

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2019  
(Based on Japanese GAAP)**

May 9, 2019

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 of ordinary general meeting of shareholders: June 21, 2019  
 Scheduled date to file Securities Report: June 21, 2019  
 Scheduled date to commence dividend payments: May 31, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	117,405	0.5	3,834	(17.4)	5,573	(20.2)	4,079	(18.7)
Year ended March 31, 2018	116,862	5.0	4,640	3.7	6,982	29.1	5,016	182.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	169.03	–	5.0	3.7	3.3
Year ended March 31, 2018	207.83	–	6.3	4.8	4.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	150,724	83,197	55.2	3,447.10
As of March 31, 2018	148,763	81,334	54.7	3,369.80

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	(2,176)	(1,493)	(1,785)	25,592
Year ended March 31, 2018	6,813	(3,921)	(2,102)	30,798

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	–	7.00	–	7.00	14.00	1,689	33.7	2.1
Year ended March 31, 2019	–	7.50	–	37.50	–	1,810	44.4	2.2
Year ending March 31, 2020 (Forecast)	–	42.50	–	42.50	85.00		46.6	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	60,000	0.9	2,400	48.2	2,700	(0.0)	2,000	3.4	82.86
Full year	122,000	3.9	5,300	38.2	6,300	13.0	4,400	7.9	182.30

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2019	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 March 31, 2019	5,841,537 shares	As of March 31, 2018	5,840,715 shares
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Average number of shares during the period

Year ended March 31, 2019	24,135,956 shares	Year ended March 31, 2018	24,137,313 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	30,394	25,592
Notes and accounts receivable - trade	38,531	37,405
Securities	404	—
Merchandise and finished goods	8,811	12,153
Work in process	24,765	29,793
Raw materials and supplies	78	73
Other	4,290	3,909
Allowance for doubtful accounts	(67)	(89)
Total current assets	107,207	108,838
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,227	39,350
Accumulated depreciation	(27,282)	(28,052)
Buildings and structures, net	11,944	11,297
Machinery, equipment and vehicles	24,339	24,185
Accumulated depreciation	(22,171)	(21,964)
Machinery, equipment and vehicles, net	2,167	2,220
Land	6,450	6,460
Leased assets	209	264
Accumulated depreciation	(132)	(160)
Leased assets, net	76	104
Construction in progress	105	130
Other	7,321	7,428
Accumulated depreciation	(6,760)	(6,877)
Other, net	560	550
Total property, plant and equipment	21,305	20,765
Intangible assets		
Other	740	641
Total intangible assets	740	641
Investments and other assets		
Investment securities	18,255	18,379
Long-term loans receivable	19	16
Deferred tax assets	544	703
Other	769	1,726
Allowance for doubtful accounts	(77)	(345)
Total investments and other assets	19,510	20,479
Total non-current assets	41,555	41,885
Total assets	148,763	150,724

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	29,835	28,207
Short-term loans payable	14,390	10,090
Income taxes payable	865	466
Accrued expenses	5,247	4,854
Provision for product warranties	597	604
Advances received	5,117	7,842
Other	1,773	1,423
Total current liabilities	57,827	53,488
Non-current liabilities		
Long-term loans payable	–	4,300
Long-term accounts payable - other	5	5
Deferred tax liabilities	113	66
Provision for retirement benefits for directors (and other officers)	30	32
Retirement benefit liability	9,312	9,475
Asset retirement obligations	50	51
Other	89	105
Total non-current liabilities	9,601	14,037
Total liabilities	67,428	67,526
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	69,514	71,983
Treasury shares	(16,373)	(16,375)
Total shareholders' equity	77,164	79,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,684	2,844
Deferred gains or losses on hedges	2	0
Foreign currency translation adjustment	1,606	1,711
Remeasurements of defined benefit plans	(1,123)	(988)
Total accumulated other comprehensive income	4,170	3,566
Total net assets	81,334	83,197
<b>Total liabilities and net assets</b>	<b>148,763</b>	<b>150,724</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	116,862	117,405
Cost of sales	83,712	84,493
Gross profit	33,150	32,912
Selling, general and administrative expenses		
Sales commission	2,448	1,579
Packing and transportation expenses	3,814	3,839
Provision for product warranties	507	495
Employees' salaries and allowances	11,456	11,883
Retirement benefit expenses	672	669
Depreciation	718	730
Rent expenses	755	805
Traveling and transportation expenses	1,272	1,408
Research and development expenses	1,258	1,246
Subcontract expenses	612	495
Other	4,994	5,923
Total selling, general and administrative expenses	28,509	29,078
Operating profit	4,640	3,834
Non-operating income		
Interest income	50	60
Dividend income	402	322
Rent income	42	51
Share of profit of entities accounted for using equity method	1,031	1,241
Foreign exchange gains	52	335
cancellation fee income	1,309	–
Other	92	210
Total non-operating income	2,982	2,222
Non-operating expenses		
Interest expenses	100	81
Brand fee expense	125	113
Other	414	288
Total non-operating expenses	640	483
Ordinary profit	6,982	5,573
Extraordinary income		
Gain on sales of non-current assets	14	4
Gain on sales of investment securities	16	186
Total extraordinary income	31	190
Extraordinary losses		
Loss on disposal of non-current assets	107	21
Loss on valuation of shares of subsidiaries and associates	44	–
Impairment loss	1	–
Total extraordinary losses	152	21
Profit before income taxes	6,860	5,742
Income taxes - current	1,903	1,507
Income taxes - deferred	(59)	155
Total income taxes	1,844	1,662
Profit	5,016	4,079
Profit attributable to owners of parent	5,016	4,079

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	5,016	4,079
Other comprehensive income		
Valuation difference on available-for-sale securities	464	(804)
Deferred gains or losses on hedges	0	(2)
Foreign currency translation adjustment	6	104
Remeasurements of defined benefit plans, net of tax	288	128
Share of other comprehensive income of entities accounted for using equity method	12	(29)
Total other comprehensive income	772	(603)
Comprehensive income	5,789	3,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,789	3,475
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,484	19,600	67,534	(25,898)	73,722
Changes of items during period					
Dividends of surplus			(1,568)		(1,568)
Profit attributable to owners of parent			5,016		5,016
Purchase of treasury shares				(5)	(5)
Retirement of treasury shares		(8,062)	(1,467)	9,530	–
Increase by merger					
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(8,062)	1,979	9,524	3,441
Balance at end of current period	12,484	11,538	69,514	(16,373)	77,164

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	3,210	1	1,600	(1,415)	3,397	77,120
Changes of items during period						
Dividends of surplus						(1,568)
Profit attributable to owners of parent						5,016
Purchase of treasury shares						(5)
Retirement of treasury shares						–
Increase by merger						
Net changes of items other than shareholders' equity	473	0	6	292	772	772
Total changes of items during period	473	0	6	292	772	4,214
Balance at end of current period	3,684	2	1,606	(1,123)	4,170	81,334

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,484	11,538	69,514	(16,373)	77,164
Changes of items during period					
Dividends of surplus			(1,749)		(1,749)
Profit attributable to owners of parent			4,079		4,079
Purchase of treasury shares				(2)	(2)
Retirement of treasury shares					
Increase by merger			138		138
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,468	(2)	2,466
Balance at end of current period	12,484	11,538	71,983	(16,375)	79,630

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	3,684	2	1,606	(1,123)	4,170	81,334
Changes of items during period						
Dividends of surplus						(1,749)
Profit attributable to owners of parent						4,079
Purchase of treasury shares						(2)
Retirement of treasury shares						
Increase by merger						138
Net changes of items other than shareholders' equity	(839)	(2)	104	134	(603)	(603)
Total changes of items during period	(839)	(2)	104	134	(603)	1,862
Balance at end of current period	2,844	0	1,711	(988)	3,566	83,197

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	6,860	5,742
Depreciation	2,049	1,868
Impairment loss	1	–
Increase (decrease) in allowance for doubtful accounts	(156)	289
Increase (decrease) in provision for product warranties	67	7
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	2
Increase (decrease) in retirement benefit liability	356	291
Interest and dividend income	(453)	(383)
Interest expenses	100	81
cancellation fee income	(1,309)	–
Loss on valuation of shares of subsidiaries and associates	44	–
Loss (gain) on sales of investment securities	(16)	(186)
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	92	17
Share of loss (profit) of entities accounted for using equity method	(1,031)	(1,241)
Decrease (increase) in notes and accounts receivable - trade	912	1,128
Decrease (increase) in inventories	(6,942)	(8,332)
Increase (decrease) in notes and accounts payable - trade	4,985	(1,652)
Increase (decrease) in advances received	1,785	2,719
Increase (decrease) in accrued expenses	464	(385)
Increase (decrease) in deposits received	325	30
Increase (decrease) in accounts payable - other	(154)	(305)
Other, net	(1,433)	(528)
Subtotal	6,550	(835)
Interest and dividend income received	679	654
Interest expenses paid	(102)	(89)
cancellation fee income received	1,309	–
Income taxes (paid) refund	(1,622)	(1,906)
Net cash provided by (used in) operating activities	6,813	(2,176)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,221)	(1,101)
Proceeds from sales of property, plant and equipment	20	7
Purchase of intangible assets	(214)	(74)
Purchase of investment securities	(499)	(99)
Proceeds from sales of investment securities	0	167
Purchase of shares of subsidiaries and associates	–	(400)
Decrease (increase) in short-term loans receivable	0	0
Collection of long-term loans receivable	3	3
Other, net	(10)	5
Net cash provided by (used in) investing activities	(3,921)	(1,493)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Proceeds from long-term loans payable	–	4,300
Repayments of long-term loans payable	(500)	(4,300)
Purchase of treasury shares	(5)	(2)
Cash dividends paid	(1,568)	(1,749)
Other, net	(28)	(33)
Net cash provided by (used in) financing activities	(2,102)	(1,785)
Effect of exchange rate change on cash and cash equivalents	(51)	111
Net increase (decrease) in cash and cash equivalents	738	(5,344)
Cash and cash equivalents at beginning of period	30,060	30,798
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	138
Cash and cash equivalents at end of period	30,798	25,592