

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 20, 2016

Company name: TOSHIBA TEC CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 6588 URL <http://www.toshibatec.co.jp/>  
 Representative: President and CEO Takayuki Ikeda  
 Senior Manager of Corporate Communications Division Takashi Mizuno TEL 03-6830-9151  
 Inquiries: TEL 03-6830-9151  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2016  
 Scheduled date to file Securities Report: June 24, 2016  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	532,121	1.4	(481)	–	(4,366)	–	(105,494)	–
Year ended March 31, 2015	524,577	5.1	17,062	(31.2)	10,391	(50.3)	(1,149)	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	(384.13)	–	(93.1)	(1.3)	(0.1)
Year ended March 31, 2015	(4.18)	–	(0.7)	2.6	3.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	281,447	68,435	19.7	201.92
As of March 31, 2015	416,769	203,108	41.1	623.35

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	4,567	(9,789)	(23,941)	22,660
Year ended March 31, 2015	22,952	(14,772)	(5,040)	54,964

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	–	6.00	–	7.00	13.00	3,569	–	2.2
Year ended March 31, 2016	–	0.00	–	0.00	0.00	0	–	0.0
Year ending March 31, 2017 (Forecast)	–	0.00	–	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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
Six months ending September 30, 2016	253,000	(4.4)	4,000	–	2,000	–	(2,000)	–	(7.28)
Full year	520,000	(2.3)	14,000	–	10,000	–	500	–	1.82

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

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

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2016	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 March 31, 2016	13,505,268 shares	As of March 31, 2015	13,561,637 shares
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Average number of shares during the period

Year ended March 31, 2016	274,625,555 shares	Year ended March 31, 2015	274,563,138 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	21,810	22,217
Group deposits paid	33,154	443
Notes and accounts receivable - trade	81,016	76,728
Merchandise and finished goods	36,303	38,143
Work in process	2,444	1,960
Raw materials and supplies	6,967	6,428
Accounts receivable - other	20,277	20,168
Deferred tax assets	8,398	4,913
Other	30,617	26,296
Allowance for doubtful accounts	(1,405)	(2,774)
Total current assets	239,584	194,525
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,108	27,875
Accumulated depreciation	(22,936)	(20,995)
Buildings and structures, net	8,171	6,880
Machinery, equipment and vehicles	45,750	42,957
Accumulated depreciation	(36,843)	(35,451)
Machinery, equipment and vehicles, net	8,907	7,506
Tools, furniture and fixtures	49,311	48,204
Accumulated depreciation	(44,596)	(43,659)
Tools, furniture and fixtures, net	4,714	4,544
Land	2,540	2,119
Leased assets	11,342	11,805
Accumulated depreciation	(4,862)	(5,093)
Leased assets, net	6,479	6,711
Construction in progress	2,746	3,583
Total property, plant and equipment	33,560	31,345
Intangible assets		
Goodwill	36,911	8,633
Customer Relationship Assets	33,906	710
Other	36,232	7,596
Total intangible assets	107,049	16,940
Investments and other assets		
Investment securities	5,044	4,881
Net defined benefit asset	3,351	1,325
Deferred tax assets	14,421	17,227
Other	13,715	15,203
Allowance for doubtful accounts	(62)	(61)
Total investments and other assets	36,470	38,576
Total non-current assets	177,081	86,862
Deferred assets		
Deferred organization expenses	103	59
Total deferred assets	103	59
Total assets	416,769	281,447

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	90,080	71,665
Short-term loans payable	2,028	3,407
Lease obligations	3,358	4,435
Accounts payable - other	15,501	30,258
Income taxes payable	3,598	3,622
Provision for directors' bonuses	–	56
Other	50,148	46,912
<b>Total current liabilities</b>	<b>164,715</b>	<b>160,358</b>
<b>Non-current liabilities</b>		
Long-term loans payable	–	16
Lease obligations	4,024	5,954
Provision for directors' retirement benefits	140	117
Net defined benefit liability	37,887	38,687
Other	6,893	7,877
<b>Total non-current liabilities</b>	<b>48,946</b>	<b>52,652</b>
<b>Total liabilities</b>	<b>213,661</b>	<b>213,011</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	39,970	39,970
Capital surplus	52,965	52,970
Retained earnings	64,364	(43,051)
Treasury shares	(5,542)	(5,523)
<b>Total shareholders' equity</b>	<b>151,759</b>	<b>44,367</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,513	1,476
Deferred gains or losses on hedges	3	71
Foreign currency translation adjustment	18,014	11,861
Minimum Pension Liability Adjustment	(568)	(461)
Remeasurements of defined benefit plans	440	(1,857)
<b>Total accumulated other comprehensive income</b>	<b>19,404</b>	<b>11,090</b>
Subscription rights to shares	116	116
Non-controlling interests	31,828	12,862
<b>Total net assets</b>	<b>203,108</b>	<b>68,435</b>
<b>Total liabilities and net assets</b>	<b>416,769</b>	<b>281,447</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	524,577	532,121
Cost of sales	301,355	315,924
Gross profit	223,221	216,197
Selling, general and administrative expenses	206,159	216,679
Operating income (loss)	17,062	(481)
Non-operating income		
Interest income	391	345
Dividend income	115	93
Gain on sales of investment securities	45	97
Gain on valuation of derivatives	1,993	–
Other	537	273
Total non-operating income	3,082	810
Non-operating expenses		
Interest expenses	587	948
Loss on sales and retirement of non-current assets	50	35
Foreign exchange losses	5,867	1,081
Loss on valuation of derivatives	–	295
Settlement money	1,104	–
Other	2,143	2,333
Total non-operating expenses	9,753	4,694
Ordinary income (loss)	10,391	(4,366)
Extraordinary losses		
Impairment loss	–	85,023
Restructuring cost	686	1,440
Loss on transfer of business	–	325
Total extraordinary losses	686	86,788
Profit (loss) before income taxes	9,705	(91,154)
Income taxes - current	7,037	12,491
Income taxes - deferred	2,998	965
Total income taxes	10,036	13,456
Loss	(331)	(104,611)
Profit attributable to non-controlling interests	818	883
Loss attributable to owners of parent	(1,149)	(105,494)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Loss	(331)	(104,611)
Other comprehensive income		
Valuation difference on available-for-sale securities	527	(38)
Deferred gains or losses on hedges	8	67
Foreign currency translation adjustment	15,901	(7,147)
Minimum Pension Liability Adjustment	(593)	202
Remeasurements of defined benefit plans, net of tax	2,213	(2,290)
Total other comprehensive income	18,057	(9,206)
Comprehensive income	17,726	(113,817)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,471	(113,808)
Comprehensive income attributable to non-controlling interests	5,255	(9)

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	39,970	52,970	65,737	(5,585)	153,093
Cumulative effects of changes in accounting policies			2,522		2,522
Restated balance	39,970	52,970	68,259	(5,585)	155,616
Changes of items during period					
Dividends of surplus			(2,745)		(2,745)
Loss attributable to owners of parent			(1,149)		(1,149)
Purchase of treasury shares				(28)	(28)
Disposal of treasury shares		(5)		71	66
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(5)	(3,894)	43	(3,856)
Balance at end of current period	39,970	52,965	64,364	(5,542)	151,759

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum Pension Liability Adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	987	(4)	6,626	(55)	(1,770)	5,783	130	27,025	186,033
Cumulative effects of changes in accounting policies								43	2,566
Restated balance	987	(4)	6,626	(55)	(1,770)	5,783	130	27,069	188,599
Changes of items during period									
Dividends of surplus									(2,745)
Loss attributable to owners of parent									(1,149)
Purchase of treasury shares									(28)
Disposal of treasury shares									66
Net changes of items other than shareholders' equity	526	8	11,388	(513)	2,211	13,620	(13)	4,758	18,365
Total changes of items during period	526	8	11,388	(513)	2,211	13,620	(13)	4,758	14,508
Balance at end of current period	1,513	3	18,014	(568)	440	19,404	116	31,828	203,108

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	39,970	52,965	64,364	(5,542)	151,759
Cumulative effects of changes in accounting policies					-
Restated balance	39,970	52,965	64,364	(5,542)	151,759
Changes of items during period					
Dividends of surplus			(1,922)		(1,922)
Loss attributable to owners of parent			(105,494)		(105,494)
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares		5		36	42
Net changes of items other than shareholders' equity					
Total changes of items during period	-	5	(107,416)	18	(107,392)
Balance at end of current period	39,970	52,970	(43,051)	(5,523)	44,367

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum Pension Liability Adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,513	3	18,014	(568)	440	19,404	116	31,828	203,108
Cumulative effects of changes in accounting policies									-
Restated balance	1,513	3	18,014	(568)	440	19,404	116	31,828	203,108
Changes of items during period									
Dividends of surplus									(1,922)
Loss attributable to owners of parent									(105,494)
Purchase of treasury shares									(18)
Disposal of treasury shares									42
Net changes of items other than shareholders' equity	(37)	67	(6,153)	106	(2,297)	(8,313)	(0)	(18,965)	(27,279)
Total changes of items during period	(37)	67	(6,153)	106	(2,297)	(8,313)	(0)	(18,965)	(134,672)
Balance at end of current period	1,476	71	11,861	(461)	(1,857)	11,090	116	12,862	68,435



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit (loss) before income taxes	9,705	(91,154)
Depreciation	20,386	19,496
Impairment loss	–	85,023
Increase (decrease) in allowance for doubtful accounts	(57)	(1,807)
Increase (decrease) in net defined benefit liability	3,314	602
Interest and dividend income	(506)	(439)
Interest expenses	587	948
Loss (gain) on sales and retirement of property, plant and equipment	50	35
Loss (gain) on sales of investment securities	(45)	(97)
Restructuring cost	686	1,440
Loss (gain) on transfer of business	–	325
Decrease (increase) in notes and accounts receivable - trade	13,193	1,434
Decrease (increase) in inventories	(1,240)	(2,002)
Increase (decrease) in notes and accounts payable - trade	6,296	(15,145)
Other, net	(22,248)	13,824
Subtotal	30,121	12,484
Interest and dividend income received	501	443
Interest expenses paid	(645)	(875)
Income taxes paid	(7,025)	(7,484)
Net cash provided by (used in) operating activities	22,952	4,567
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,803)	(8,724)
Proceeds from sales of property, plant and equipment	225	1,176
Purchase of intangible assets	(14,046)	(5,376)
Proceeds from transfer of business	–	600
Proceeds from sales of intangible assets	1,923	–
Purchase of investment securities	(13)	(19)
Proceeds from sales of investment securities	107	167
Net decrease (increase) in short-term loans receivable	3,448	3,362
Payments of long-term loans receivable	(12)	(13)
Collection of long-term loans receivable	16	15
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,279)
Other, net	381	299
Net cash provided by (used in) investing activities	(14,772)	(9,789)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,109	1,028
Proceeds from long-term loans payable	–	3
Repayments of long-term loans payable	–	(3)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(19,120)
Repayments of finance lease obligations	(2,945)	(3,046)
Purchase of treasury shares	(28)	(18)
Cash dividends paid	(2,746)	(1,925)
Dividends paid to non-controlling interests	(495)	(899)
Other, net	66	40
Net cash provided by (used in) financing activities	(5,040)	(23,941)
Effect of exchange rate change on cash and cash equivalents	4,521	(3,141)
Net increase (decrease) in cash and cash equivalents	7,660	(32,304)
Cash and cash equivalents at beginning of period	47,304	54,964
Cash and cash equivalents at end of period	54,964	22,660