

**TOSHIBA**

Leading Innovation >>>

# **FY2016 First Six Months Consolidated Business Results**

**TOSHIBA TEC CORPORATION**

November 8, 2016

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# **1. FY2016 First Six Months Consolidated Business Results**

## **2. FY2016 Forecast**

# Key Points of FY2016 First Six Months Business Results

**Operating Income, Ordinary Income and Net Income turned positive due to the significant improvement of the retail solutions business profitability.**

- **Net Sales: 243.4 billion yen (YoY:  $\Delta$ 21.3 billion yen)**  
Decreased due to the impact of yen appreciation of  $\Delta$ 19.9 Billion yen against the previous year.
- **Operating Income: 6.4 billion yen (YoY: +6.3 billion yen)**  
Increased due to the significant improvement in the retail solutions business.
- **Ordinary Income: 7.6 billion yen (YoY: +9.2 billion yen)**  
Improved as the non-operating income increased.
- **Net Income\*: 4.3 billion yen (YoY: +77.9 billion yen)**  
Improved significantly due to the reduced deficit in the overseas retail business as a result of the structural reform. The effective corporate tax rate was adjusted as well.

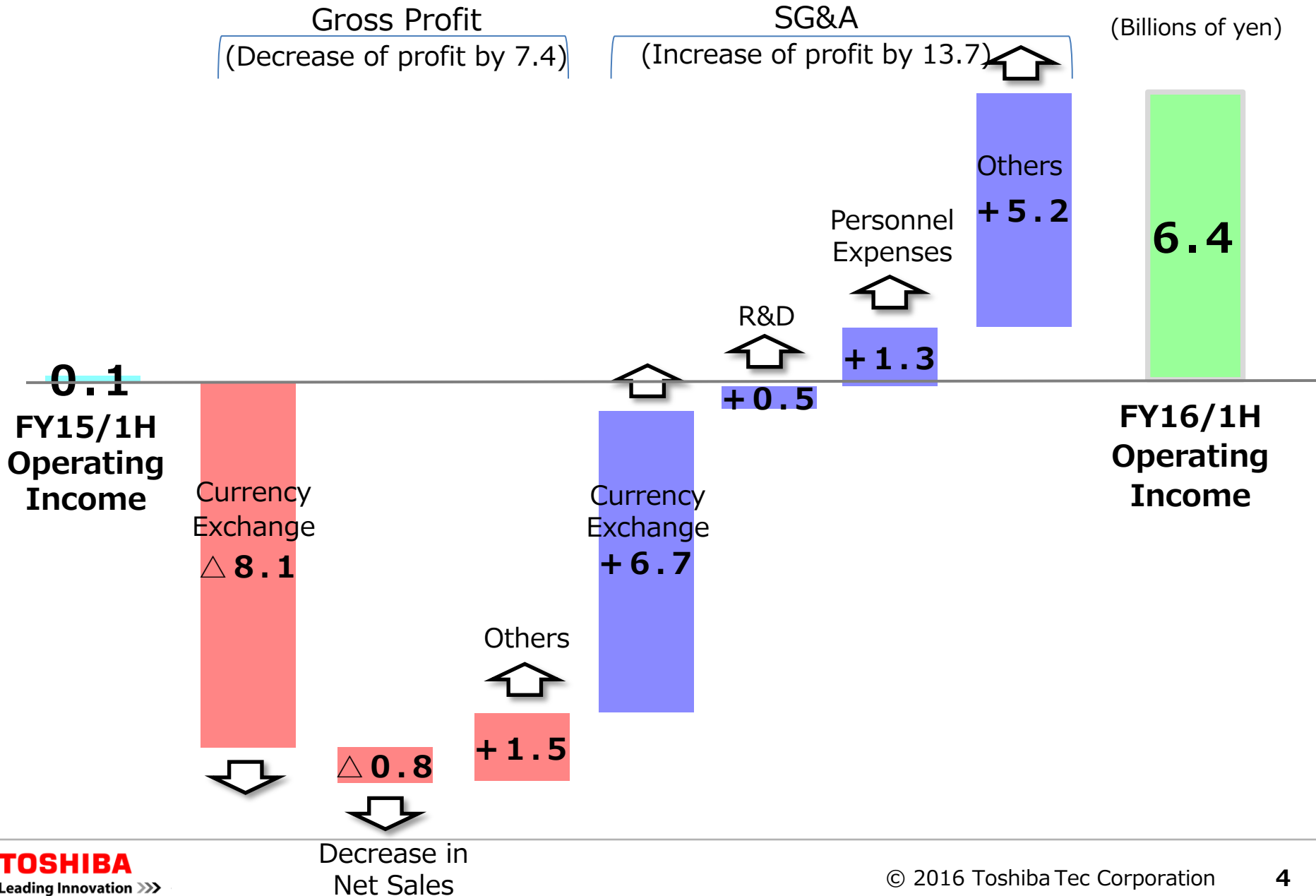
\*Hereinafter "Net Income( $\Delta$ Loss)" refers to Profit ( $\Delta$ Loss) attributable to owners of parent.

# FY2016 First Six Months Business Results

(Billions of Yen)		FY16/1H Actual	FY16/1H Forecast	FY15/1H Actual	Difference	
					vs. FY16/1H FC	vs. FY15/1H
<b>Net Sales</b>		<b>243.4</b>	<b>253.0</b>	<b>264.8</b>	<b>△9.6</b>	<b>△21.3</b>
Operating Income		<b>6.4</b>	<b>4.0</b>	<b>0.1</b>	<b>+2.4</b>	<b>+6.3</b>
(Rate of sales)		<b>(2.6%)</b>	<b>(1.6%)</b>	<b>(0.0%)</b>		
Ordinary Income (△Loss)		<b>7.6</b>	<b>2.0</b>	<b>△1.7</b>	<b>+5.6</b>	<b>+9.2</b>
(Rate of sales)		<b>(3.1%)</b>	<b>(0.8%)</b>	<b>(△0.6%)</b>		
Net Income (△Loss)		<b>4.3</b>	<b>△2.0</b>	<b>△73.6</b>	<b>+6.3</b>	<b>+77.9</b>
(Rate of sales)		<b>(1.8%)</b>	<b>(△0.8%)</b>	<b>(△27.8%)</b>		
Foreign currency exchange rate	US\$	<b>107.29</b>	<b>110.00*</b>	<b>121.76</b>	<b>△2.71</b>	<b>△14.47</b>
	EUR	<b>120.05</b>	<b>120.00*</b>	<b>134.55</b>	<b>+0.05</b>	<b>△14.50</b>

\* Foreign currency exchange rates were revised to US\$=110yen, EUR=120yen in the "FY2016 Toshiba Tec Management Policy (Mid-Term Business Plan)" announced on Aug. 30, 2016.

# Operating Income Analysis of FY2016/1H



# FY2016 First Six Months Business Results by Segment

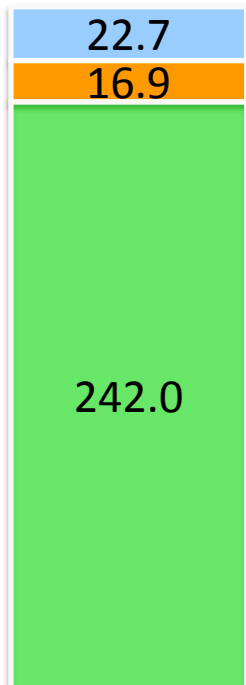
	(Billions of yen)	FY2016/1H Actual	FY2015/1H Actual	Difference vs. FY2015/1H
Retail Solutions Business Group	Net Sales	157.1	158.1	△1.0
	Operating Income (△Loss) (Rate of Sales)	4.4 (2.8%)	△6.5 (△4.1%)	+10.8
Printing Solutions Business Group	Net Sales	92.4	112.8	△20.4
	Operating Income (Rate of Sales)	2.1 (2.3%)	6.6 (5.8%)	△4.5
Consolidated Total	Net Sales	243.4	264.8	△21.3
	Operating Income (Rate of Sales)	6.4 (2.6%)	0.1 (0.0%)	+6.3

# Balance Sheet

(Billions of yen)

## Assets

281.6



16/3E

251.6



16/9E

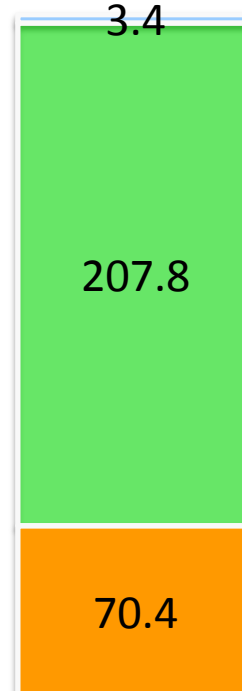
Cash and cash equivalents

Intangible assets

Others

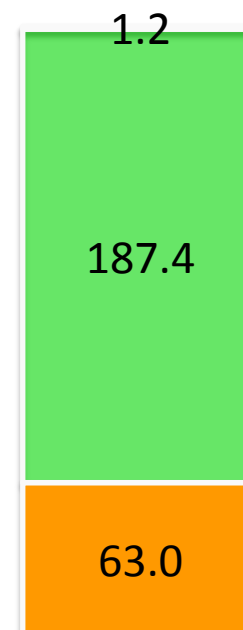
## Liabilities and Net Assets

281.6



16/3E

251.6



16/9E

Loans payable

Others

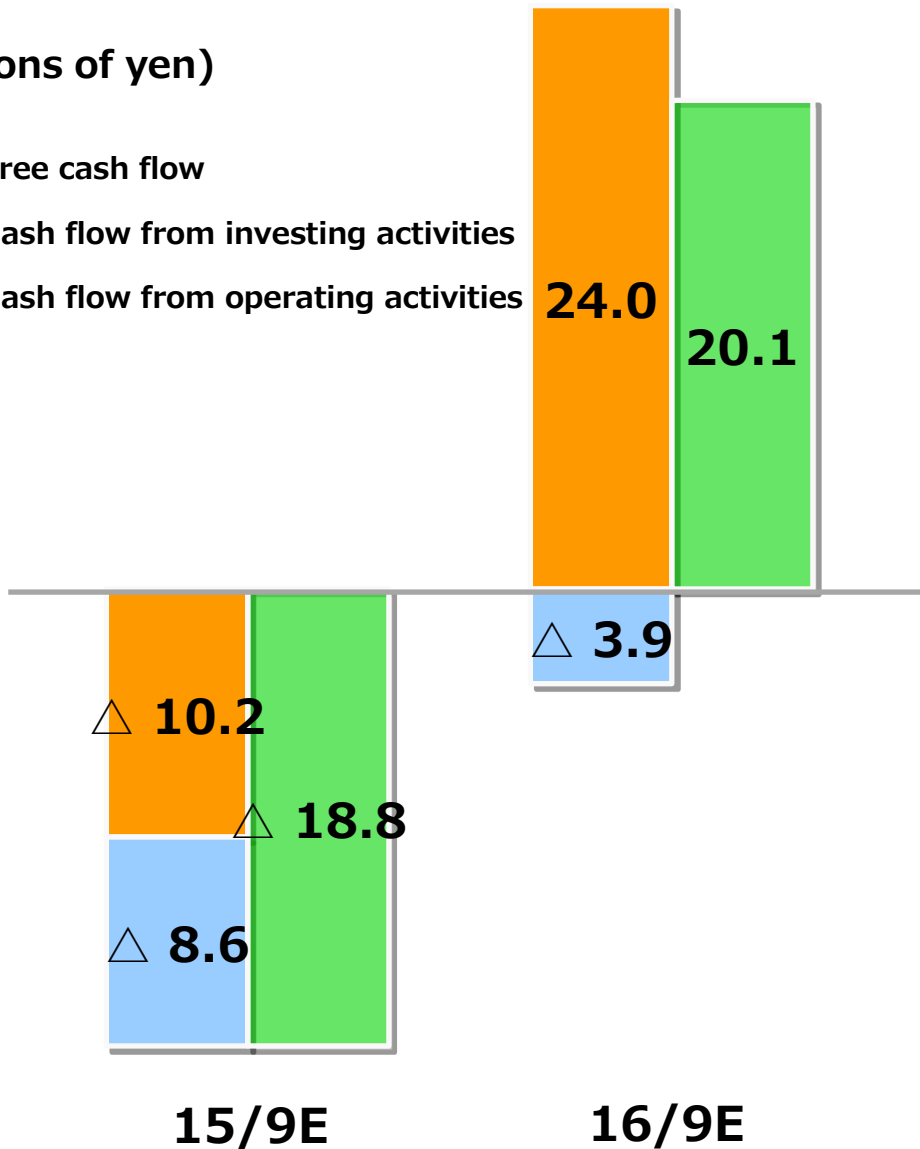
Net assets

**Net assets decreased by 7.4 Billion yen due to the drop in foreign currency translation adjustment. Net cash flow increased.**

# Free Cash Flows

(Billions of yen)

- Free cash flow
- Cash flow from investing activities
- Cash flow from operating activities



◆ Cash flow from operating activities: Increased by 34.2 billion yen due to the increase of profit and the deterioration of working capital.

◆ Cash flow from investing activities: Decreased by 4.7 billion yen as plant and equipment investment decreased.



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# 1. FY2016 First Six Months Consolidated Business Results

## 2. FY2016 Forecast

# FY2016 Forecast, Overall

(Billions of Yen)	FY16 Forecast	FY16 Forecast (Aug. 5 <sup>th</sup> )	FY15 Actual	Difference		
				vs. FY16 (Aug. 5 <sup>th</sup> )	vs. FY15	
<b>Net Sales</b>	<b>490.0</b>	<b>520.0</b>	<b>532.8</b>	<b>△30.0</b>	<b>△42.8</b>	
<b>Operating Income</b> (Rate of sales)	<b>14.0</b> <b>(2.9%)</b>	<b>14.0</b> <b>(2.7%)</b>	<b>1.6</b> <b>(0.3%)</b>	<b>—</b>	<b>+12.4</b>	
<b>Ordinary Income (△Loss)</b> (Rate of sales)	<b>13.0</b> <b>(2.7%)</b>	<b>10.0</b> <b>(1.9%)</b>	<b>△2.3</b> <b>(△0.4%)</b>	<b>+3.0</b>	<b>+15.3</b>	
<b>Net Income (△Loss)</b> (Rate of sales)	<b>5.0</b> <b>(1.0%)</b>	<b>0.5</b> <b>(0.1%)</b>	<b>△103.4</b> <b>(△19.4%)</b>	<b>+4.5</b>	<b>+108.4</b>	
<b>Foreign currency exchange rate</b>	<b>US\$</b>	<b>104.00<sup>*1</sup></b>	<b>110.00<sup>*2</sup></b>	<b>120.77</b>	<b>△6.00</b>	<b>△16.77</b>
	<b>EUR</b>	<b>115.00<sup>*1</sup></b>	<b>120.00<sup>*2</sup></b>	<b>132.74</b>	<b>△5.00</b>	<b>△17.74</b>

\* 1: Foreign currency exchange rates of 16/2H forecasts are US\$=100yen, EUR=110yen.

\* 2: Foreign currency exchange rates were revised to US\$=110yen, EUR=120yen in the "FY2016 Toshiba Tec Management Policy (Mid-Term Business Plan)" announced on Aug. 30, 2016.

# FY2016 Forecast by Segment

(Billions of yen)		FY16	FY16	FY15	Difference	
		Forecast	Forecast (Aug 5 <sup>th</sup> )	Actual	vs. FY16 (Aug 5 <sup>th</sup> )	vs. FY15
Retail Solutions Business Group	Net Sales	314.0	322.0	324.8	△8.0	△10.8
	Operating Income (△Loss)	8.5	5.0	△11.5	+3.5	+20.0
	(Rate of Sales)	(2.7%)	(1.6%)	(△3.5%)		
Printing Solutions Business Group	Net Sales	189.0	212.0	220.2	△23.0	△31.2
	Operating Income	5.5	9.0	13.1	△3.5	△7.6
	(Rate of Sales)	(2.9%)	(4.2%)	(5.9%)		
Consolidated Total	Net Sales	490.0	520.0	532.8	△30.0	△42.8
	Operating Income	14.0	14.0	1.6	—	+12.4
	(Rate of Sales)	(2.9%)	(2.7%)	(3.6%)		

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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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