

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 7, 2019

Company name: Toshiba Machine Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6104 URL <https://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: February 8, 2019
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	85,758	0.7	2,231	(24.3)	3,834	(25.0)	2,743	(21.1)
Nine months ended December 31, 2017	85,199	9.0	2,947	30.2	5,110	60.4	3,475	67.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	113.67		–	
Nine months ended December 31, 2017	144.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	147,264	81,665	55.5
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	–	7.50	–		
Year ending March 31, 2019 (Forecast)				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
Full year	122,000	4.4	4,000	(13.8)	5,400	(22.7)	4,000	(20.3)	165.73

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2018	29,977,106 shares	As of March 31, 2018	29,977,106 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	5,841,481 shares	As of March 31, 2018	5,840,715 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	24,136,072 shares	Nine months ended December 31, 2017	24,137,551 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	30,394	24,051
Notes and accounts receivable - trade	38,531	37,375
Securities	404	64
Merchandise and finished goods	8,811	11,615
Work in process	24,765	29,283
Raw materials and supplies	78	70
Other	4,290	3,816
Allowance for doubtful accounts	(67)	(94)
Total current assets	107,207	106,182
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,227	39,284
Accumulated depreciation and impairment loss	(27,282)	(27,843)
Buildings and structures, net	11,944	11,440
Machinery, equipment and vehicles	24,339	24,216
Accumulated depreciation and impairment loss	(22,171)	(21,880)
Machinery, equipment and vehicles, net	2,167	2,335
Land	6,450	6,451
Leased assets	209	254
Accumulated depreciation and impairment loss	(132)	(151)
Leased assets, net	76	102
Construction in progress	105	43
Other	7,321	7,379
Accumulated depreciation and impairment loss	(6,760)	(6,884)
Other, net	560	495
Total property, plant and equipment	21,305	20,869
Intangible assets		
Other	740	656
Total intangible assets	740	656
Investments and other assets		
Investment securities	18,255	18,264
Long-term loans receivable	19	16
Deferred tax assets	544	582
Other	769	770
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	19,510	19,556
Total non-current assets	41,555	41,082
Total assets	148,763	147,264

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,835	27,963
Short-term loans payable	14,390	10,090
Income taxes payable	865	215
Accrued expenses	5,247	3,828
Provision for product warranties	597	612
Other	6,890	8,881
Total current liabilities	57,827	51,591
Non-current liabilities		
Long-term loans payable	–	4,300
Long-term accounts payable - other	5	5
Deferred tax liabilities	113	138
Provision for directors' retirement benefits	30	28
Net defined benefit liability	9,312	9,377
Asset retirement obligations	50	51
Other	89	105
Total non-current liabilities	9,601	14,007
Total liabilities	67,428	65,598
Net assets		
Shareholders' equity		
Capital stock	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	69,514	70,647
Treasury shares	(16,373)	(16,375)
Total shareholders' equity	77,164	78,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,684	2,847
Deferred gains or losses on hedges	2	0
Foreign currency translation adjustment	1,606	1,516
Remeasurements of defined benefit plans	(1,123)	(993)
Total accumulated other comprehensive income	4,170	3,370
Total net assets	81,334	81,665
Total liabilities and net assets	148,763	147,264

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	85,199	85,758
Cost of sales	60,863	61,754
Gross profit	24,336	24,003
Selling, general and administrative expenses	21,388	21,771
Operating profit	2,947	2,231
Non-operating income		
Interest income	32	40
Dividend income	398	317
Rent income	57	39
Share of profit of entities accounted for using equity method	511	1,122
Foreign exchange gains	206	213
cancellation fee income	1,309	-
Other	70	162
Total non-operating income	2,586	1,895
Non-operating expenses		
Interest expenses	76	60
Brand fee expense	90	81
Other	256	151
Total non-operating expenses	423	293
Ordinary profit	5,110	3,834
Extraordinary income		
Gain on sales of non-current assets	9	4
Gain on sales of investment securities	-	83
Total extraordinary income	9	87
Extraordinary losses		
Loss on disposal of non-current assets	99	17
Loss on valuation of shares of subsidiaries and associates	44	-
Total extraordinary losses	143	17
Profit before income taxes	4,976	3,904
Income taxes - current	1,173	824
Income taxes - deferred	327	336
Total income taxes	1,501	1,160
Profit	3,475	2,743
Profit attributable to owners of parent	3,475	2,743

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	3,475	2,743
Other comprehensive income		
Valuation difference on available-for-sale securities	957	(800)
Deferred gains or losses on hedges	(2)	(2)
Foreign currency translation adjustment	565	(90)
Remeasurements of defined benefit plans, net of tax	143	121
Share of other comprehensive income of entities accounted for using equity method	6	(28)
Total other comprehensive income	1,670	(800)
Comprehensive income	5,145	1,943
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,145	1,943
Comprehensive income attributable to non-controlling interests	—	—