

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 8, 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: Corporate Strategy Department Yoshiaki Kai TEL 055-926-5072
 Senior Manager
 Scheduled date to file Quarterly Securities Report: November 8, 2019
 Scheduled date to commence dividend payments: December 3, 2019
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 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	%
Six months ended September 30, 2019	59,586	0.2	1,637	1.1	2,405	(10.9)	1,620	(16.2)
Six months ended September 30, 2018	59,450	6.0	1,619	(8.1)	2,701	(29.8)	1,933	(31.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	67.15		-	
Six months ended September 30, 2018	80.13		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	148,159	83,409	56.3
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				
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)	2,600	(36.3)	107.73

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 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 September 30, 2019	5,841,875 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)

Six months ended September 30, 2019	24,135,385 shares	Six months ended September 30, 2018	24,136,245 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	25,592	24,074
Notes and accounts receivable - trade	37,405	38,241
Merchandise and finished goods	12,153	10,702
Work in process	29,793	31,117
Raw materials and supplies	73	61
Other	3,909	2,416
Allowance for doubtful accounts	(89)	(59)
Total current assets	108,838	106,555
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,350	39,069
Accumulated depreciation and impairment loss	(28,052)	(28,156)
Buildings and structures, net	11,297	10,913
Machinery, equipment and vehicles	24,185	24,342
Accumulated depreciation and impairment loss	(21,964)	(22,020)
Machinery, equipment and vehicles, net	2,220	2,321
Land	6,460	6,462
Leased assets	264	246
Accumulated depreciation and impairment loss	(160)	(140)
Leased assets, net	104	105
Construction in progress	130	57
Other	7,428	7,375
Accumulated depreciation and impairment loss	(6,877)	(6,872)
Other, net	550	502
Total property, plant and equipment	20,765	20,364
Intangible assets		
Other	641	590
Total intangible assets	641	590
Investments and other assets		
Investment securities	18,379	18,917
Long-term loans receivable	16	14
Deferred tax assets	703	683
Other	1,726	2,052
Allowance for doubtful accounts	(345)	(1,019)
Total investments and other assets	20,479	20,649
Total non-current assets	41,885	41,604
Total assets	150,724	148,159

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,207	27,202
Short-term borrowings	10,090	10,090
Income taxes payable	466	590
Accrued expenses	4,854	4,782
Provision for product warranties	604	662
Advances received	7,842	6,309
Other	1,423	1,154
Total current liabilities	53,488	50,792
Non-current liabilities		
Long-term borrowings	4,300	4,300
Long-term accounts payable - other	5	5
Deferred tax liabilities	66	54
Provision for retirement benefits for directors (and other officers)	32	36
Retirement benefit liability	9,475	9,387
Asset retirement obligations	51	52
Other	105	121
Total non-current liabilities	14,037	13,957
Total liabilities	67,526	64,749
Net assets		
Shareholders' equity		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	71,983	72,698
Treasury shares	(16,375)	(16,376)
Total shareholders' equity	79,630	80,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,844	2,948
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	1,711	1,035
Remeasurements of defined benefit plans	(988)	(919)
Total accumulated other comprehensive income	3,566	3,064
Total net assets	83,197	83,409
Total liabilities and net assets	150,724	148,159

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	59,450	59,586
Cost of sales	43,127	42,583
Gross profit	16,322	17,003
Selling, general and administrative expenses	14,703	15,366
Operating profit	1,619	1,637
Non-operating income		
Interest income	27	26
Dividend income	216	219
Rental income	27	24
Share of profit of entities accounted for using equity method	617	546
Foreign exchange gains	281	28
Other	129	99
Total non-operating income	1,298	945
Non-operating expenses		
Interest expenses	40	40
Brand fee expense	50	56
Other	125	79
Total non-operating expenses	217	177
Ordinary profit	2,701	2,405
Extraordinary income		
Gain on sales of non-current assets	4	1
Gain on sales of investment securities	83	–
Total extraordinary income	87	1
Extraordinary losses		
Loss on disposal of non-current assets	13	24
Total extraordinary losses	13	24
Profit before income taxes	2,774	2,383
Income taxes - current	934	817
Income taxes - deferred	(93)	(54)
Total income taxes	840	762
Profit	1,933	1,620
Profit attributable to owners of parent	1,933	1,620

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	1,933	1,620
Other comprehensive income		
Valuation difference on available-for-sale securities	162	119
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	216	(676)
Remeasurements of defined benefit plans, net of tax	81	63
Share of other comprehensive income of entities accounted for using equity method	(17)	(9)
Total other comprehensive income	442	(502)
Comprehensive income	2,376	1,117
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,376	1,117
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	2,774	2,383
Depreciation	924	870
Increase (decrease) in allowance for doubtful accounts	19	643
Increase (decrease) in provision for product warranties	49	57
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	3
Increase (decrease) in retirement benefit liability	98	(23)
Interest and dividend income	(243)	(246)
Interest expenses	40	40
Loss (gain) on sales of investment securities	(83)	–
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	9	22
Share of loss (profit) of entities accounted for using equity method	(617)	(546)
Decrease (increase) in trade receivables	(1,850)	(835)
Decrease (increase) in inventories	(4,130)	138
Increase (decrease) in trade payables	(1,082)	(1,011)
Increase (decrease) in advances received	1,167	(1,532)
Increase (decrease) in accrued expenses	62	(71)
Increase (decrease) in deposits received	23	(100)
Increase (decrease) in accounts payable - other	(13)	(159)
Other, net	1,503	1,375
Subtotal	(1,353)	1,007
Interest and dividends received	514	517
Interest paid	(48)	(40)
Income taxes paid	(1,099)	(645)
Net cash provided by (used in) operating activities	(1,986)	838
Cash flows from investing activities		
Purchase of property, plant and equipment	(296)	(499)
Proceeds from sales of property, plant and equipment	5	1
Purchase of intangible assets	(16)	(43)
Proceeds from sales of investment securities	140	164
Purchase of shares of subsidiaries and associates	(400)	(98)
Payments for investments in capital of subsidiaries and associates	–	(379)
Decrease (increase) in short-term loans receivable	(0)	(2)
Collection of long-term loans receivable	1	1
Other, net	5	13
Net cash provided by (used in) investing activities	(560)	(843)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,300	–
Repayments of long-term borrowings	(4,300)	–
Purchase of treasury shares	(1)	(0)
Dividends paid	(844)	(905)
Other, net	(16)	(16)
Net cash provided by (used in) financing activities	(862)	(922)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Effect of exchange rate change on cash and cash equivalents	217	(589)
Net increase (decrease) in cash and cash equivalents	(3,192)	(1,517)
Cash and cash equivalents at beginning of period	30,798	25,592
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	138	–
Cash and cash equivalents at end of period	27,744	24,074