

TOSHIBA

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FY2015 First Quarter Consolidated Business Results

TOSHIBA TEC CORPORATION

August 4, 2015

1. FY2015 First Quarter Consolidated Business Results

2. FY2015 Forecasts

Key Points of FY2015 1Q Results

- ✓ Increase in sales but decrease in profit compared respectively with the previous year.
- ✓ Downward revisions have been applied to the forecasts for sales, profit and dividend for FY2015.

- **Net Sales: 126.4 billion yen (YoY: +5.5 billion yen)**
Increased by 5% primarily due to sales increases in the overseas printing business and foreign currency exchange gains.
- **Operating Loss: Δ 1.9 billion yen (YoY: Δ 6.5 billion yen)**
The operating loss of 1.9 billion yen is due to both G/M reduction in overseas and domestic retail business and the continuous increase in operating transition costs in overseas retail business since the latter half of FY2014.
- **Loss attributable to owners of parent: Δ 5.2 billion yen (YoY: Δ 6.8 billion yen)**
A significant imbalance in the regional income structure negatively affected the tax burden, resulting in a 5.2 billion yen net loss.
- **Downward revision of the FY2015 forecast:**
Net sales decreased by 5 billion yen to 555 billion yen and O/I by 6 billion yen to 19 billion yen.
- **Dividend**
The annual dividend was adjusted to 4 yen per share from 8 yen previously forecasted.

FY2015 1Q Consolidated Results

(Billions of yen)	FY15 1Q Actual	FY14 1Q Actual	Difference VS.FY14 1Q
Net Sales	126.4	120.9	+5.5
(Growth rate)			105%
Operating Income (Loss)	△1.9	4.6	△6.5
(Rate of Sales)	(△1.5%)	(3.8%)	(△5.3%)
Ordinary Income (Loss)	△2.7	3.3	△6.0
(Rate of Sales)	(△2.2%)	(2.7%)	(△4.9%)
Income(loss) before income taxes and minority interests	△3.3	3.2	△6.5
(Rate of Sales)	(△2.6%)	(2.6%)	(△5.2%)
Profit (Loss) attributable to owners of parent	△5.2	1.6	△6.8
(Rate of Sales)	(△4.2%)	(1.3%)	(△5.5%)
Foreign currency exchange rate			
US\$	120.95	102.40	+18.55
EUR	132.74	140.59	△7.85

Net Sales & Operating Income by Segment

	(Billions of yen)	FY15 1Q Actual	FY14 1Q Actual	Difference vs. FY2014
Retail Solutions Business Group	Net Sales	75.7	75.0	+0.7
	(Growth rate)			101%
	Operating Income (Loss)	△5.2	1.2	△6.4
	(Rate of Sales)	(△6.9%)	(1.6%)	(△8.5%)
Printing Solutions Business Group	Net Sales	53.9	49.3	+4.6
	(Growth rate)			109%
	Operating Income (Loss)	3.3	3.4	△0.1
	(Rate of Sales)	(6.3%)	(6.9%)	(△0.6%)
Consolidated Total	Net Sales	126.4	120.9	+5.5
	(Growth rate)			105%
	Operating Income (Loss)	△1.9	4.6	△6.5
	(Rate of Sales)	(△1.5%)	(3.8%)	(△5.3%)

Note: FY2014 is in new segmentation

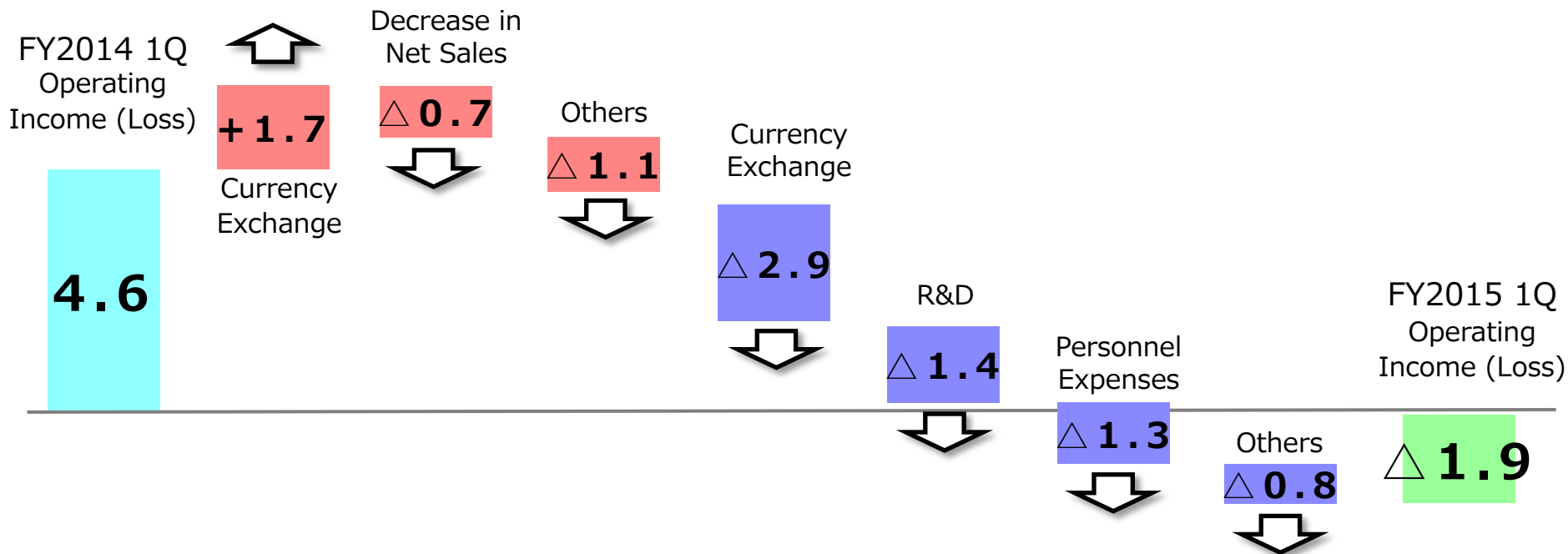
Operating Income (Loss) Analysis of FY2015 1Q

- ✓ The effect of currency exchange rate change was $\Delta 1.2$ billion yen (Gross Profit $+1.7$ /SG&A $\Delta 2.9$) .
- ✓ The major factor for the decrease in operating income was the increase in SG&A.

Billions of yen

Gross Profit ($\Delta 0.1$)

SG&A ($\Delta 6.4$)



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FY2015 Forecast, Overall

(Billions of Yen)		FY15 Forecast (Aug 4th)	FY15 Forecast (Jun 16th)	FY14 Actual	Difference	
					vs. FY15 (Jun 16th)	vs. FY14
Net Sales		555.0	560.0	525.3	△5.0	+29.7
	(Growth rate)				99%	106%
Operating Income		19.0	25.0	18.7	△6.0	+0.3
	(Rate of sales)	(3.4%)	(4.5%)	(3.6%)	(△1.1%)	(△0.2%)
Ordinary Income		16.0	22.0	12.0	△6.0	+4.0
	(Rate of sales)	(2.9%)	(3.9%)	(2.3%)	(△1.0%)	(0.6%)
Profit (Loss) attributable to owners of parent		3.0	7.0	△0.3	△4.0	+3.3
	(Rate of sales)	(0.5%)	(1.3%)	(△0.1%)	(△0.8%)	(0.6%)
Foreign currency exchange rate	US\$	120.00	120.00	109.16	±0	+10.84
	EUR	130.00	130.00	139.43	±0	△9.43

FY2015 Forecast by Segment

	(Billions of yen)	FY15	FY15	FY14	Difference	
		Forecast (Aug 4th)	Forecast (Jun 16th)	Actual	vs. FY15 (Jun 16th)	vs. FY14
Retail Solutions Business Group	Net Sales	341.0	350.0	325.1	△9.0	+15.9
	(Growth rate)				97%	105%
	Operating Income	4.7	13.0	1.3	△8.3	+3.4
	(Rate of Sales)	(1.4%)	(3.7%)	(0.4%)	(△2.3%)	(1.0%)
Printing Solutions Business Group	Net Sales	234.0	230.0	213.1	+4.0	+20.9
	(Growth rate)				102%	110%
	Operating Income	14.3	12.0	17.4	+2.3	△3.1
	(Rate of Sales)	(6.1%)	(5.2%)	(8.2%)	(0.9%)	(△2.1%)
Consolidated Total	Net Sales	555.0	560.0	525.3	△5.0	+29.7
	(Growth rate)				99%	106%
	Operating Income	19.0	25.0	18.7	△6.0	+0.3
	(Rate of Sales)	(3.4%)	(4.5%)	(3.6%)	(△1.1%)	(△0.2%)

Human Smart Community

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Forward-looking statements concerning TOSHIBA TEC's future performance contained in this presentation represent certain reasonable assumptions based on economic, financial and competitive data and information currently available. However, actual results will be affected by the business and competitive environment and may differ materially from forecasts.

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