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## Consolidated Financial Results for the Three Months Ended June 30, 2019 [Japanese GAAP]

August 07, 2019

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: August 09, 2019

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 Three Months Ended June 30, 2019 (April 01, 2019 to June 30, 2019)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
June 30, 2019	116,554	1.9	4,098	(4.0)	4,209	25.5	4,202	161.2
June 30, 2018	114,404	(1.1)	4,268	26.9	3,355	9.9	1,608	10.2

(Note) Comprehensive income: Three months ended June 30, 2019: ¥ 1,561 million [ (15.6) %]

Three months ended June 30, 2018: ¥ 1,849 million [ (13.0) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2019	76.46	76.38
June 30, 2018	29.27	29.24

(Note) The Company carried out the share consolidation at a ratio of one for every five common shares, effective on October 01, 2018. Accordingly, the figures for basic earnings per share and diluted earnings per share have been calculated assuming that the share consolidation was executed at the beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of			
June 30, 2019	294,651	100,624	31.0
March 31, 2019	275,055	100,758	33.0

(Reference) Equity: As of June 30, 2019: ¥ 91,207 million

As of March 31, 2019: ¥ 90,898 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, 2019	-	4.00	-	30.00	-
Fiscal year ending March 31, 2020	-				
Fiscal year ending March 31, 2020 (Forecast)		20.00	-	40.00	60.00

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

The Company carried out the share consolidation at a ratio of one for every five common shares, effective on October 01, 2018. Accordingly, the amount of the year-end dividend per share for the year ended March 31, 2019 takes this share consolidation into account and disclosure of the total annual dividends per share is described as "-".

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020(April 01, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2019	235,000	(0.5)	8,000	11.3	7,000	18.7	4,600	6.8	83.70
Full year	480,000	0.7	20,000	11.2	18,000	9.3	12,000	7.0	218.36

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2019

(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: Yes

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):

June 30, 2019: 57,629,140 shares

March 31, 2019: 57,629,140 shares

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

June 30, 2019: 2,671,002 shares

March 31, 2019: 2,670,805 shares

3) Average number of shares during the period:

Three months ended June 30, 2019: 54,958,298 shares

Three months ended June 30, 2018: 54,940,482 shares

(Note)The Company carried out the share consolidation at a ratio of one for every five common shares, effective on October 01, 2018. Accordingly, average number of shares during the period have been calculated assuming that the stock split was executed at the beginning of the previous fiscal year.

Quarterly Consolidated Financial Statement  
Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	45,501	56,738
Group deposits paid	9,996	5,078
Notes and accounts receivable - trade	60,054	53,210
Merchandise and finished goods	34,775	35,435
Work in process	1,905	5,849
Raw materials and supplies	6,584	7,998
Other	31,888	30,174
Allowance for doubtful accounts	(1,443)	(1,458)
Total current assets	189,263	193,027
Non-current assets		
Property, plant and equipment	28,290	44,446
Intangible assets		
Goodwill	3,691	3,303
Other	10,055	9,811
Total intangible assets	13,746	13,115
Investments and other assets		
Other	43,909	44,207
Allowance for doubtful accounts	(153)	(145)
Total investments and other assets	43,755	44,061
Total non-current assets	85,792	101,624
<b>Total assets</b>	<b>275,055</b>	<b>294,651</b>

(Million yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	56,215	58,750
Short-term loans payable	383	374
Income taxes payable	1,800	2,069
Other	68,374	72,748
Total current liabilities	126,774	133,944
Non-current liabilities		
Net defined benefit liability	34,621	34,419
Other	12,901	25,663
Total non-current liabilities	47,523	60,082
Total liabilities	174,297	194,026
<b>Net assets</b>		
Shareholders' equity		
Capital stock	39,970	39,970
Retained earnings	45,103	47,611
Treasury shares	(5,474)	(5,475)
Total shareholders' equity	79,599	82,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,835	1,532
Deferred gains or losses on hedges	21	(12)
Foreign currency translation adjustment	9,111	7,302
Minimum pension liability adjustment	(458)	(452)
Remeasurements of defined benefit plans	788	730
Total accumulated other comprehensive income	11,298	9,100
Subscription rights to shares	147	147
Non-controlling interests	9,712	9,269
Total net assets	100,758	100,624
<b>Total liabilities and net assets</b>	<b>275,055</b>	<b>294,651</b>

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

(Million yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Net sales	114,404	116,554
Cost of sales	65,855	67,922
Gross profit	48,549	48,632
Selling, general and administrative expenses	44,280	44,534
Operating profit	4,268	4,098
Non-operating income		
Interest income	117	73
Dividend income	23	58
Foreign exchange gains	25	303
Other	94	147
Total non-operating income	261	582
Non-operating expenses		
Interest expenses	88	99
Loss on valuation of derivatives	807	143
Other	279	228
Total non-operating expenses	1,175	471
Ordinary profit	3,355	4,209
Extraordinary losses		
Restructuring cost	-	127
Total extraordinary losses	-	127
Profit before income taxes	3,355	4,081
Income taxes	1,662	34
Profit	1,692	4,047
Profit (loss) attributable to non-controlling interests	84	(155)
Profit attributable to owners of parent	1,608	4,202

Quarterly Consolidated Statement of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Profit	1,692	4,047
Other comprehensive income		
Valuation difference on available-for-sale securities	107	(303)
Deferred gains or losses on hedges	19	(33)
Foreign currency translation adjustment	(22)	(2,096)
Minimum pension liability adjustment	(2)	6
Remeasurements of defined benefit plans, net of tax	55	(58)
Total other comprehensive income	156	(2,485)
Comprehensive income	1,849	1,561
Comprehensive income attributable to		
Owners of parent	1,489	2,003
Non-controlling interests	360	(442)

## Notes to Quarterly Consolidated Financial Statement

(Changes in Accounting Policies)

(Application of IFRS 16 “Leases” and ASU 2016-02 “Leases” )

The Company's overseas consolidated subsidiaries have applied IFRS 16 “Leases” and ASU 2016-02 “Leases” from the first quarter of the fiscal year ending March 31, 2020. Under this standard, the lessee should in principle recognize assets and liabilities arising from all leases.

In applying IFRS 16 “Leases” and ASU 2016-02 “Leases” the Company has adopted a method that recognizes the cumulative effect of applying this standard on the effective date of application as a transitional measure as of the beginning of the first quarter of the fiscal year ending March 31, 2020.

As a result, as of the beginning of the first quarter of the fiscal year ending March 31, 2020, mainly leased assets increased by 18,680 million yen, lease obligations in current liabilities increased by 4,495 million yen, lease obligations in non-current liabilities increased by 14,230 million yen, and retained earnings decreased by 45 million yen. The impact of the application of said accounting standard on profit and loss for the first quarter of the fiscal year under review was insignificant.