

TOSHIBA

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FY2015 3Q
Consolidated Business Results

TOSHIBA TEC CORPORATION

March 14, 2016

1. Correction of the Past Financial Results

2. FY2015 3Q consolidated Business Results

3. FY2015 Forecast

Outline of the Correction of the Past Financial Results

- ✓ Toshiba Tec received a report from the Pension Actuary fiduciary company whom Toshiba Tec outsource for the Projected Benefit Obligation (PBO) calculation that they found the incorrect calculation in the PBO of the past which was caused by their own operation errors.
- ✓ Toshiba Tec postponed the announcement of FY2015 3rd quarter financial results in order to make recalculation of the PBO and to make corrections to the past financial results of FY2014 1st quarter to FY2015 2nd quarter.
- ✓ In the correction of the financial results, other than the correction to the PBO, Toshiba Tec also made correction to the immaterial errors of the same period.

Impact of the correction of PBO on Financial Statement

- ✓ The balance of liability for retirement benefit was +1.6 billion yen and the retained earnings was $\triangle 1.0$ billion yen at the beginning of FY2014.
- ✓ Correction of retirement benefit cost has been reflected in FY2014 to FY2015/1H.

B/S

(100 millions of Yen)

	FY2014			FY2015/1H	
	Beginning balance at FY2014	Correction of cost	Total	Correction of cost	Total
Assets (Long-term deferred tax assets)	5.8	$\triangle 0.1$	5.7	$\triangle 0.1$	5.6
Liability (Liability for retirement benefit)	16.4	$\triangle 0.3$	16.1	$\triangle 0.3$	15.8
Net asset (Retained earnings)	$\triangle 10.6$	0.2	$\triangle 10.4$	0.2	$\triangle 10.2$

FY2015/1H Financial Summary after the Correction

FY2015/1H P/L (Billions of yen)	After correction	Before correction	Difference(*)
Net Sales	264.8	264.1	+0.6(-)
(Segment)			
Retail Solutions Business	158.1	157.5	+0.6(-)
Printing Solutions Business	112.8	112.8	±0.0(-)
Operating Income (Loss)	0.1	△0.5	+0.7(+0.0)
(Segment)			
Retail Solutions Business	△6.5	△7.2	+0.8(+0.0)
Printing Solutions Business	6.6	6.7	△0.1(+0.0)
Ordinary Loss	△1.7	△2.3	+0.7(+0.0)
Loss attributable to owners of parent	△73.6	△74.1	+0.5(+0.0)
FY2015/9E B/S (Billions of yen)	After correction	Before correction	Difference(*)
Total assets	357.5	357.2	+0.3 (+0.5)
Net assets	128.3	129.5	△1.2 (△0.9)

*Figures in parenthesis represent the included number of PBO.

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Key Points of FY2015/1-3Q Business Results

- ✓ In spite of the significant decrease in profit compared with the previous year, in the last 3 months, there have been some signs of recovery in the overseas retail business (GCS) which was the major factor for weak performance in the first half.
- ✓ There are no revisions to the forecast of FY2015 dated Nov 5, 2015.

- **Net Sales: 394.6 billion yen (YoY: +7.9 billion yen)**
Increased by 2% compared over the previous year primarily due to the increase in the overseas printing business and foreign currency exchange gains.
- **Operating Profit: 3.3 billion yen (YoY: Δ 10.0 billion yen)**
In spite of the decrease by 10.0 billion yen compared with the same period a year earlier mainly due to the weak performance of overseas retail business (GCS), there were some signs of recovery in the 3rd quarter and the operating profit increased exceeding the first half result of 0.1 billion yen.
- **Loss attributable to owners of parent: Δ 77.6 billion yen (YoY: Δ 81.1 billion yen)**
Decreased by 81.1 billion yen due to the drop in the operating income and the impairment loss of GCS assets of 65.8 billion yen in the first half of the fiscal year.
- **FY2015 forecast:**
No revision to the FY2015 forecast dated Nov.5, 2015 - Net sales of 530.0 billion yen, O/I of 6.0 billion yen, ordinary income of 2.0 billion yen and the loss attributable to owners of parent of 79.0 billion yen.

(Note) GCS: Toshiba Global Commerce Solutions

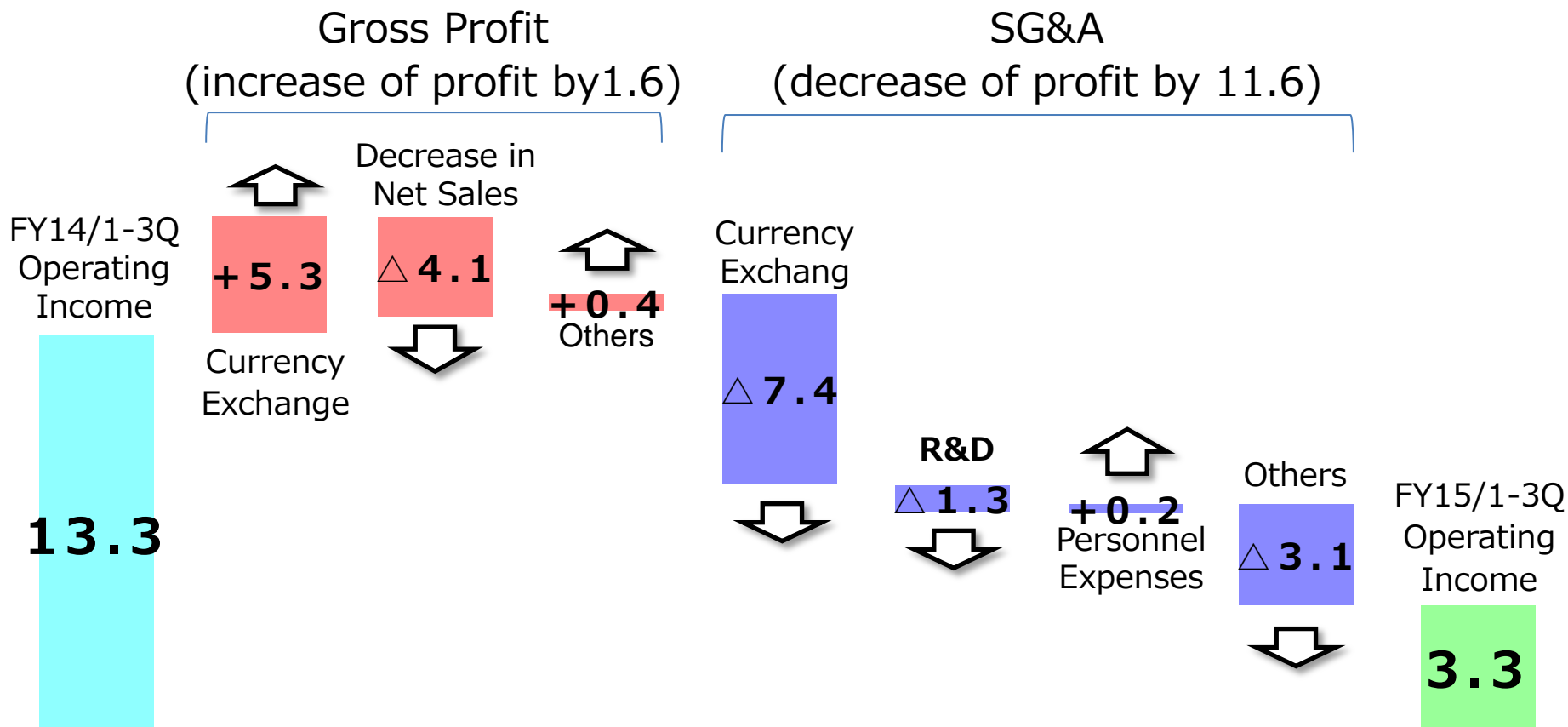
FY2015/1-3Q Results

(Billions of Yen)		FY2015			FY2014	Difference
		1-2Q	3Q	1-3Q	1-3Q	vs. FY14 1-3Q
Net Sales		264.8	129.8	394.6	386.7	+7.9
(Growth rate)						(102%)
Operating Income		0.1	3.2	3.3	13.3	△10.0
(Rate of sales)		(0.0%)	(2.4%)	(0.8%)	(3.4%)	(△2.6%)
Ordinary Income (Loss)		△1.7	1.4	△0.3	9.0	△9.2
(Rate of sales)		(△0.6%)	(1.1%)	(△0.1%)	(2.3%)	(△2.4%)
Income (Loss) before income taxes and minority interests		△68.8	1.0	△67.8	8.3	△76.2
(Rate of sales)		(△26.0%)	(0.8%)	(△17.2%)	(2.2%)	(△19.4%)
Profit (Loss) attributable to owners of parent		△73.6	△4.0	△77.6	3.5	△81.1
(Rate of sales)		(△27.8%)	(△3.1%)	(△19.7%)	(0.9%)	(△20.6%)
Foreign currency exchange rate	US\$	121.76	121.23	121.58	105.82	15.76
	EUR	134.55	132.56	133.89	139.85	△5.96

Operating Income Analysis of FY2015/1-3Q

- ✓ The effect of the currency exchange rate change on gross profit and selling, general & administrative expenses (SG&A) added up to $\Delta 2.1$ billion yen.
- ✓ The major factor of decrease in the operating income was the increase in the SG&A.

Billions of yen



FY2015/1-3Q Results by Segment

(Billions of yen)		FY2015			FY2014	Difference vs. FY14 1-3Q
		1-2Q	3Q	1-3Q	1-3Q	
Retail Solutions Business Group	Net Sales (Growth rate)	158.1	80.2	238.3	240.8	△2.5 (99%)
	Operating Income(Loss) (Rate of Sales)	△6.5 (△4.1%)	△0.8 (△1.0%)	△7.3 (△3.1%)	1.6 (0.7%)	△8.9 (△3.8%)
Printing Solutions Business Group	Net Sales (Growth rate)	112.8	52.5	165.3	155.1	+10.2 (107%)
	Operating Income (Rate of Sales)	6.6 (5.8%)	4.0 (7.6%)	10.6 (6.4%)	11.7 (7.6%)	△1.1 (△1.2%)
Consolidated Total	Net Sales (Growth rate)	264.8	129.8	394.6	386.7	+7.9 (102%)
	Operating Income (Rate of Sales)	0.1 (0.0%)	3.2 (2.4%)	3.3 (0.8%)	13.3 (3.4%)	△10.0 (△2.6%)

Retail Solutions Business Group

(Billions of yen)		FY2015			FY2014	Difference
		1-2Q	3Q	1-3Q	1-3Q	vs. FY14 1-3Q
Retail Solutions Business Group	Net Sales (Growth rate)	158.1	80.2	238.3	240.8	△2.5 (99%)
	Operating Income(Loss) (Rate of Sales)	△6.5 (△4.1%)	△0.8 (△1.0%)	△7.3 (△3.1%)	1.6 (0.7%)	△8.9 (△3.8%)

◆ POS system for Japanese market, etc.

A wait-and-see attitude for the new roll-out plan continued at retailers and restaurants. Specifically, net sales to specialty stores and shopping center decreased against the previous year.

◆ POS system for overseas markets, etc

Although the total sales of the first 9 months of FY2015 decreased, there have been some signs of recovery and net sales grew in the last 3 months .(compared to the previous year/ in local currency basis)

Printing Solutions Business Group

(Billions of yen)		FY2015			FY2014	Difference vs. FY14 1-3Q
		1-2Q	3Q	1-3Q	1-3Q	
Printing Solutions Business Group	Net Sales (Growth rate)	112.8	52.5	165.3	155.1	+10.2 (107%)
	Operating Income (Rate of Sales)	6.6 (5.8%)	4.0 (7.6%)	10.6 (6.4%)	11.7 (7.6%)	△1.1 (△1.2%)

◆ MFP for overseas market, etc.

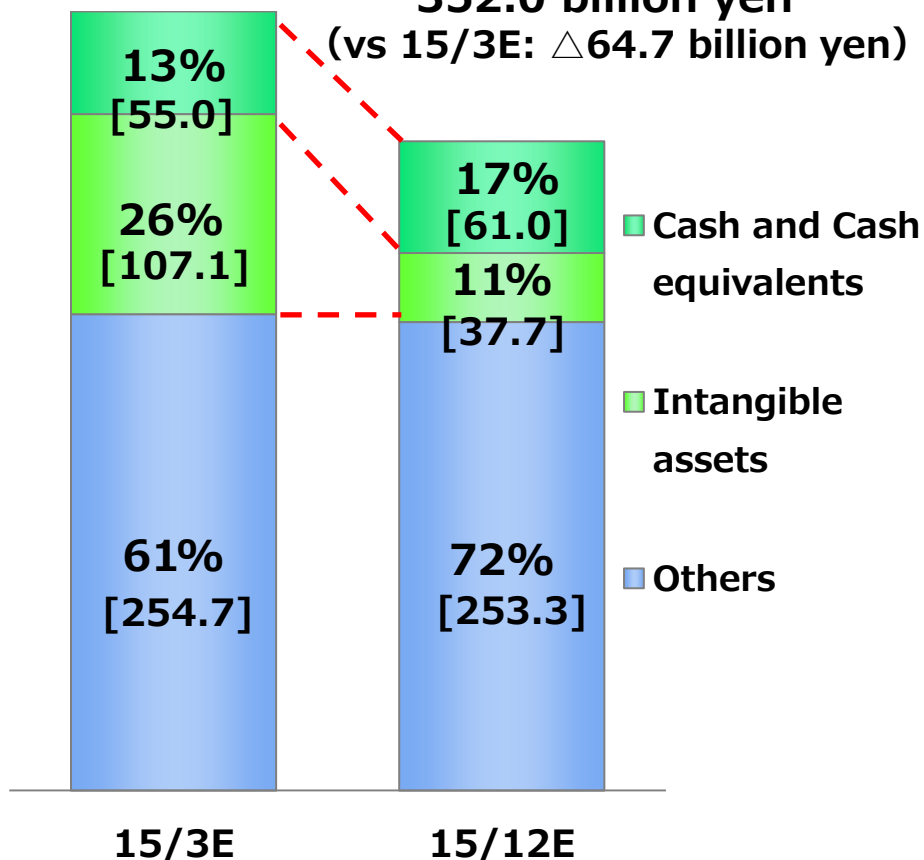
Net sales in the Americas and Europe were flat but grew in Asian countries on a local currency basis. Including the currency exchange gains, sales in Americas increased. Total sales increased by 107% against the previous year.

Consolidated Balance Sheets (1)

Total Assets

416.8 billion yen

352.0 billion yen
(vs 15/3E: Δ 64.7 billion yen)



◆ Cash and Cash Equivalents:

Increased by 6.0 billion yen as a result of the increase of short-term loans payable and the decrease of operating cash flows.

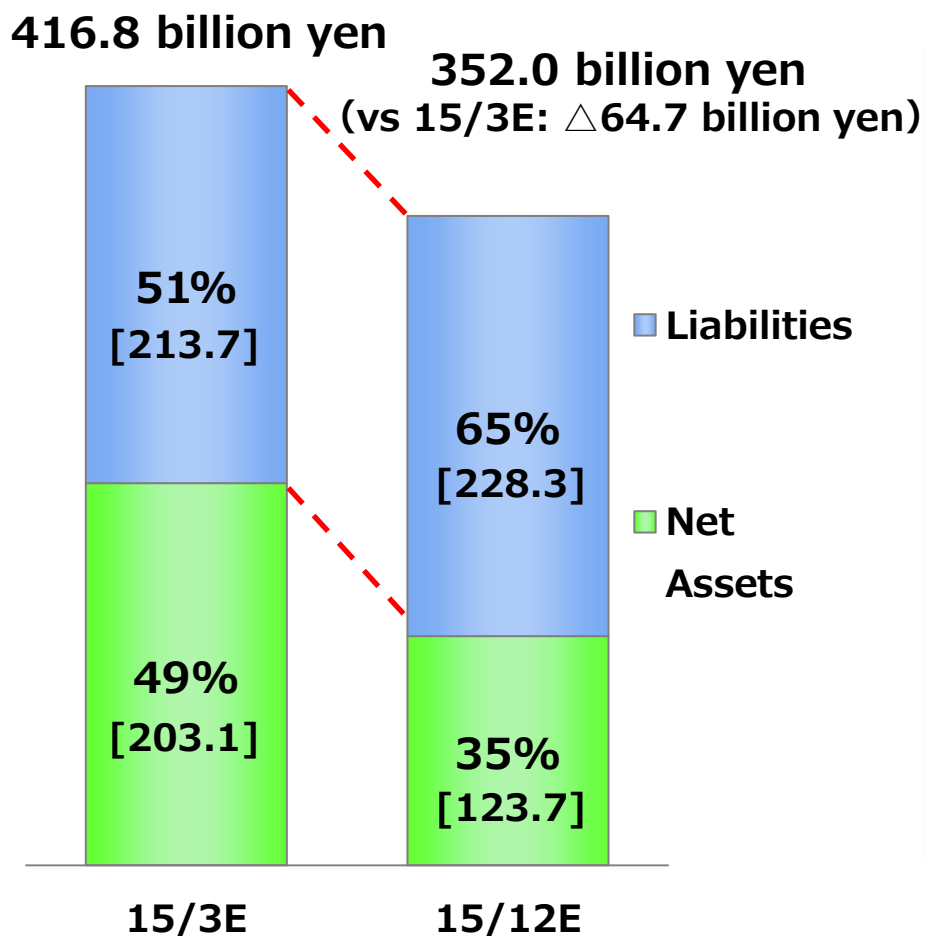
◆ Intangible Assets:

Decreased by 69.4 billion yen due to the impairment loss of GCS's assets in the first half of FY2015.

Note: Figures in parentheses represent the itemized balance (billions of yen).

Consolidated Balance Sheets (2)

Liabilities and Net Assets



◆ Liabilities

Increased by 14.6 billion yen as a result of offset in the decrease of notes and accounts payable-trade by 16.0 billion yen and the increase of short-term loans payable by 24.5 billion yen.

◆ Net Assets

Decreased by 79.5 billion yen due to the impairment loss of GCS's assets in the first half of FY2015.

Note: Figures in parentheses represent the itemized balance (billions of yen).

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FY2015 Forecast, Overall

(Billions of Yen)		FY2015 Forecast	FY2015 Forecast (Nov 5 th)	FY2014 Actual	Difference	
					vs. FY2015 FC (Nov 5 th)	vs. FY2014
Net Sales		530.0	530.0	524.6	±0.0	+5.4
(Achievement rate /Growth rate)					(100%)	(101%)
Operating Income		6.0	6.0	17.1	±0.0	△11.1
(Rate of sales)		(1.1%)	(1.1%)	(3.3%)	(0.0%)	(△2.2%)
Ordinary Income		2.0	2.0	10.4	±0.0	△8.4
(Rate of sales)		(0.4%)	(0.4%)	(2.0%)	(0.0%)	(△1.6%)
Loss attributable to owners of parent		△79.0	△79.0	△1.1	±0.0	△77.9
(Rate of sales)		(△14.9%)	(△14.9%)	(△0.2%)	(0.0%)	(△14.7%)
Foreign currency exchange rate	US\$	120.00	120.00	109.16	±0.00	+10.84
	EUR	132.00	132.00	139.43	±0.00	△7.43

FY2015 Forecast by Segment

	(Billions of yen)	FY2015 Forecast	FY2015 Forecast (Nov 5 th)	FY2014 Actual	Difference	
					vs. FY2015 FC (Nov 5 th)	vs. FY2014
Retail Solutions Business Group	Net Sales	322.0	319.0	324.4	+3.0	△2.4
	(Achievement rate /Growth rate)				(101%)	(99%)
	Operating Loss	△7.0	△7.0	△0.4	±0.0	△6.6
	(Rate of Sales)	(△2.2%)	(△2.2%)	(△0.1%)	(0.0%)	(△2.1%)
Printing Solutions Business Group	Net Sales	224.0	227.0	213.1	△3.0	+10.9
	(Achievement rate /Growth rate)				(99%)	(105%)
	Operating Income	13.0	13.0	17.5	±0.0	△4.5
	(Rate of Sales)	(5.8%)	(5.7%)	(8.2%)	(0.1%)	(△2.4%)
Consolidated Total	Net Sales	530.0	530.0	524.6	±0.0	+5.4
	(Achievement rate /Growth rate)				(100%)	(101%)
	Operating Income	6.0	6.0	17.1	±0.0	△11.1
	(Rate of Sales)	(1.1%)	(1.1%)	(3.3%)	(0.0%)	(△2.2%)

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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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