

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 9, 2018

Company name: Toshiba Machine Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6104 URL <http://www.toshiba-machine.co.jp>
 Representative: President and Chief Operating Officer Takahiro Mikami
 Inquiries: General Affairs Department Senior Manager Satoshi Tominaga TEL 055-926-5141
 Scheduled date to file Quarterly Securities Report: August 10, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2018	24,913	8.3	(324)	–	(164)	–	(184)	–
Three months ended June 30, 2017	23,002	7.5	(152)	–	327	–	263	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	(1.53)		–	
Three months ended June 30, 2017	2.18		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	147,325	80,508	54.6
As of March 31, 2018	148,763	81,334	54.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2018	–	7.00	–	7.00	14.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	7.50	–	37.50	–

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2018	66,000	17.6	2,800	58.9	3,100	(19.4)	2,400	(14.5)	19.89
Full year	135,000	15.5	6,900	48.7	7,700	10.3	5,700	13.6	236.16

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2018	149,885,530 shares	As of March 31, 2018	149,885,530 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	29,204,296 shares	As of March 31, 2018	29,203,575 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	120,681,720 shares	Three months ended June 30, 2017	120,689,425 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	30,394	28,712
Notes and accounts receivable - trade	38,531	35,753
Securities	404	258
Merchandise and finished goods	8,811	10,574
Work in process	24,765	28,163
Raw materials and supplies	78	76
Other	4,290	2,518
Allowance for doubtful accounts	(67)	(70)
Total current assets	107,207	105,987
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,227	39,238
Accumulated depreciation and impairment loss	(27,282)	(27,471)
Buildings and structures, net	11,944	11,766
Machinery, equipment and vehicles	24,339	24,161
Accumulated depreciation and impairment loss	(22,171)	(22,051)
Machinery, equipment and vehicles, net	2,167	2,110
Land	6,450	6,443
Leased assets	209	208
Accumulated depreciation and impairment loss	(132)	(113)
Leased assets, net	76	95
Construction in progress	105	87
Other	7,321	7,355
Accumulated depreciation and impairment loss	(6,760)	(6,788)
Other, net	560	567
Total property, plant and equipment	21,305	21,070
Intangible assets		
Other	740	704
Total intangible assets	740	704
Investments and other assets		
Investment securities	18,255	18,156
Long-term loans receivable	19	18
Deferred tax assets	544	710
Other	769	754
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	19,510	19,562
Total non-current assets	41,555	41,337
Total assets	148,763	147,325

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,835	29,697
Short-term loans payable	14,390	10,090
Income taxes payable	865	180
Accrued expenses	5,247	4,063
Provision for product warranties	597	643
Other	6,890	8,261
Total current liabilities	57,827	52,937
Non-current liabilities		
Long-term loans payable	–	4,300
Long-term accounts payable - other	5	5
Deferred tax liabilities	113	77
Provision for directors' retirement benefits	30	33
Net defined benefit liability	9,312	9,297
Asset retirement obligations	50	50
Other	89	115
Total non-current liabilities	9,601	13,879
Total liabilities	67,428	66,816
Net assets		
Shareholders' equity		
Capital stock	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	69,514	68,624
Treasury shares	(16,373)	(16,373)
Total shareholders' equity	77,164	76,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,684	3,711
Deferred gains or losses on hedges	2	(0)
Foreign currency translation adjustment	1,606	1,603
Remeasurements of defined benefit plans	(1,123)	(1,080)
Total accumulated other comprehensive income	4,170	4,234
Total net assets	81,334	80,508
Total liabilities and net assets	148,763	147,325

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	23,002	24,913
Cost of sales	16,292	18,171
Gross profit	6,710	6,742
Selling, general and administrative expenses	6,862	7,066
Operating loss	(152)	(324)
Non-operating income		
Interest income	12	11
Dividend income	246	136
Foreign exchange gains	81	225
Rent income	12	13
Share of profit of entities accounted for using equity method	219	–
Other	27	97
Total non-operating income	600	484
Non-operating expenses		
Interest expenses	25	20
Brand fee expense	27	18
Share of loss of entities accounted for using equity method	–	232
Other	67	53
Total non-operating expenses	120	325
Ordinary profit (loss)	327	(164)
Extraordinary income		
Gain on sales of non-current assets	–	4
Total extraordinary income	–	4
Extraordinary losses		
Loss on disposal of non-current assets	8	1
Total extraordinary losses	8	1
Profit (loss) before income taxes	319	(162)
Income taxes - current	140	232
Income taxes - deferred	(84)	(210)
Total income taxes	56	21
Profit (loss)	263	(184)
Profit (loss) attributable to owners of parent	263	(184)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit (loss)	263	(184)
Other comprehensive income		
Valuation difference on available-for-sale securities	128	56
Deferred gains or losses on hedges	(9)	(3)
Foreign currency translation adjustment	100	(3)
Remeasurements of defined benefit plans, net of tax	47	40
Share of other comprehensive income of entities accounted for using equity method	2	(26)
Total other comprehensive income	269	63
Comprehensive income	532	(120)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	532	(120)
Comprehensive income attributable to non-controlling interests	—	—