

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 7, 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
 Executive Officer and General Affairs
 Inquiries: Department Senior Manager Kazuya Ogawa TEL 055-926-5141
 Scheduled date to file Quarterly Securities Report: February 9, 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 nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(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, 2017	85,199	9.0	2,947	30.2	5,110	60.4	3,475	67.4
Nine months ended December 31, 2016	78,180	(8.1)	2,264	(5.5)	3,187	(20.1)	2,075	(53.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	28.80		–	
Nine months ended December 31, 2016	13.66		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	148,587	80,693	54.3
As of March 31, 2017	140,530	77,120	54.9

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, 2017	–	6.00	–	6.00	12.00
Year ending March 31, 2018	–	7.00	–		
Year ending March 31, 2018 (Forecast)				7.00	14.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	9.6	5,400	20.7	7,400	36.9	5,300	198.4	43.91

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
(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, 2017	149,885,530 shares	As of March 31, 2017	166,885,530 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	29,201,186 shares	As of March 31, 2017	46,195,547 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, 2017	120,687,751 shares	Nine months ended December 31, 2016	152,020,005 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	29,914	31,222
Notes and accounts receivable - trade	39,444	34,898
Securities	146	455
Merchandise and finished goods	6,529	7,385
Work in process	20,100	26,767
Raw materials and supplies	82	76
Deferred tax assets	2,772	2,512
Other	2,823	3,843
Allowance for doubtful accounts	(197)	(187)
Total current assets	101,615	106,974
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,285	39,319
Accumulated depreciation and impairment loss	(26,907)	(27,175)
Buildings and structures, net	9,377	12,143
Machinery, equipment and vehicles	25,320	24,745
Accumulated depreciation and impairment loss	(23,119)	(22,579)
Machinery, equipment and vehicles, net	2,200	2,165
Land	6,439	6,462
Leased assets	227	278
Accumulated depreciation and impairment loss	(180)	(201)
Leased assets, net	46	77
Construction in progress	2,603	135
Other	7,114	7,357
Accumulated depreciation and impairment loss	(6,656)	(6,721)
Other, net	458	636
Total property, plant and equipment	21,125	21,620
Intangible assets		
Other	749	793
Total intangible assets	749	793
Investments and other assets		
Investment securities	16,346	18,454
Long-term loans receivable	23	20
Deferred tax assets	87	89
Other	687	713
Allowance for doubtful accounts	(104)	(78)
Total investments and other assets	17,039	19,199
Total non-current assets	38,915	41,613
Total assets	140,530	148,587

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,097	28,529
Short-term loans payable	10,590	14,390
Income taxes payable	573	324
Accrued expenses	4,785	4,181
Provision for product warranties	530	582
Other	4,904	7,657
Total current liabilities	47,481	55,665
Non-current liabilities		
Long-term loans payable	4,300	–
Long-term accounts payable - other	5	5
Deferred tax liabilities	2,275	2,742
Provision for directors' retirement benefits	29	28
Net defined benefit liability	9,244	9,341
Asset retirement obligations	49	50
Other	25	59
Total non-current liabilities	15,929	12,228
Total liabilities	63,410	67,894
Net assets		
Shareholders' equity		
Capital stock	12,484	12,484
Capital surplus	19,600	11,538
Retained earnings	67,534	67,973
Treasury shares	(25,898)	(16,371)
Total shareholders' equity	73,722	75,625
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,210	4,168
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustment	1,600	2,165
Remeasurements of defined benefit plans	(1,415)	(1,265)
Total accumulated other comprehensive income	3,397	5,067
Total net assets	77,120	80,693
Total liabilities and net assets	140,530	148,587

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, 2016	Nine months ended December 31, 2017
Net sales	78,180	85,199
Cost of sales	55,607	60,863
Gross profit	22,573	24,336
Selling, general and administrative expenses	20,309	21,388
Operating profit	2,264	2,947
Non-operating income		
Interest income	22	32
Dividend income	232	398
Rent income	46	57
Share of profit of entities accounted for using equity method	998	511
Foreign exchange gains	-	206
cancellation fee income	-	1,309
Other	91	70
Total non-operating income	1,391	2,586
Non-operating expenses		
Interest expenses	89	76
Foreign exchange losses	119	-
Brand fee expense	143	90
Other	115	256
Total non-operating expenses	468	423
Ordinary profit	3,187	5,110
Extraordinary income		
Gain on sales of non-current assets	4	9
Total extraordinary income	4	9
Extraordinary losses		
Loss on disposal of non-current assets	6	99
Loss on valuation of shares of subsidiaries and associates	-	44
Total extraordinary losses	6	143
Profit before income taxes	3,184	4,976
Income taxes - current	595	1,173
Income taxes - deferred	512	327
Total income taxes	1,108	1,501
Profit	2,075	3,475
Profit attributable to owners of parent	2,075	3,475

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	2,075	3,475
Other comprehensive income		
Valuation difference on available-for-sale securities	716	957
Deferred gains or losses on hedges	(178)	(2)
Foreign currency translation adjustment	2	565
Remeasurements of defined benefit plans, net of tax	169	143
Share of other comprehensive income of entities accounted for using equity method	4	6
Total other comprehensive income	714	1,670
Comprehensive income	2,790	5,145
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,790	5,145
Comprehensive income attributable to non-controlling interests	—	—