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Consolidated Financial Results for the Nine Months Ended December 31, 2017 [Japanese GAAP]

February 14, 2018

Company name: TOSHIBA TEC CORPORATION

Stock exchange listing: Tokyo

Code number: 6588

URL: <http://www.toshibatec.co.jp/>

Representative: Takayuki Ikeda

President and CEO

Contact: Takashi Mizuno

Senior Manager of Corporate Communications Division

Phone: 03-6830-9151

Scheduled date of filing quarterly securities report: February 14, 2018

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2017 (April 01, 2017 to December 31, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2017	371,933	2.0	17,223	64.2	15,950	64.5	11,766	136.8
December 31, 2016	364,794	(7.5)	10,488	220.2	9,698	-	4,968	-

(Note) Comprehensive income: Nine months ended December 31, 2017: ¥ 16,195 million [410.9%]
 Nine months ended December 31, 2016: ¥ 3,170 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2017	42.83	42.78
December 31, 2016	18.08	18.06

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2017	284,171	90,197	27.9
March 31, 2017	269,393	76,047	24.3

(Reference) Equity: As of December 31, 2017: ¥ 79,151 million
 As of March 31, 2017: ¥ 65,406 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2017	-	0.00	-	2.00	2.00
Fiscal year ending March 31, 2018	-	3.00	-		
Fiscal year ending March 31, 2018 (Forecast)				3.00	6.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018(April 01, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	505,000	1.5	20,000	36.5	18,000	43.6	12,500	61.1	45.50

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2017

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

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

December 31, 2017: 288,145,704 shares

March 31, 2017: 288,145,704 shares

2) Total number of treasury shares at the end of the period:

December 31, 2017: 13,435,524 shares

March 31, 2017: 13,414,545 shares

3) Average number of shares during the period:

Nine months ended December 31, 2017: 274,722,856 shares

Nine months ended December 31, 2016: 274,688,911 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2017	As of December 31,2017
Assets		
Current assets		
Cash and deposits	46,129	52,632
Notes and accounts receivable - trade	63,769	57,402
Merchandise and finished goods	32,849	43,892
Work in process	1,629	2,280
Raw materials and supplies	6,100	9,484
Other	40,460	38,798
Allowance for doubtful accounts	(2,572)	(1,906)
Total current assets	188,367	202,583
Non-current assets		
Property, plant and equipment	29,068	29,107
Intangible assets		
Goodwill	6,053	4,860
Other	8,263	8,638
Total intangible assets	14,317	13,499
Investments and other assets		
Other	38,295	39,681
Allowance for doubtful accounts	(655)	(701)
Total investments and other assets	37,640	38,979
Total non-current assets	81,026	81,587
Total assets	269,393	284,171

(Million yen)

	As of March 31,2017	As of December 31,2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	61,860	68,643
Short-term loans payable	1,048	536
Income taxes payable	5,485	4,646
Other	74,681	71,473
Total current liabilities	143,076	145,300
Non-current liabilities		
Net defined benefit liability	35,066	34,333
Other	15,203	14,340
Total non-current liabilities	50,269	48,673
Total liabilities	193,346	193,973
Net assets		
Shareholders' equity		
Capital stock	39,970	39,970
Capital surplus	11	12
Retained earnings	19,722	30,115
Treasury shares	(5,488)	(5,503)
Total shareholders' equity	54,217	64,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,581	2,226
Deferred gains or losses on hedges	(6)	(16)
Foreign currency translation adjustment	8,927	11,396
Minimum pension liability adjustments	(720)	(783)
Remeasurements of defined benefit plans	1,407	1,732
Total accumulated other comprehensive income	11,189	14,556
Subscription rights to shares	104	153
Non-controlling interests	10,537	10,892
Total net assets	76,047	90,197
Total liabilities and net assets	269,393	284,171

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2016	For the nine months ended December 31,2017
Net sales	364,794	371,933
Cost of sales	211,732	219,248
Gross profit	153,062	152,685
Selling, general and administrative expenses	142,573	135,462
Operating profit	10,488	17,223
Non-operating income		
Interest income	208	404
Dividend income	87	89
Foreign exchange gains	1,993	-
Other	239	297
Total non-operating income	2,529	791
Non-operating expenses		
Interest expenses	497	449
Loss on valuation of derivatives	1,579	140
Foreign exchange losses	-	125
Loss on sales and retirement of non-current assets	121	60
Other	1,120	1,286
Total non-operating expenses	3,318	2,063
Ordinary profit	9,698	15,950
Extraordinary income		
Gain on sales of investment securities	-	274
Gain on sales of shares of subsidiaries	-	238
Gain on reversal of foreign currency translation adjustment	-	444
Total extraordinary income	-	957
Extraordinary losses		
Restructuring cost	877	138
Total extraordinary losses	877	138
Profit before income taxes	8,821	16,770
Income taxes	4,629	3,897
Profit	4,192	12,872
Profit (loss) attributable to non-controlling interests	(776)	1,106
Profit attributable to owners of parent	4,968	11,766

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2016	For the nine months ended December 31,2017
Profit	4,192	12,872
Other comprehensive income		
Valuation difference on available-for-sale securities	206	642
Deferred gains or losses on hedges	(23)	(9)
Foreign currency translation adjustment	(1,320)	2,415
Minimum pension liability adjustment	(67)	(63)
Remeasurements of defined benefit plans, net of tax	183	336
Total other comprehensive income	(1,021)	3,322
Comprehensive income	3,170	16,195
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,022	15,133
Comprehensive income attributable to non-controlling interests	(852)	1,061