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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 8, 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
 Inquiries: Senior Manager of Corporate Communications Division Takashi Mizuno TEL 03-6830-9151
 Scheduled date to file Quarterly Securities Report: November 11, 2016
 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, 2016 (from April 1, 2016 to September 30, 2016)

(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, 2016	243,412	(8.1)	6,443	–	7,560	–	4,310	–
Six months ended September 30, 2015	264,757	3.3	122	(98.9)	(1,679)	–	(73,604)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	15.69	15.67
Six months ended September 30, 2015	(268.04)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	251,645	63,036	20.9
As of March 31, 2016	281,615	70,359	20.4

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, 2016	–	0.00	–	0.00	0.00
Year ending March 31, 2017	–	0.00	–	–	–
Year ending March 31, 2017 (Forecast)	–	–	–	–	–

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
Full year	490,000	(8.0)	14,000	873.9	13,000	–	5,000	–	18.20

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016
(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: No
- 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, 2016	288,145,704 shares	As of March 31, 2016	288,145,704 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	13,439,511 shares	As of March 31, 2016	13,505,268 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, 2016	274,663,320 shares	Six months ended September 30, 2015	274,604,148 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	22,217	32,748
Notes and accounts receivable - trade	76,470	59,892
Merchandise and finished goods	38,468	34,974
Work in process	1,960	1,801
Raw materials and supplies	6,428	5,547
Other	51,922	39,783
Allowance for doubtful accounts	(2,774)	(2,579)
Total current assets	194,694	172,168
Non-current assets		
Property, plant and equipment	31,345	29,520
Intangible assets		
Goodwill	8,633	6,818
Other	8,307	7,791
Total intangible assets	16,940	14,609
Investments and other assets		
Other	38,637	35,384
Allowance for doubtful accounts	(61)	(74)
Total investments and other assets	38,576	35,310
Total non-current assets	86,862	79,440
Deferred assets	59	36
Total assets	281,615	251,645

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	71,175	61,121
Short-term loans payable	3,407	1,184
Accounts payable - other	29,557	28,471
Income taxes payable	3,643	3,156
Other	50,819	46,424
Total current liabilities	158,604	140,359
Non-current liabilities		
Net defined benefit liability	38,687	37,583
Other	13,965	10,666
Total non-current liabilities	52,652	48,249
Total liabilities	211,256	188,609
Net assets		
Shareholders' equity		
Capital stock	39,970	39,970
Capital surplus	52,970	52,981
Retained earnings	(41,006)	(36,696)
Treasury shares	(5,523)	(5,496)
Total shareholders' equity	46,411	50,760
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,476	1,309
Deferred gains or losses on hedges	71	(1)
Foreign currency translation adjustment	11,740	3,024
Amount of minimum pension debt adjustment	(461)	(500)
Remeasurements of defined benefit plans	(1,857)	(1,948)
Total accumulated other comprehensive income	10,969	1,884
Subscription rights to shares	116	120
Non-controlling interests	12,862	10,270
Total net assets	70,359	63,036
Total liabilities and net assets	281,615	251,645

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, 2015	Six months ended September 30, 2016
Net sales	264,757	243,412
Cost of sales	152,257	141,372
Gross profit	112,500	102,039
Selling, general and administrative expenses	112,378	95,596
Operating income	122	6,443
Non-operating income		
Interest income	285	134
Dividend income	64	66
Foreign exchange gains	413	2,004
Other	225	212
Total non-operating income	988	2,418
Non-operating expenses		
Interest expenses	407	336
Loss on sales and retirement of non-current assets	103	58
Loss on valuation of derivatives	987	155
Other	1,291	751
Total non-operating expenses	2,790	1,301
Ordinary income (loss)	(1,679)	7,560
Extraordinary losses		
Impairment loss	66,246	–
Restructuring cost	626	783
Loss on transfer of business	290	–
Total extraordinary losses	67,163	783
Profit (loss) before income taxes	(68,843)	6,776
Income taxes	3,966	3,359
Profit (loss)	(72,809)	3,416
Profit (loss) attributable to non-controlling interests	795	(894)
Profit (loss) attributable to owners of parent	(73,604)	4,310

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit (loss)	(72,809)	3,416
Other comprehensive income		
Valuation difference on available-for-sale securities	68	(168)
Deferred gains or losses on hedges	(0)	(72)
Foreign currency translation adjustment	(441)	(10,100)
Minimum Pension Liability Adjustment	(1)	(27)
Remeasurements of defined benefit plans, net of tax	313	(89)
Total other comprehensive income	(61)	(10,458)
Comprehensive income	(72,870)	(7,041)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(73,440)	(4,774)
Comprehensive income attributable to non-controlling interests	570	(2,267)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit (loss) before income taxes	(68,843)	6,776
Depreciation	10,133	7,915
Impairment loss	66,246	–
Increase (decrease) in allowance for doubtful accounts	(150)	224
Increase (decrease) in net defined benefit liability	377	(91)
Interest and dividend income	(349)	(200)
Interest expenses	407	336
Loss (gain) on sales and retirement of property, plant and equipment	103	58
Restructuring cost	626	783
Loss (gain) on transfer of business	290	–
Decrease (increase) in notes and accounts receivable - trade	5,375	8,701
Decrease (increase) in inventories	(2,890)	1,088
Increase (decrease) in notes and accounts payable - trade	(15,755)	(1,984)
Other, net	(1,577)	3,094
Subtotal	(6,006)	26,702
Interest and dividend income received	295	184
Interest expenses paid	(356)	(381)
Income taxes paid	(4,153)	(2,459)
Net cash provided by (used in) operating activities	(10,221)	24,045
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,765)	(2,916)
Proceeds from sales of property, plant and equipment	531	69
Purchase of intangible assets	(1,685)	(1,090)
Proceeds from transfer of business	600	–
Purchase of investment securities	(12)	(7)
Net decrease (increase) in short-term loans receivable	(1,091)	(6)
Payments of long-term loans receivable	(3)	(21)
Collection of long-term loans receivable	8	5
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,279)	–
Other, net	81	45
Net cash provided by (used in) investing activities	(8,617)	(3,922)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	22,792	(2,072)
Repayments of finance lease obligations	(1,488)	(1,421)
Purchase of treasury shares	(12)	(3)
Cash dividends paid	(1,921)	(2)
Dividends paid to non-controlling interests	(895)	(323)
Other, net	42	39
Net cash provided by (used in) financing activities	18,516	(3,784)
Effect of exchange rate change on cash and cash equivalents	49	(6,234)
Net increase (decrease) in cash and cash equivalents	(272)	10,103
Cash and cash equivalents at beginning of period	54,964	22,660
Cash and cash equivalents at end of period	54,692	32,764