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## Summary of Consolidated Financial Results for the Year Ended March 31, 2017 (Based on Japanese GAAP)

May 12, 2017

Company name: TOSHIBA TEC CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 6588 URL <http://www.toshibatec.co.jp/>  
 Representative: President and CEO Takayuki Ikeda  
 Senior Manager of Corporate Communications Division  
 Inquiries: Takashi Mizuno TEL 03-6830-9151  
 Scheduled date of ordinary general meeting of shareholders: June 28, 2017  
 Scheduled date to file Securities Report: June 28, 2017  
 Scheduled date to commence dividend payments: June 7, 2017  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

#### (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, 2017	497,611	(6.6)	14,649	814.5	12,534	–	7,758	–
Year ended March 31, 2016	532,818	1.6	1,601	(90.6)	(2,298)	–	(103,449)	–

	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, 2017	28.24	28.20	12.6	4.5	2.9
Year ended March 31, 2016	(376.69)	–	(90.5)	(0.7)	0.3

#### (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, 2017	269,393	76,047	24.3	238.07
As of March 31, 2016	281,615	70,359	20.4	208.93

#### (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, 2017	37,016	(6,876)	(5,439)	46,129
Year ended March 31, 2016	4,567	(9,789)	(23,941)	22,660

### 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, 2016	–	0.00	–	0.00	0.00	0	–	0.0
Year ended March 31, 2017	–	0.00	–	2.00	2.00	549	7.1	0.9
Year ending March 31, 2018 (Forecast)	–	2.00	–	2.00	4.00		18.3	

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
Six months ending September 30, 2017	233,000	(4.3)	5,000	(22.4)	3,500	(53.7)	1,500	(65.2)	5.45
Full year	490,000	(1.5)	16,000	9.2	13,000	3.7	6,000	(22.7)	21.83

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2017

(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, 2017	288,145,704 shares	As of March 31, 2016	288,145,704 shares
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Number of treasury shares at the end of the period

As of March 31, 2017	13,414,545 shares	As of March 31, 2016	13,505,268 shares
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Average number of shares during the period

Year ended March 31, 2017	274,700,360 shares	Year ended March 31, 2016	274,625,555 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	22,217	46,129
Notes and accounts receivable - trade	76,470	63,769
Merchandise and finished goods	38,468	32,849
Work in process	1,960	1,629
Raw materials and supplies	6,428	6,100
Deferred tax assets	4,913	7,560
Other	47,009	32,900
Allowance for doubtful accounts	(2,774)	(2,572)
Total current assets	194,694	188,367
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,875	25,480
Accumulated depreciation	(20,995)	(19,038)
Buildings and structures, net	6,880	6,441
Machinery, equipment and vehicles	42,957	43,742
Accumulated depreciation	(35,451)	(36,279)
Machinery, equipment and vehicles, net	7,506	7,462
Tools, furniture and fixtures	48,204	47,441
Accumulated depreciation	(43,659)	(41,536)
Tools, furniture and fixtures, net	4,544	5,904
Land	2,119	1,640
Leased assets	11,805	11,220
Accumulated depreciation	(5,093)	(4,874)
Leased assets, net	6,711	6,346
Construction in progress	3,583	1,272
Total property, plant and equipment	31,345	29,068
Intangible assets		
Goodwill	8,633	6,053
Customer Relationship Assets	710	639
Other	7,596	7,624
Total intangible assets	16,940	14,317
Investments and other assets		
Investment securities	4,881	5,350
Net defined benefit asset	1,325	2,204
Deferred tax assets	17,227	16,731
Other	15,262	14,008
Allowance for doubtful accounts	(61)	(655)
Total investments and other assets	38,635	37,640
Total non-current assets	86,921	81,026
Total assets	281,615	269,393

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	71,175	61,860
Short-term loans payable	3,407	1,048
Lease obligations	4,435	4,033
Accounts payable - other	29,557	24,044
Accrued expenses	13,234	13,816
Income taxes payable	3,643	5,485
Other	33,149	32,786
<b>Total current liabilities</b>	<b>158,604</b>	<b>143,076</b>
<b>Non-current liabilities</b>		
Lease obligations	5,954	5,172
Net defined benefit liability	38,687	35,066
Other	8,010	10,030
<b>Total non-current liabilities</b>	<b>52,652</b>	<b>50,269</b>
<b>Total liabilities</b>	<b>211,256</b>	<b>193,346</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	39,970	39,970
Capital surplus	52,970	11
Retained earnings	(41,006)	19,722
Treasury shares	(5,523)	(5,488)
<b>Total shareholders' equity</b>	<b>46,411</b>	<b>54,217</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,476	1,581
Deferred gains or losses on hedges	71	(6)
Foreign currency translation adjustment	11,740	8,927
Minimum Pension Liability Adjustment	(461)	(720)
Remeasurements of defined benefit plans	(1,857)	1,407
<b>Total accumulated other comprehensive income</b>	<b>10,969</b>	<b>11,189</b>
Subscription rights to shares	116	104
Non-controlling interests	12,862	10,537
<b>Total net assets</b>	<b>70,359</b>	<b>76,047</b>
<b>Total liabilities and net assets</b>	<b>281,615</b>	<b>269,393</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	532,818	497,611
Cost of sales	315,732	298,128
Gross profit	217,085	199,483
Selling, general and administrative expenses	215,483	184,833
Operating profit	1,601	14,649
Non-operating income		
Interest income	345	250
Dividend income	93	95
Gain on sales of investment securities	97	–
Foreign exchange gains	–	616
Other	273	459
Total non-operating income	810	1,421
Non-operating expenses		
Interest expenses	962	639
Loss on sales and retirement of non-current assets	35	173
Foreign exchange losses	837	–
Loss on valuation of derivatives	542	629
Foreign withholding tax	55	571
Other	2,277	1,522
Total non-operating expenses	4,711	3,536
Ordinary profit (loss)	(2,298)	12,534
Extraordinary income		
Gain on sales of shares of subsidiaries	–	2,114
Total extraordinary income	–	2,114
Extraordinary losses		
Impairment loss	85,023	–
Restructuring cost	1,440	1,002
Loss on transfer of business	325	–
Total extraordinary losses	86,788	1,002
Profit (loss) before income taxes	(89,087)	13,646
Income taxes - current	12,514	8,623
Income taxes - deferred	965	(1,461)
Total income taxes	13,479	7,162
Profit (loss)	(102,566)	6,484
Profit (loss) attributable to non-controlling interests	882	(1,274)
Profit (loss) attributable to owners of parent	(103,449)	7,758

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Profit (loss)	(102,566)	6,484
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	106
Deferred gains or losses on hedges	67	(77)
Foreign currency translation adjustment	(7,268)	(3,232)
Minimum Pension Liability Adjustment	202	(332)
Remeasurements of defined benefit plans, net of tax	(2,290)	3,266
Total other comprehensive income	(9,327)	(269)
Comprehensive income	(111,894)	6,214
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(111,884)	7,978
Comprehensive income attributable to non-controlling interests	(9)	(1,764)

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	39,970	52,965	64,364	(5,542)	151,759
Changes of items during period					
Dividends of surplus			(1,922)		(1,922)
Profit (loss) attributable to owners of parent			(103,449)		(103,449)
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares		5		37	42
Deficit disposition					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	5	(105,371)	18	(105,347)
Balance at end of current period	39,970	52,970	(41,006)	(5,523)	46,411

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum Pension Liability Adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,513	3	18,014	(568)	440	19,404	116	31,828	203,108
Changes of items during period									
Dividends of surplus									(1,922)
Profit (loss) attributable to owners of parent									(103,449)
Purchase of treasury shares									(18)
Disposal of treasury shares									42
Deficit disposition									-
Net changes of items other than shareholders' equity	(37)	67	(6,274)	106	(2,297)	(8,435)	(0)	(18,965)	(27,401)
Total changes of items during period	(37)	67	(6,274)	106	(2,297)	(8,435)	(0)	(18,965)	(132,749)
Balance at end of current period	1,476	71	11,740	(461)	(1,857)	10,969	116	12,862	70,359

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	39,970	52,970	(41,006)	(5,523)	46,411
Changes of items during period					
Dividends of surplus					–
Profit (loss) attributable to owners of parent			7,758		7,758
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares		11		45	57
Deficit disposition		(52,970)	52,970		–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(52,959)	60,729	35	7,805
Balance at end of current period	39,970	11	19,722	(5,488)	54,217

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum Pension Liability Adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,476	71	11,740	(461)	(1,857)	10,969	116	12,862	70,359
Changes of items during period									
Dividends of surplus									–
Profit (loss) attributable to owners of parent									7,758
Purchase of treasury shares									(10)
Disposal of treasury shares									57
Deficit disposition									–
Net changes of items other than shareholders' equity	104	(77)	(2,812)	(258)	3,264	220	(11)	(2,325)	(2,116)
Total changes of items during period	104	(77)	(2,812)	(258)	3,264	220	(11)	(2,325)	5,688
Balance at end of current period	1,581	(6)	8,927	(720)	1,407	11,189	104	10,537	76,047



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit (loss) before income taxes	(89,087)	13,646
Depreciation	19,496	13,955
Impairment loss	85,023	–
Increase (decrease) in allowance for doubtful accounts	(1,807)	618
Increase (decrease) in net defined benefit liability	602	410
Interest and dividend income	(439)	(345)
Interest expenses	962	639
Loss (gain) on sales and retirement of property, plant and equipment	35	173
Loss (gain) on sales of investment securities	(97)	(2,114)
Restructuring cost	1,440	1,002
Loss (gain) on transfer of business	325	–
Decrease (increase) in notes and accounts receivable - trade	1,708	7,816
Decrease (increase) in inventories	(2,348)	4,815
Increase (decrease) in notes and accounts payable - trade	(15,665)	(4,165)
Other, net	12,335	7,961
Subtotal	12,484	44,413
Interest and dividend income received	443	338
Interest expenses paid	(875)	(723)
Income taxes paid	(7,484)	(7,012)
Net cash provided by (used in) operating activities	4,567	37,016
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,724)	(6,356)
Proceeds from sales of property, plant and equipment	1,176	649
Purchase of intangible assets	(5,376)	(2,534)
Proceeds from transfer of business	600	–
Purchase of investment securities	(19)	(399)
Proceeds from sales of investment securities	167	4
Net decrease (increase) in short-term loans receivable	3,362	(2)
Payments of long-term loans receivable	(13)	(29)
Collection of long-term loans receivable	15	13
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,279)	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	20	1,747
Other, net	279	32
Net cash provided by (used in) investing activities	(9,789)	(6,876)

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,028	(2,256)
Proceeds from long-term loans payable	3	–
Repayments of long-term loans payable	(3)	(3)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(19,120)	–
Repayments of finance lease obligations	(3,046)	(2,823)
Purchase of treasury shares	(18)	(10)
Cash dividends paid	(1,925)	(4)
Dividends paid to non-controlling interests	(899)	(397)
Other, net	40	57
Net cash provided by (used in) financing activities	(23,941)	(5,439)
Effect of exchange rate change on cash and cash equivalents	(3,141)	(1,231)
Net increase (decrease) in cash and cash equivalents	(32,304)	23,468
Cash and cash equivalents at beginning of period	54,964	22,660
Cash and cash equivalents at end of period	22,660	46,129