

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



June 23, 2016

Company Name: TOSHIBA TEC CORPORATION
Representative: Takayuki Ikeda
President and CEO
(Securities Code: 6588;
Stock Exchange: Tokyo First Section)
Contact: Takashi Mizuno
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(Corrections / Corrections of Numerical Data) Notice Regarding Partial Corrections of “Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)”

TOSHIBA TEC CORPORATION hereby announces that it has made corrections to the above-mentioned disclosure material released on May 20, 2016. As numerical data has also been corrected, the corrected numerical data is also hereby disseminated.

TOSHIBA TEC’s financial results were released on May 20 given the paramount importance the company places on the timeliness of releasing such information, even though at the time TOSHIBA TEC had yet to receive the auditor’s reports with respect to either the financial statements and supplementary schedules, or the consolidated financial statements for the fiscal year ended March 31, 2016. At that time, we deemed there to be a low possibility of any need for material corrections, and greatly regret that we have since had to make corrections for the reasons stated below. We wish to express our sincere apologies to our shareholders, investors and all other stakeholders for any inconveniences or concerns this may cause.

1. Reason for Corrections

Our overseas retail business (global commerce solutions business) comprises 36 companies worldwide and is centered on the U.S.-based company Toshiba Global Commerce Solutions (the “TGCS Group”). The overseas retail business came into existence upon transfer of business operations of respective preliminary companies that had been established by TOSHIBA TEC, after having acquired POS business operations from among global locations of International Business Machines Corporation (“IBM”; the transferee of the overseas retail business). Because the TGCS Group is managed as a single business entity on a worldwide basis (“Global One Management”), account settlement thereof is performed in conjunction with the Global One Management framework. The TGCS Group previously had services performed by IBM, and used IBM’s IT systems related to accounting, on the basis of a Transfer Service Agreement spanning a three-year period starting from its establishment in August 2012 (the contract stipulates TGCS’s receipt of indirect services from IBM for a certain period of time subsequent to the transfer of business operations). However, the TGCS Group faced a series of operational and account settlement issues upon having shifted over to use of TGCS’s own in-house system. Consequently, financial settlement fell substantially behind schedule for the fiscal year ended March 31, 2016, which is the first fiscal year for which accounting was handled using the in-house system for the entire year.

Amid that situation, we made corrections to our earnings figures upon having discovered that corrections were warranted with respect to settlement procedures underway at the time, despite having already released our financial results on May 20.

Primary details of corrections and major reasons thereof are as follows.

(1) Consolidated results

The TGCS Group has made corrections with respect to the following items (i) to (iv).

(i) Correction of errors relating to accounts payable-trade and accounts payable-other

Overstated and duplicate entries were discovered in the process of performing additional verification with respect to accounts payable-trade and accounts payable-other, thereby leading to corrections of errors involving cost of sales, selling, general and administrative expenses, and non-operating expenses. As a result of the corrections, operating income and profit before income taxes have been upwardly revised by ¥1,241 million and ¥1,227 million, respectively.

These errors were a result of having overstated accounts payable-trade and accounts payable-other, as a consequence of operational issues arising after adopting the new system for accounting operations. More specifically, this included errors involving some journal entries that were posted from the order placement system but not attributed to the correct accounting period, and errors involving some instances where manual journal entries were recorded more than once.

(ii) Correction of errors relating to sales

We performed additional verification with respect to the recording of sales, and accordingly corrected errors in net sales and cost of sales. As a result of the corrections, net sales have been upwardly revised by ¥696 million, and operating income and profit before income taxes have been upwardly revised by ¥609 million.

These errors were a consequence of issues that occurred in March 2016 with respect to our accounting system for recognizing sales, involving a situation where journal entries from the new system failed to properly issue record slips. Meanwhile, we attempted to make manual corrections, but certain issues such as those involving failure to recognize sales arose.

(iii) Correction of errors relating to inventory valuation amounts

Although best estimates were used with respect to inventory values reported in the release of our financial results on May 20, we have since corrected inventory evaluation amounts upon performing the process of making final determinations in that regard. As a result of the corrections, operating income and profit before income taxes have been upwardly revised by ¥232 million.

The TGCS Group concludes contracts with manufacturing and supply subcontractors which entail agreement to bear responsibility for taking back with respect to inventory whose value exceeds a contracted amount over a certain period of time. Although inventories entailing obligations to take back in accordance with such contracts have been accounted for as inventory assets, valuations of such inventories have been in error, and accordingly we have corrected such figures upon recalculating such amounts.

(iv) Recalculation of tax amounts

The amount posted for income taxes has been increased by ¥22 million as a result of recalculating tax amounts in accordance with the changes in profit before income taxes with respect to the aforementioned items (i) to (iii).

(2) Non-consolidated results

In accordance with corrections made with respect to the TGCS Group, corrections have been made to the provision of allowance for doubtful accounts involving claims to the TGCS Group (accounts receivable-other, short-term loans receivable and long-term accounts receivable-other). As a result of these corrections, profit before income taxes and profit have been upwardly revised by ¥1,834 million.

The change in the provision of allowance for doubtful accounts in accordance with the aforementioned corrections is eliminated in consolidated accounts settlement, and accordingly has no effect on the consolidated statements of income.

(3) Effect of corrections on the parent company, Toshiba Corporation

We find that these corrections do not affect Toshiba Corporation's consolidated financial results for the fiscal year ended March 31, 2016, from the viewpoint of materiality with respect to Toshiba Corporation's settlement of consolidated accounts.

2. Details of Corrections

(1) Summary of Consolidated Financial Results

The locations of corrections are shown by the underlined parts in these documents.

i) Consolidated financial results for the year ended March 31, 2016 (Before Corrections)

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

Note: Comprehensive income Year ended March 31, 2016: (113,817) million yen [–%]
Year ended March 31, 2015: 17,726 million yen [26.0%]

	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	<u>(384.13)</u>	–	<u>(93.1)</u>	<u>(1.3)</u>	<u>(0.1)</u>
Year ended March 31, 2015	(4.18)	–	(0.7)	2.6	3.3

Reference: Share of (profit) loss of entities accounted for using equity method: Year ended March 31, 2016: – million yen
Year ended March 31, 2015: – million yen

(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	<u>281,447</u>	<u>68,435</u>	<u>19.7</u>	<u>201.92</u>
As of March 31, 2015	416,769	203,108	41.1	623.35

Reference: Equity As of March 31, 2016: 55,457 million yen
As of March 31, 2015: 171,163 million yen

(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

(After Corrections)

(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	<u>532,818</u>	<u>1.6</u>	<u>1,601</u>	<u>(90.6)</u>	<u>(2,298)</u>	–	<u>(103,449)</u>	–
Year ended March 31, 2015	524,577	5.1	17,062	(31.2)	10,391	(50.3)	(1,149)	–

Note: Comprehensive income Year ended March 31, 2016: (111,894) million yen [–%]
Year ended March 31, 2015: 17,726 million yen [26.0%]

	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	<u>(376.69)</u>	–	<u>(90.5)</u>	<u>(0.7)</u>	<u>0.3</u>
Year ended March 31, 2015	(4.18)	–	(0.7)	2.6	3.3

Reference: Share of (profit) loss of entities accounted for using equity method: Year ended March 31, 2016: – million yen
Year ended March 31, 2015: – million yen

(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	<u>281,615</u>	<u>70,359</u>	<u>20.4</u>	<u>208.93</u>
As of March 31, 2015	416,769	203,108	41.1	623.35

Reference: Equity As of March 31, 2016: 57,380 million yen
As of March 31, 2015: 171,163 million yen

(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

ii) Forecast of consolidated financial results for the year ending March 31, 2017
(Before Corrections)

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	<u>(2.3)</u>	14,000	–	10,000	–	500	–	1.82

(After Corrections)

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	<u>(2.4)</u>	14,000	<u>873.9</u>	10,000	–	500	–	1.82

iii) (Reference) Summary of Non-consolidated Financial Results
(Before Corrections)

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	261,496	(1.6)	(3,247)	–	(1,186)	–	<u>(117,768)</u>	–
Year ended March 31, 2015	265,840	1.8	8,349	7.8	12,668	22.2	9,376	298.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2016	<u>(428.83)</u>	–
Year ended March 31, 2015	34.15	34.09

(2) Non-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	<u>187,788</u>	<u>16,466</u>	<u>8.7</u>	<u>59.53</u>
As of March 31, 2015	293,447	136,109	46.3	495.26

Reference: Equity As of March 31, 2016: 16,349 million yen
As of March 31, 2015: 135,992 million yen

(After Corrections)

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	261,496	(1.6)	(3,247)	–	(1,186)	–	<u>(115,933)</u>	–
Year ended March 31, 2015	265,840	1.8	8,349	7.8	12,668	22.2	9,376	298.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2016	<u>(422.15)</u>	–
Year ended March 31, 2015	34.15	34.09

(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	<u>189,623</u>	<u>18,301</u>	<u>9.6</u>	<u>66.21</u>
As of March 31, 2015	293,447	136,109	46.3	495.26

Reference: Equity As of March 31, 2016: 18,184 million yen
As of March 31, 2015: 135,992 million yen

Due to the many corrections in the attachments to the “Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)” as released on May 20, 2016, the document has been provided in full with the corrected content only. Also, corrected numbers are underlined in cases where a corrected value is less than the numerical unit used for presentation.

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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 29, 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	532,818	1.6	1,601	(90.6)	(2,298)	–	(103,449)	–
Year ended March 31, 2015	524,577	5.1	17,062	(31.2)	10,391	(50.3)	(1,149)	–

Note: Comprehensive income Year ended March 31, 2016: (111,894) million yen [–%]
 Year ended March 31, 2015: 17,726 million yen [26.0%]

	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	(376.69)	–	(90.5)	(0.7)	0.3
Year ended March 31, 2015	(4.18)	–	(0.7)	2.6	3.3

Reference: Share of (profit) loss of entities accounted for using equity method: Year ended March 31, 2016: – million yen
 Year ended March 31, 2015: – million yen

(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	281,615	70,359	20.4	208.93
As of March 31, 2015	416,769	203,108	41.1	623.35

Reference: Equity As of March 31, 2016: 57,380 million yen
 As of March 31, 2015: 171,163 million yen

(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	(2.4)	14,000	873.9	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	<u>76,470</u>
Merchandise and finished goods	36,303	<u>38,468</u>
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	<u>26,397</u>
Allowance for doubtful accounts	(1,405)	<u>(2,774)</u>
Total current assets	<u>239,584</u>	<u>194,694</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,108	27,875
Accumulated depreciation	(22,936)	(20,995)
Buildings and structures, net	<u>8,171</u>	<u>6,880</u>
Machinery, equipment and vehicles	45,750	42,957
Accumulated depreciation	(36,843)	(35,451)
Machinery, equipment and vehicles, net	<u>8,907</u>	<u>7,506</u>
Tools, furniture and fixtures	49,311	48,204
Accumulated depreciation	(44,596)	(43,659)
Tools, furniture and fixtures, net	<u>4,714</u>	<u>4,544</u>
Land	2,540	2,119
Leased assets	11,342	11,805
Accumulated depreciation	(4,862)	(5,093)
Leased assets, net	<u>6,479</u>	<u>6,711</u>
Construction in progress	2,746	3,583
Total property, plant and equipment	<u>33,560</u>	<u>31,345</u>
Intangible assets		
Goodwill	36,911	8,633
Customer Relationship Assets	33,906	710
Other	36,232	7,596
Total intangible assets	<u>107,049</u>	<u>16,940</u>
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	<u>36,470</u>	<u>38,576</u>
Total non-current assets	<u>177,081</u>	<u>86,862</u>
Deferred assets		
Deferred organization expenses	103	59
Total deferred assets	<u>103</u>	<u>59</u>
Total assets	<u>416,769</u>	<u>281,615</u>

(Millions of yen)

As of March 31, 2015

As of March 31, 2016

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	90,080	<u>71,175</u>
Short-term loans payable	2,028	3,407
Lease obligations	3,358	4,435
Accounts payable - other	15,501	<u>29,557</u>
Income taxes payable	3,598	<u>3,643</u>
Provision for directors' bonuses	–	56
Other	50,148	<u>46,327</u>
Total current liabilities	<u>164,715</u>	<u>158,604</u>
Non-current liabilities		
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	<u>7,877</u>
Total non-current liabilities	<u>48,946</u>	<u>52,652</u>
Total liabilities	<u>213,661</u>	<u>211,256</u>
Net assets		
Shareholders' equity		
Capital stock	39,970	39,970
Capital surplus	52,965	52,970
Retained earnings	64,364	<u>(41,006)</u>
Treasury shares	<u>(5,542)</u>	<u>(5,523)</u>
Total shareholders' equity	<u>151,759</u>	<u>46,411</u>
Accumulated other comprehensive income		
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	<u>11,740</u>
Minimum pension liability adjustment	(568)	(461)
Remeasurements of defined benefit plans	440	<u>(1,857)</u>
Total accumulated other comprehensive income	<u>19,404</u>	<u>10,969</u>
Subscription rights to shares	116	116
Non-controlling interests	<u>31,828</u>	<u>12,862</u>
Total net assets	<u>203,108</u>	<u>70,359</u>
Total liabilities and net assets	<u>416,769</u>	<u>281,615</u>

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	<u>532,818</u>
Cost of sales	301,355	<u>315,732</u>
Gross profit	223,221	<u>217,085</u>
Selling, general and administrative expenses	206,159	<u>215,483</u>
<u>Operating income</u>	17,062	<u>1,601</u>
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	<u>962</u>
Loss on sales and retirement of non-current assets	50	35
Foreign exchange losses	5,867	<u>837</u>
Loss on valuation of derivatives	–	<u>542</u>
Settlement money	1,104	–
Other	2,143	2,333
Total non-operating expenses	9,753	<u>4,711</u>
Ordinary income (loss)	10,391	<u>(2,298)</u>
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	<u>(89,087)</u>
Income taxes - current	7,037	<u>12,514</u>
Income taxes - deferred	2,998	965
Total income taxes	10,036	<u>13,479</u>
Loss	(331)	<u>(102,566)</u>
Profit attributable to non-controlling interests	818	<u>882</u>
Loss attributable to owners of parent	(1,149)	<u>(103,449)</u>

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Loss	(331)	<u>(102,566)</u>
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	<u>(7,268)</u>
Minimum pension liability adjustment	(593)	202
Remeasurements of defined benefit plans, net of tax	2,213	<u>(2,290)</u>
Total other comprehensive income	18,057	<u>(9,327)</u>
Comprehensive income	17,726	<u>(111,894)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,471	<u>(111,884)</u>
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-control ling 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			(103,449)		(103,449)
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares		5		37	42
Net changes of items other than shareholders' equity					
Total changes of items during period	–	5	(105,371)	18	(105,347)
Balance at end of current period	39,970	52,970	(41,006)	(5,523)	46,411

	Accumulated other comprehensive income						Subscription rights to shares	Non-control ling 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									(103,449)
Purchase of treasury shares									(18)
Disposal of treasury shares									42
Net changes of items other than shareholders' equity	(37)	67	(6,274)	106	(2,297)	(8,435)	(0)	(18,965)	(27,401)
Total changes of items during period	(37)	67	(6,274)	106	(2,297)	(8,435)	(0)	(18,965)	(132,749)
Balance at end of current period	1,476	71	11,740	(461)	(1,857)	10,969	116	12,862	70,359

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	<u>(89,087)</u>
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	<u>962</u>
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	<u>1,708</u>
Decrease (increase) in inventories	(1,240)	<u>(2,348)</u>
Increase (decrease) in notes and accounts payable - trade	6,296	<u>(15,665)</u>
Other, net	(22,248)	<u>12,335</u>
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	<u>22,952</u>	<u>4,567</u>
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	<u>(14,772)</u>	<u>(9,789)</u>

(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