<b>36.6</b>	+2.6
Thermal & Hydro Power Systems	Net sales	119.3	<b>115.8</b>	-3.5	(↘) Difference in progress of orders received, etc.	<b>54.2</b>	-11.7
Transmission & Distribution Systems	Net sales	110.5	<b>107.7</b>	-2.8	(↗) Transmission & Distribution Systems (↘) Solar Power Systems	<b>53.8</b>	-8.1
	Operating income	-2.3	<b>0.1</b>	+2.4	(↗) Higher operating income due to higher sales in Transmission & Distribution Systems	<b>-0.5</b>	-0.9
	ROS	-2.1%	<b>0.1%</b>	+2.2%pt	(↘) Lower operating income due to lower sales in Solar Power Systems	<b>-0.9%</b>	-1.5%pt
Others	Net sales	-7.5	<b>-6.0</b>	+1.5		<b>-3.2</b>	-0.1
	Operating income	-1.3	<b>0.1</b>	+1.4		<b>-0.1</b>	+0.6

\* 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/H1	FY2023/H1	Difference	Contributory Factors	FY2023/Q2	Vs. previous year
Infrastructure Systems & Solutions	Net sales	297.0	<b>303.1</b>	+6.1	Impact of exchange rate changes: +3.1	<b>165.1</b>	+1.9
	Operating income	3.7	<b>14.4</b>	+10.7	Impact of exchange rate changes: +0.2	<b>10.5</b>	+7.8
	ROS	1.2%	<b>4.8%</b>	+3.6%pt		<b>6.4%</b>	+4.7%pt
	FCF by segment		<b>28.5</b>				
Public Infrastructure	Net sales	157.8	<b>153.0</b>	-4.8	(↓) Lower sales in Social Systems	<b>85.5</b>	-0.7
	Operating income	6.3	<b>6.6</b>	+0.3	(↗) Higher operating income in Security & Automation Systems	<b>5.0</b>	+1.6
	ROS	4.0%	<b>4.3%</b>	+0.3%pt		<b>5.8%</b>	+1.9%pt
Railways and Industrial Systems	Net sales	161.8	<b>172.7</b>	+10.9	(↗) Higher sales due to increased volume and exchange rate changes in Industrial Systems	<b>93.3</b>	+3.3
	Operating income	-2.6	<b>7.8</b>	+10.4	(↗) Improved operating income due to higher sales in Industrial Systems	<b>5.5</b>	+6.2
	ROS	-1.6%	<b>4.5%</b>	+6.1%pt		<b>5.9%</b>	+6.7%pt
Others	Net sales	-22.6	<b>-22.6</b>	+0.0		<b>-13.7</b>	-0.7

\* Actual business results of FY2022/H1 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

	FY2022/H1	FY2023/H1	Difference	Contributory Factors	(Yen in billions)	
					FY2023/Q2	Vs. previous year
<b>Building Solutions</b>						
Net sales	258.1	<b>171.6</b>	-86.5	Impact of exchange rate changes: +1.4 (↗) Elevator and escalator (Japan), Lighting (↘) Elevator and escalator (Overseas), Impact of air conditioning business deconsolidation	<b>89.8</b>	-26.0
Operating income	0.7	<b>-2.3</b>	-3.0	Impact of exchange rate changes: +0.1	<b>-0.8</b>	-1.2
ROS	0.3%	<b>-1.3%</b>	-1.6%pt	(↗) Elevator and escalator (Japan, Overseas), Lighting (↘) Impact of air conditioning business deconsolidation	<b>-0.9%</b>	-1.2%pt
FCF by segment		<b>19.7</b>				

\* FY2022/H1 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/H1	FY2023/H1	Difference	Contributory Factors	FY2023/Q2	Vs. previous year	
Electronic Devices & Storage Solutions	Net sales	403.2	<b>378.5</b>	-24.7	Impact of exchange rate changes: +12.9	<b>206.6</b>	-15.1
	Operating income	20.2	<b>7.5</b>	-12.7	Impact of exchange rate changes: +2.9	<b>3.4</b>	-9.1
	ROS	5.0%	<b>2.0%</b>	-3.0%pt		<b>1.6%</b>	-4.0%pt
	FCF by segment		<b>24.9</b>				
Semiconductors*1	Net sales	212.7	<b>232.0</b>	+19.3	(⬇) (S) Weak demand in some sectors, such as consumer applications (⬆) (N) Increase in sales of mask writers	<b>123.8</b>	+2.8
	Operating income	33.7	<b>35.2</b>	+1.5	(⬇) (S) Lower operating income due to lower sales	<b>18.0</b>	-3.3
	ROS	15.8%	<b>15.2%</b>	-0.6%pt	(⬆) (N) Higher operating income due to higher sales	<b>14.5%</b>	-3.1%pt
HDDs & Others*2	Net sales	190.5	<b>146.5</b>	-44.0	(⬇) (H) Shrinkage in mobile and desktop markets (⬇) (H) Restrained investment in the nearline HDD market	<b>82.8</b>	-17.9
	Operating income	-13.5	<b>-27.7</b>	-14.2	(⬇) (H) Lower operating income due to lower sales	<b>-14.6</b>	-5.8
	ROS	-7.1%	<b>-18.9%</b>	-11.8%pt		<b>-17.6%</b>	-8.9%pt

\* 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 -14.0 billion yen.

(S) : Discrete semiconductors, System LSIs  
(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/H1	FY2023/H1	Difference	Contributory Factors	FY2023/Q2	Vs. previous year
<b>Retail &amp; Printing Solutions</b>						
Net sales	246.2	<b>263.6</b>	+17.4	Impact of exchange rate changes: +9.9 (↗) (R) Higher sales, (P) Higher sales	<b>141.2</b>	+5.6
Operating income	-4.5	<b>5.8</b>	+10.3	Impact of exchange rate changes: +0.3	<b>4.6</b>	+9.3
ROS	-1.8%	<b>2.2%</b>	+4.0%pt	(↗) (P) Higher operating income (↘) (R) Lower operating income	<b>3.3%</b>	+6.8%pt
FCF by segment		<b>1.4</b>				

(R): Retail Business

(P): Printing (workplace) business

	FY2022/H1	FY2023/H1	Difference	Contributory Factors	FY2023/Q2	Vs. previous year
<b>Digital Solutions</b>						
Net sales	109.4	<b>107.2</b>	-2.2	Impact of exchange rate changes: ±0.0 (↘) Shift of some projects to H2 (↘) Impact of the sale of Chubu Toshiba Engineering Corporation*	<b>56.4</b>	-3.3
Operating income	7.8	<b>6.3</b>	-1.5	Impact of exchange rate changes: -0.1	<b>3.7</b>	-2.1
ROS	7.1%	<b>5.9%</b>	-1.2%pt	(↘) Lower operating income due to shift of some projects (↘) Impact of the sale of Chubu Toshiba Engineering Corporation*	<b>6.6%</b>	-3.1%pt
FCF by segment		<b>14.2</b>				

\* Now Kioxia Engineering Corporation

\* Actual business results of FY2022/H1 have been partially reclassified between Infrastructure Systems & Solutions and Digital Solutions.

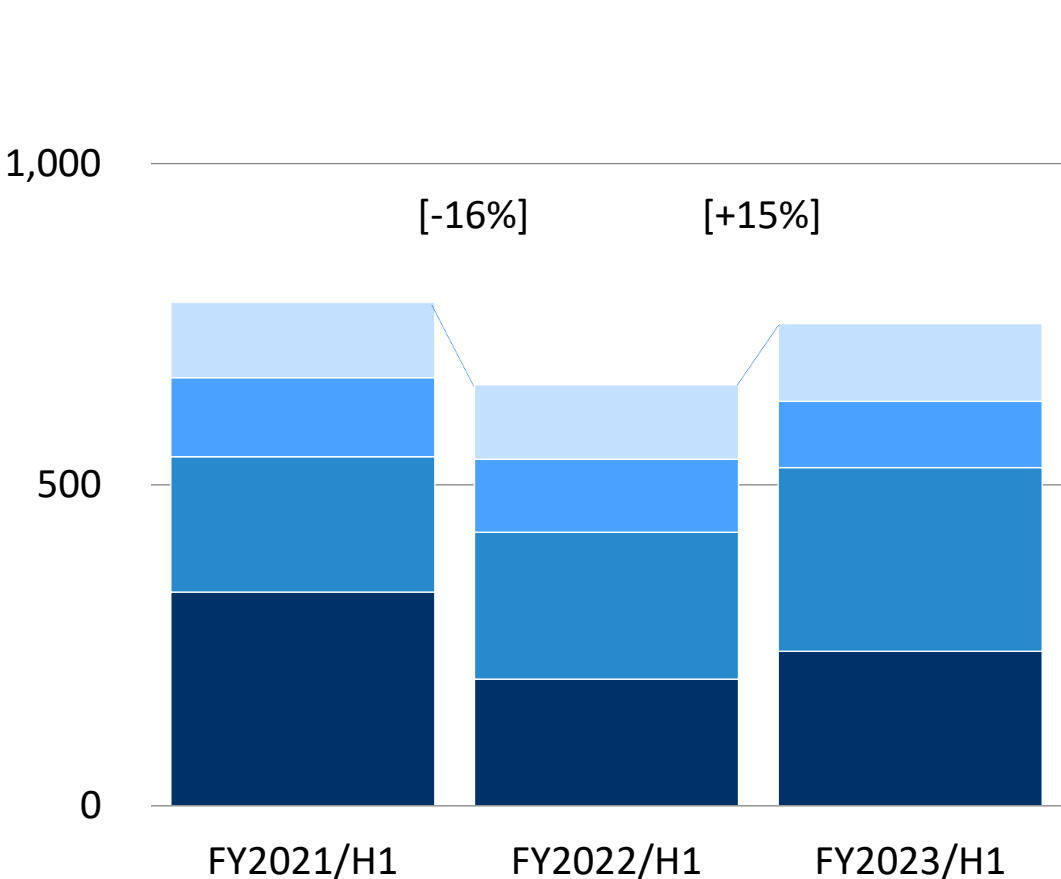
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# Orders Received and Order Backlog

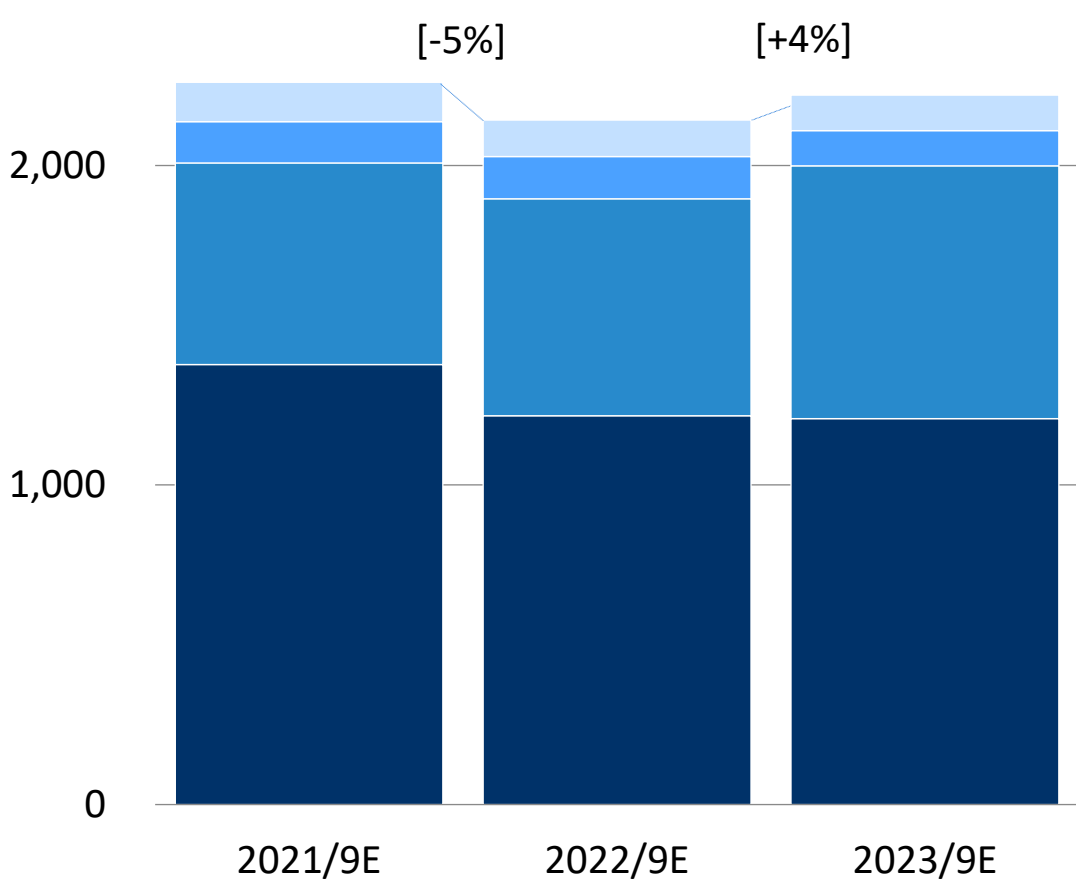
## Steady orders received and order backlog

(Yen in billions)

### Orders Received



### Order Backlog

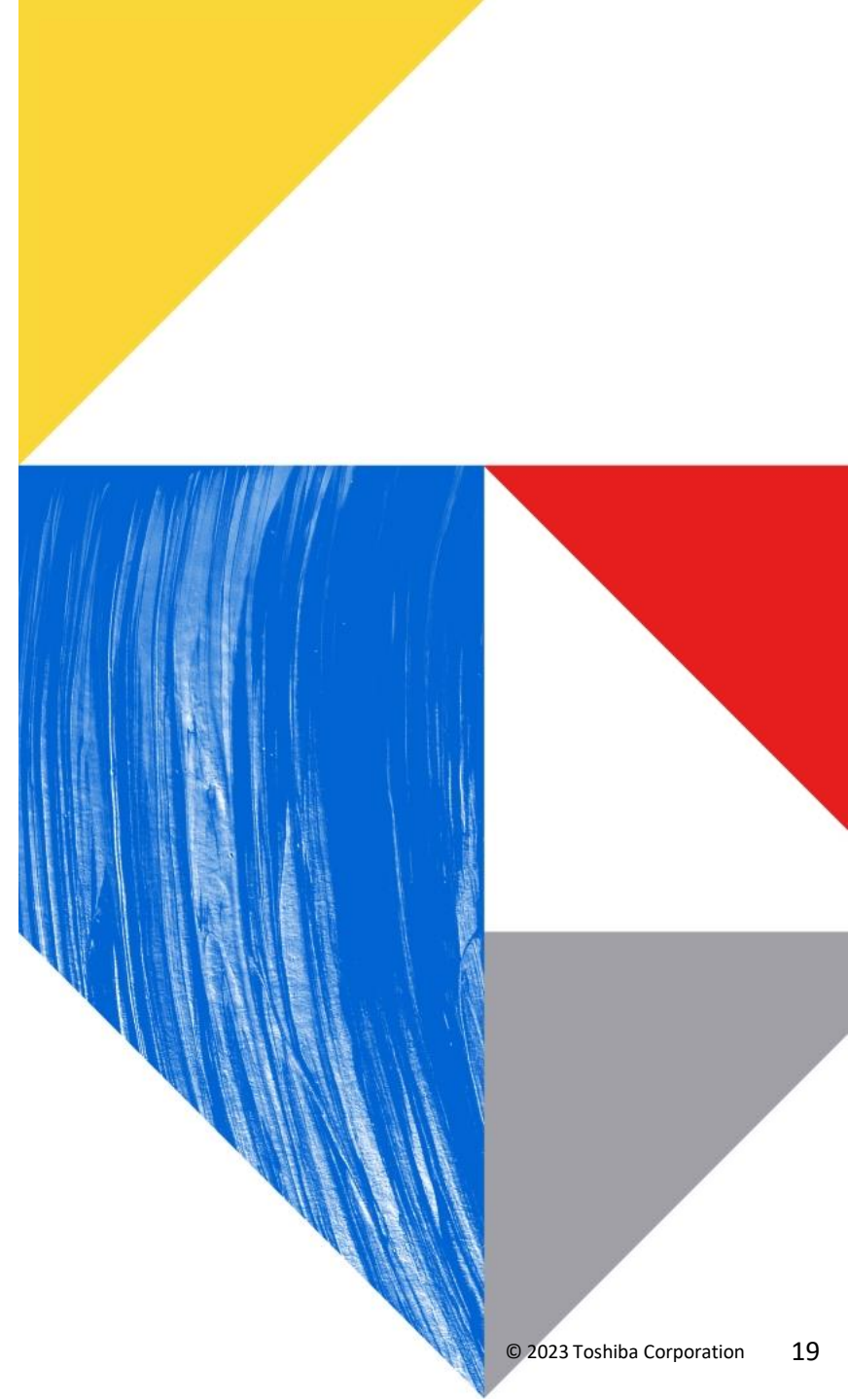


- Elevator and escalator (Building Solutions)
- Digital Solutions
- Infrastructure Systems & Solutions
- Energy Systems & Solutions

\* 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
FY2023	Q1 Actual	-41.1	-1.1	-40.0
	<b>Q2 Actual</b>	<b>-35.0</b>	<b>-0.4</b>	<b>-34.6</b>

(Reference) Bit Growth and Change in ASP

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

Data provided by Kioxia

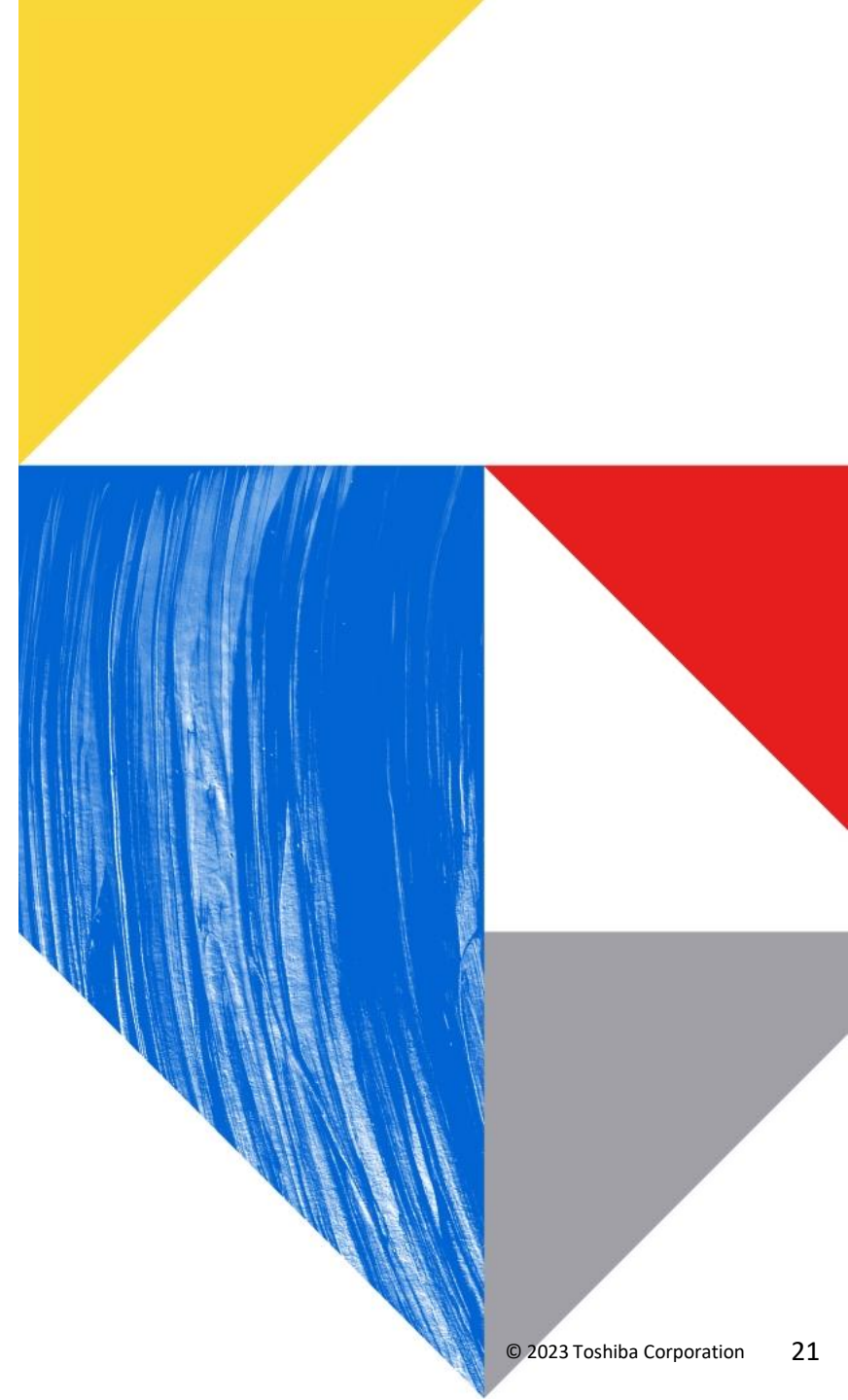
[Forecast]

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.

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## FY2023 Forecast



# Overall

	FY2022 Actual *1	FY2023 Forecast	Difference	Vs. previous forecast of Aug. 7
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>25.0*</b>	-164.0	-35.0
Net income	126.6	<b>-5.0*</b>	-131.6	-35.0
ROE	10.3%	<b>-0.4%*</b>	-10.7%pt	-2.8%pt
ROIC*2	8.7%	<b>0.3%*</b>	-8.4%pt	-2.3%pt
Free cash flows	25.2	<b>0.0</b>	-25.2	0.0

(Yen in billions)

	2023/3E Actual	2024/3E Forecast	Difference	Vs. previous forecast of Aug. 7
Equity attributable to shareholders of the Company	1,247.4	<b>1,235.0*</b>	-12.4	-35.0
Shareholders' equity ratio	35.2%	<b>33.8%</b>	-1.4%pt	-0.5%pt
Net interest-bearing debt	161.7	<b>170.0*</b>	+8.3	0.0
Net debt-to-equity ratio	13%	<b>14%</b>	+1%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.

\*1 FY2022 results include air conditioning business, which was deconsolidated in August, 2022.

\*2 ROIC=(Net income – Net income attributable to noncontrolling interests – Interest expenses x (1 – Tax rate)) / (Net interest-bearing debt + Net assets)

# Forecast by Segment

		FY2022 Actual	FY2023 Forecast	Difference	Growth rate	Vs. previous forecast of Aug. 7	(Yen in billions)
Energy Systems & Solutions	Net sales	669.5	<b>590.0</b>	-79.5	-12%	0.0	
	Operating income	30.4	<b>30.0</b>	-0.4		0.0	
	ROS	4.5%	<b>5.1%</b>	+0.6%pt		0.0%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%	0.0	
	Operating income	5.9	<b>-3.0</b>	-8.9		0.0	
	ROS	1.3%	<b>-0.8%</b>	-2.1%pt		0.0%pt	
Retail & Printing Solutions	Net sales	513.1	<b>510.0</b>	-3.1	-1%	0.0	
	Operating income	-4.1	<b>18.0</b>	+22.1		0.0	
	ROS	-0.8%	<b>3.5%</b>	+4.3%pt		0.0%pt	
Electronic Devices & Storage Solutions	Net sales	797.1	<b>750.0</b>	-47.1	-6%	0.0	
	Operating income	42.9	<b>40.0</b>	-2.9		0.0	
	ROS	5.4%	<b>5.3%</b>	-0.1%pt		0.0%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		0.0	
	ROS	10.7%	<b>10.4%</b>	-0.3%pt		0.0%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		0.0	
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.

# Appendix

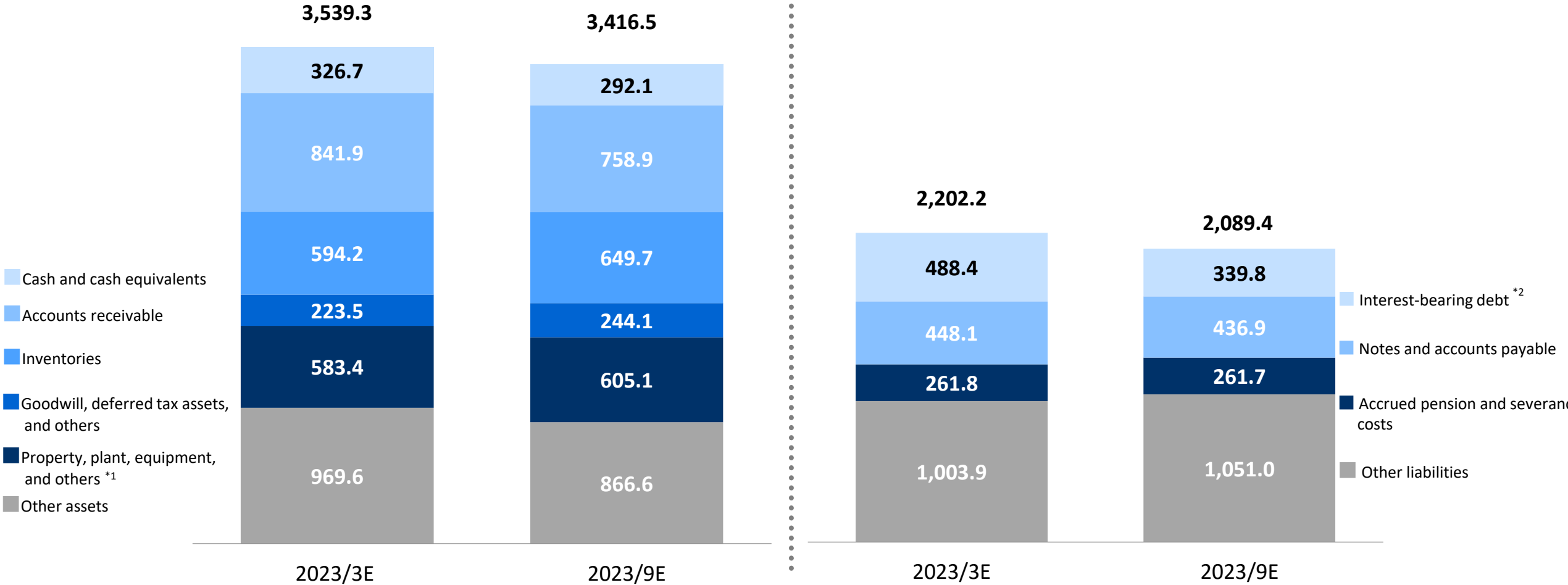


# Balance Sheet

## Assets

## Liabilities

(Yen in billions)



\*1 Including right-of-use assets of operating leases (2023/3E 92.0 billion yen, 2023/9E 82.4 billion yen)

\*2 Including operating leases liabilities (2023/3E 96.0 billion yen, 2023/9E 85.4 billion yen)

# Capital Expenditures (Commitment Basis)

(Yen in billions)

Capital Expenditures (Commitment Basis)	FY2022 Actual	FY2023 Forecast	Vs. previous forecast of Aug. 7	FY2023/H1 Actual	FY2023/Q2 Actual	Major Items in FY2023/Q2
Energy Systems & Solutions	6.8	12.0	0.0	5.3	4.1	
Infrastructure Systems & Solutions	11.8	12.0	0.0	6.0	2.8	
Building Solutions	7.1	5.0	0.0	1.2	0.7	
Retail & Printing Solutions	6.1	12.0	0.0	3.6	1.4	
Electronic Devices & Storage Solutions	117.2	73.0	0.0	51.6	12.7	Investment in ceramic products
Digital Solutions	1.6	2.0	0.0	0.6	0.2	
Others	40.6	64.0	0.0	38.1	4.1	
<b>Total</b>	<b>191.2</b>	<b>180.0</b>	<b>0.0</b>	<b>106.4</b>	<b>26.0</b>	
<b>Investments and loans</b>	<b>2.6</b>	<b>5.0</b>	<b>0.0</b>			

**TOSHIBA**