

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 31, 2020

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
 Corporate Strategy Department
 Inquiries: Senior Manager Yoshiaki Kai TEL 055-926-5072
 Scheduled date to file Quarterly Securities Report: February 7, 2020
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	87,978	2.6	2,619	17.4	3,688	(3.8)	2,511	(8.5)
Nine months ended December 31, 2018	85,758	0.7	2,231	(24.3)	3,834	(25.0)	2,743	(21.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	104.07	–
Nine months ended December 31, 2018	113.67	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	145,353	84,078	57.8
As of March 31, 2019	150,724	83,197	55.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	7.50	–	37.50	–
Year ending March 31, 2020	–	42.50	–		
Year ending March 31, 2020 (Forecast)				42.50	85.00

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
Full year	118,000	0.5	3,300	(13.9)	3,800	(31.8)	6,900	69.1	285.89

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
(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, 2019	29,977,106 shares	As of March 31, 2019	29,977,106 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	5,841,937 shares	As of March 31, 2019	5,841,537 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, 2019	24,135,325 shares	Nine months ended December 31, 2018	24,136,072 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	25,592	20,799
Notes and accounts receivable - trade	37,405	39,365
Securities	–	273
Merchandise and finished goods	12,153	11,060
Work in process	29,793	28,859
Raw materials and supplies	73	70
Other	3,909	2,608
Allowance for doubtful accounts	(89)	(57)
Total current assets	108,838	102,979
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,350	39,122
Accumulated depreciation and impairment loss	(28,052)	(28,364)
Buildings and structures, net	11,297	10,758
Machinery, equipment and vehicles	24,185	24,314
Accumulated depreciation and impairment loss	(21,964)	(22,077)
Machinery, equipment and vehicles, net	2,220	2,236
Land	6,460	7,047
Leased assets	264	246
Accumulated depreciation and impairment loss	(160)	(145)
Leased assets, net	104	101
Construction in progress	130	41
Other	7,428	7,434
Accumulated depreciation and impairment loss	(6,877)	(6,881)
Other, net	550	553
Total property, plant and equipment	20,765	20,738
Intangible assets		
Other	641	558
Total intangible assets	641	558
Investments and other assets		
Investment securities	18,379	19,633
Long-term loans receivable	16	13
Deferred tax assets	703	439
Other	1,726	2,008
Allowance for doubtful accounts	(345)	(1,019)
Total investments and other assets	20,479	21,075
Total non-current assets	41,885	42,373
Total assets	150,724	145,353

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,207	24,369
Short-term borrowings	10,090	10,090
Income taxes payable	466	210
Accrued expenses	4,854	3,775
Provision for product warranties	604	686
Advances received	7,842	6,047
Other	1,423	1,794
Total current liabilities	53,488	46,975
Non-current liabilities		
Long-term borrowings	4,300	4,300
Long-term accounts payable - other	5	5
Deferred tax liabilities	66	394
Provision for retirement benefits for directors (and other officers)	32	38
Retirement benefit liability	9,475	9,410
Asset retirement obligations	51	52
Other	105	97
Total non-current liabilities	14,037	14,299
Total liabilities	67,526	61,274
Net assets		
Shareholders' equity		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	71,983	72,564
Treasury shares	(16,375)	(16,376)
Total shareholders' equity	79,630	80,210
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,844	3,351
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	1,711	1,401
Remeasurements of defined benefit plans	(988)	(885)
Total accumulated other comprehensive income	3,566	3,867
Total net assets	83,197	84,078
Total liabilities and net assets	150,724	145,353

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, 2018	Nine months ended December 31, 2019
Net sales	85,758	87,978
Cost of sales	61,754	62,925
Gross profit	24,003	25,053
Selling, general and administrative expenses	21,771	22,433
Operating profit	2,231	2,619
Non-operating income		
Interest income	40	34
Dividend income	317	312
Rental income	39	39
Share of profit of entities accounted for using equity method	1,122	706
Foreign exchange gains	213	114
Other	162	124
Total non-operating income	1,895	1,331
Non-operating expenses		
Interest expenses	60	61
Brand fee expense	81	93
Other	151	108
Total non-operating expenses	293	263
Ordinary profit	3,834	3,688
Extraordinary income		
Gain on sales of non-current assets	4	3
Gain on sales of investment securities	83	–
Total extraordinary income	87	3
Extraordinary losses		
Loss on disposal of non-current assets	17	82
Impairment loss	–	19
Total extraordinary losses	17	102
Profit before income taxes	3,904	3,589
Income taxes - current	824	695
Income taxes - deferred	336	382
Total income taxes	1,160	1,077
Profit	2,743	2,511
Profit attributable to owners of parent	2,743	2,511

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	2,743	2,511
Other comprehensive income		
Valuation difference on available-for-sale securities	(800)	491
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(90)	(309)
Remeasurements of defined benefit plans, net of tax	121	95
Share of other comprehensive income of entities accounted for using equity method	(28)	23
Total other comprehensive income	(800)	301
Comprehensive income	1,943	2,812
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,943	2,812
Comprehensive income attributable to non-controlling interests	—	—