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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 5, 2015

Company name: TOSHIBA TEC CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6588 URL <http://www.toshibatec.co.jp/>
 Representative: President and CEO Takayuki Ikeda
 Inquiries: Senior Manager of Corporate Communications Division Takashi Mizuno TEL 03-6830-9151
 Scheduled date to file Quarterly Securities Report: November 13, 2015
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	264,144	3.1	(539)	–	(2,335)	–	(74,076)	–
Six months ended September 30, 2014	256,292	6.1	12,218	15.0	9,957	2.0	5,148	32.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2015	(269.75)	–
Six months ended September 30, 2014	18.75	18.72

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2015	357,242	129,506	27.1
As of March 31, 2015	417,440	204,723	41.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	–	6.00	–	7.00	13.00
Year ending March 31, 2016	–	0.00			
Year ending March 31, 2016 (Forecast)			–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	530,000	0.9	6,000	(67.9)	2,000	(83.3)	(79,000)	–	(287.63)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2015
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2015	288,145,704 shares	As of March 31, 2015	288,145,704 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	13,491,866 shares	As of March 31, 2015	13,561,637 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2015	274,604,148 shares	Six months ended September 30, 2014	274,528,718 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	21,810	21,355
Deposit Paid In Subsidiaries And Affiliates	33,154	33,336
Notes and accounts receivable - trade	81,622	77,419
Merchandise and finished goods	36,295	40,259
Work in process	2,445	2,523
Raw materials and supplies	6,967	6,559
Other	59,616	64,405
Allowance for doubtful accounts	(1,405)	(1,266)
Total current assets	240,506	244,593
Non-current assets		
Property, plant and equipment	33,560	33,633
Intangible assets		
Goodwill	36,911	11,265
Other	70,332	28,019
Total intangible assets	107,243	39,284
Investments and other assets		
Other	36,089	39,711
Allowance for doubtful accounts	(62)	(61)
Total investments and other assets	36,026	39,650
Total non-current assets	176,830	112,568
Deferred assets	103	81
Total assets	417,440	357,242

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	89,919	75,834
Short-term loans payable	2,028	25,100
Income taxes payable	4,418	3,293
Other	68,739	75,622
Total current liabilities	165,105	179,851
Non-current liabilities		
Net defined benefit liability	36,552	36,471
Other	11,058	11,413
Total non-current liabilities	47,610	47,884
Total liabilities	212,716	227,736
Net assets		
Shareholders' equity		
Capital stock	39,970	39,970
Capital surplus	52,965	52,970
Retained earnings	65,921	(10,078)
Treasury shares	(5,542)	(5,518)
Total shareholders' equity	153,316	77,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,513	1,582
Deferred gains or losses on hedges	3	3
Foreign currency translation adjustment	18,157	17,953
Amount of minimum pension debt adjustment	(568)	(576)
Remeasurements of defined benefit plans	354	675
Total accumulated other comprehensive income	19,461	19,638
Subscription rights to shares	116	116
Non-controlling interests	31,830	32,406
Total net assets	204,723	129,506
Total liabilities and net assets	417,440	357,242

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	256,292	264,144
Cost of sales	144,546	152,256
Gross profit	111,746	111,888
Selling, general and administrative expenses	99,527	112,427
Operating income (loss)	12,218	(539)
Non-operating income		
Interest income	201	285
Dividend income	22	64
Foreign exchange gains	–	218
Gain on valuation of derivatives	280	–
Other	164	225
Total non-operating income	668	793
Non-operating expenses		
Interest expenses	265	407
Loss on sales and retirement of non-current assets	23	103
Foreign exchange losses	1,454	–
Loss on valuation of derivatives	–	787
Other	1,186	1,291
Total non-operating expenses	2,930	2,590
Ordinary income (loss)	9,957	(2,335)
Extraordinary losses		
Impairment loss	–	66,422
Restructuring cost	602	626
Loss on transfer of business	–	290
Total extraordinary losses	602	67,339
Income (loss) before income taxes and minority interests	9,354	(69,675)
Income taxes	4,000	3,604
Profit (loss)	5,354	(73,280)
Profit attributable to non-controlling interests	205	796
Profit (loss) attributable to owners of parent	5,148	(74,076)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit (loss)	5,354	(73,280)
Other comprehensive income		
Valuation difference on available-for-sale securities	300	68
Deferred gains or losses on hedges	69	(0)
Foreign currency translation adjustment	6,237	(435)
Minimum Pension Liability Adjustment	(96)	(1)
Remeasurements of defined benefit plans, net of tax	367	321
Total other comprehensive income	6,879	(48)
Comprehensive income	12,233	(73,328)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,324	(73,899)
Comprehensive income attributable to non-controlling interests	1,908	570

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	9,354	(69,675)
Depreciation	9,690	10,154
Impairment loss	–	66,422
Increase (decrease) in allowance for doubtful accounts	94	(150)
Increase (decrease) in net defined benefit liability	488	377
Interest and dividend income	(223)	(349)
Interest expenses	265	407
Loss (gain) on sales and retirement of property, plant and equipment	23	103
Restructuring cost	602	626
Loss (gain) on transfer of business	–	290
Decrease (increase) in notes and accounts receivable - trade	3,051	5,988
Decrease (increase) in inventories	(131)	(2,908)
Increase (decrease) in notes and accounts payable - trade	2,746	(15,594)
Other, net	(5,793)	(1,207)
Subtotal	20,168	(5,514)
Interest and dividend income received	219	295
Interest expenses paid	(302)	(356)
Income taxes paid	(3,324)	(4,645)
Net cash provided by (used in) operating activities	16,761	(10,221)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,909)	(5,765)
Proceeds from sales of property, plant and equipment	69	531
Purchase of intangible assets	(6,924)	(1,685)
Proceeds from transfer of business	–	600
Purchase of investment securities	(6)	(12)
Net decrease (increase) in short-term loans receivable	3,467	(1,091)
Payments of long-term loans receivable	(7)	(3)
Collection of long-term loans receivable	7	8
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,279)
Other, net	55	81
Net cash provided by (used in) investing activities	(6,248)	(8,617)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(115)	22,792
Repayments of finance lease obligations	(1,424)	(1,488)
Purchase of treasury shares	(8)	(12)
Cash dividends paid	(1,096)	(1,921)
Dividends paid to non-controlling interests	(492)	(895)
Other, net	66	42
Net cash provided by (used in) financing activities	(3,069)	18,516
Effect of exchange rate change on cash and cash equivalents	1,814	49
Net increase (decrease) in cash and cash equivalents	9,258	(272)
Cash and cash equivalents at beginning of period	47,409	54,964
Cash and cash equivalents at end of period	56,667	54,692