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Consolidated Financial Results for the Six Months Ended September 30, 2017 [Japanese GAAP]

November 08, 2017

Company name: TOSHIBA TEC CORPORATION

Stock exchange listing: Tokyo

Code number: 6588

URL: <http://www.toshibatec.co.jp/>

Representative: Takayuki Ikeda

Contact: Takashi Mizuno

Phone: 03-6830-9151

President and CEO

Senior Manager of Corporate Communications Division

Scheduled date of filing quarterly securities report: November 13, 2017

Scheduled date of commencing dividend payments: December 01, 2017

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2017 (April 01, 2017 to September 30, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2017	243,218	(0.1)	10,392	61.3	9,535	26.1	5,150	19.5
September 30, 2016	243,412	(8.1)	6,443	-	7,560	-	4,310	-

(Note) Comprehensive income: Six months ended September 30, 2017: ¥ 7,085 million [-%]

Six months ended September 30, 2016: ¥ (7,041) million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	18.74		18.72	
September 30, 2016	15.69		15.67	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio
	Million yen		Million yen		%
As of September 30, 2017	279,044		82,453		25.7
March 31, 2017	269,393		76,047		24.3

(Reference) Equity: As of September 30, 2017: ¥ 71,607 million

As of March 31, 2017: ¥ 65,406 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2017	-	0.00	-	2.00	2.00
Fiscal year ending March 31, 2018	-	3.00			
Fiscal year ending March 31, 2018 (Forecast)			-	3.00	6.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018(April 01, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	505,000	1.5	20,000	36.5	18,000	43.6	9,000	16.0	32.76

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2017

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

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2017: 288,145,704 shares

March 31, 2017: 288,145,704 shares

2) Total number of treasury shares at the end of the period:

September 30, 2017: 13,423,974 shares

March 31, 2017: 13,414,545 shares

3) Average number of shares during the period:

Six months ended September 30, 2017: 274,725,915 shares

Six months ended September 30, 2016: 274,663,320 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2017	As of September 30,2017
Assets		
Current assets		
Cash and deposits	46,129	48,859
Notes and accounts receivable - trade	63,769	60,908
Merchandise and finished goods	32,849	36,701
Work in process	1,629	1,713
Raw materials and supplies	6,100	9,923
Other	40,460	41,097
Allowance for doubtful accounts	(2,572)	(2,061)
Total current assets	188,367	197,142
Non-current assets		
Property, plant and equipment	29,068	30,627
Intangible assets		
Goodwill	6,053	5,020
Other	8,263	8,759
Total intangible assets	14,317	13,779
Investments and other assets		
Other	38,295	38,200
Allowance for doubtful accounts	(655)	(705)
Total investments and other assets	37,640	37,495
Total non-current assets	81,026	81,901
Total assets	269,393	279,044

(Million yen)

	As of March 31,2017	As of September 30,2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	61,860	64,832
Short-term loans payable	1,048	405
Income taxes payable	5,485	4,802
Other	74,681	76,997
Total current liabilities	143,076	147,037
Non-current liabilities		
Net defined benefit liability	35,066	34,868
Other	15,203	14,685
Total non-current liabilities	50,269	49,554
Total liabilities	193,346	196,591
Net assets		
Shareholders' equity		
Capital stock	39,970	39,970
Capital surplus	11	12
Retained earnings	19,722	24,323
Treasury shares	(5,488)	(5,495)
Total shareholders' equity	54,217	58,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,581	1,901
Deferred gains or losses on hedges	(6)	5
Foreign currency translation adjustment	8,927	10,056
Minimum pension liability adjustments	(720)	(775)
Remeasurements of defined benefit plans	1,407	1,608
Total accumulated other comprehensive income	11,189	12,796
Subscription rights to shares	104	153
Non-controlling interests	10,537	10,691
Total net assets	76,047	82,453
Total liabilities and net assets	269,393	279,044

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2016	For the six months ended September 30,2017
Net sales	243,412	243,218
Cost of sales	141,372	143,109
Gross profit	102,039	100,108
Selling, general and administrative expenses	95,596	89,715
Operating profit	6,443	10,392
Non-operating income		
Interest income	134	270
Dividend income	66	67
Foreign exchange gains	2,004	-
Other	212	127
Total non-operating income	2,418	464
Non-operating expenses		
Interest expenses	336	293
Foreign exchange losses	-	4
Loss on sales and retirement of non-current assets	58	39
Loss on valuation of derivatives	155	201
Other	751	782
Total non-operating expenses	1,301	1,321
Ordinary profit	7,560	9,535
Extraordinary losses		
Restructuring cost	783	110
Total extraordinary losses	783	110
Profit before income taxes	6,776	9,424
Income taxes	3,359	4,085
Profit	3,416	5,339
Profit (loss) attributable to non-controlling interests	(894)	188
Profit attributable to owners of parent	4,310	5,150

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2016	For the six months ended September 30,2017
Profit	3,416	5,339
Other comprehensive income		
Valuation difference on available-for-sale securities	(168)	321
Deferred gains or losses on hedges	(72)	11
Foreign currency translation adjustment	(10,100)	1,265
Minimum pension liability adjustment	(27)	(54)
Remeasurements of defined benefit plans, net of tax	(89)	202
Total other comprehensive income	(10,458)	1,746
Comprehensive income	(7,041)	7,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,774)	6,757
Comprehensive income attributable to non-controlling interests	(2,267)	328

Quarterly Consolidated Statements of Cash Flows (For the six months)

(Million yen)

	For the six months ended September 30,2016	For the six months ended September 30,2017
Cash flows from operating activities		
Profit before income taxes	6,776	9,424
Depreciation and amortization	7,915	7,075
Increase (decrease) in allowance for doubtful accounts	224	(557)
Increase (decrease) in net defined benefit liability	(91)	(6)
Interest and dividend income	(200)	(337)
Interest expenses	336	293
Loss (gain) on sales and retirement of property, plant and equipment	58	39
Restructuring cost	783	110
Decrease (increase) in notes and accounts receivable - trade	8,701	5,727
Decrease (increase) in inventories	1,088	(6,648)
Increase (decrease) in notes and accounts payable - trade	(1,984)	484
Other, net	3,094	(1,257)
Subtotal	26,702	14,348
Interest and dividend income received	184	323
Interest expenses paid	(381)	(293)
Income taxes paid	(2,459)	(4,516)
Net cash provided by operating activities	24,045	9,862
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,916)	(3,559)
Proceeds from sales of property, plant and equipment	69	53
Purchase of intangible assets	(1,090)	(1,900)
Purchase of investment securities	(7)	(6)
Net decrease (increase) in short-term loans receivable	(6)	(1)
Payments of long-term loans receivable	(21)	(4)
Collection of long-term loans receivable	5	6
Other, net	45	(61)
Net cash provided by used in investing activities	(3,922)	(5,474)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,072)	(686)
Repayments of finance lease obligations	(1,421)	(1,536)
Purchase of treasury shares	(3)	(11)
Cash dividends paid	(2)	(549)
Dividends paid to non-controlling interests	(323)	(421)
Other, net	39	(1)
Net cash provided by used in financing activities	(3,784)	(3,206)
Effect of exchange rate change on cash and cash equivalents	(6,234)	1,549
Net increase (decrease) in cash and cash equivalents	10,103	2,730
Cash and cash equivalents at beginning of period	22,660	46,129
Cash and cash equivalents at end of period	32,764	48,859