

TOSHIBA

Leading Innovation >>>



FY2016 Consolidated Business Results

TOSHIBA TEC CORPORATION

May 12, 2017

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1. Key Messages

2. FY2016 Consolidated Business Results

3. FY2017 Forecast

Key Messages

Shift back to growth after reforming the overseas retail solutions business

- **Significant increase in Operating Profit, Ordinary Profit and Net Income in FY2016**

Profitability in the retail solutions business has improved significantly. The domestic retail solutions business achieved record sales and O/I.

- **Recovery of overseas retail solutions business**

The overseas retail solutions business was in the black in FY2016 due to steady progresses of the GCS's structural reform.

- **Dividend policy**

Toshiba Tec will resume distributing dividends owing to the significant improvement of business results in FY2016.

- **Resource injection in FY2017**

Toshiba Tec plans to increase capital investment by approximately 50% to 19.0 billion yen over the previous year, as well as increase R&D.

Key Messages

Achieve independent management by securing Toshiba Tec's unique position in the Toshiba Group

- **Toshiba announced that “Toshiba Tec’s retail and printing business is a part of the infrastructure business domains”**
The infrastructure business domain is one of Toshiba’s focus business fields. Synergy is expected among the Toshiba Group products and Toshiba Tec’s global customer base.
- **Financial arrangements and investment**
Toshiba Tec has neither loans payable to Toshiba nor group deposits paid. Toshiba Tec implements its own financial strategy.
- **R&D, Production, Sales**
Toshiba Tec’s main products such as POS and MFP are developed and produced at its own facilities in Japan and overseas. Sales to Toshiba account for less than 0.1% of the total.

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1. Key Messages

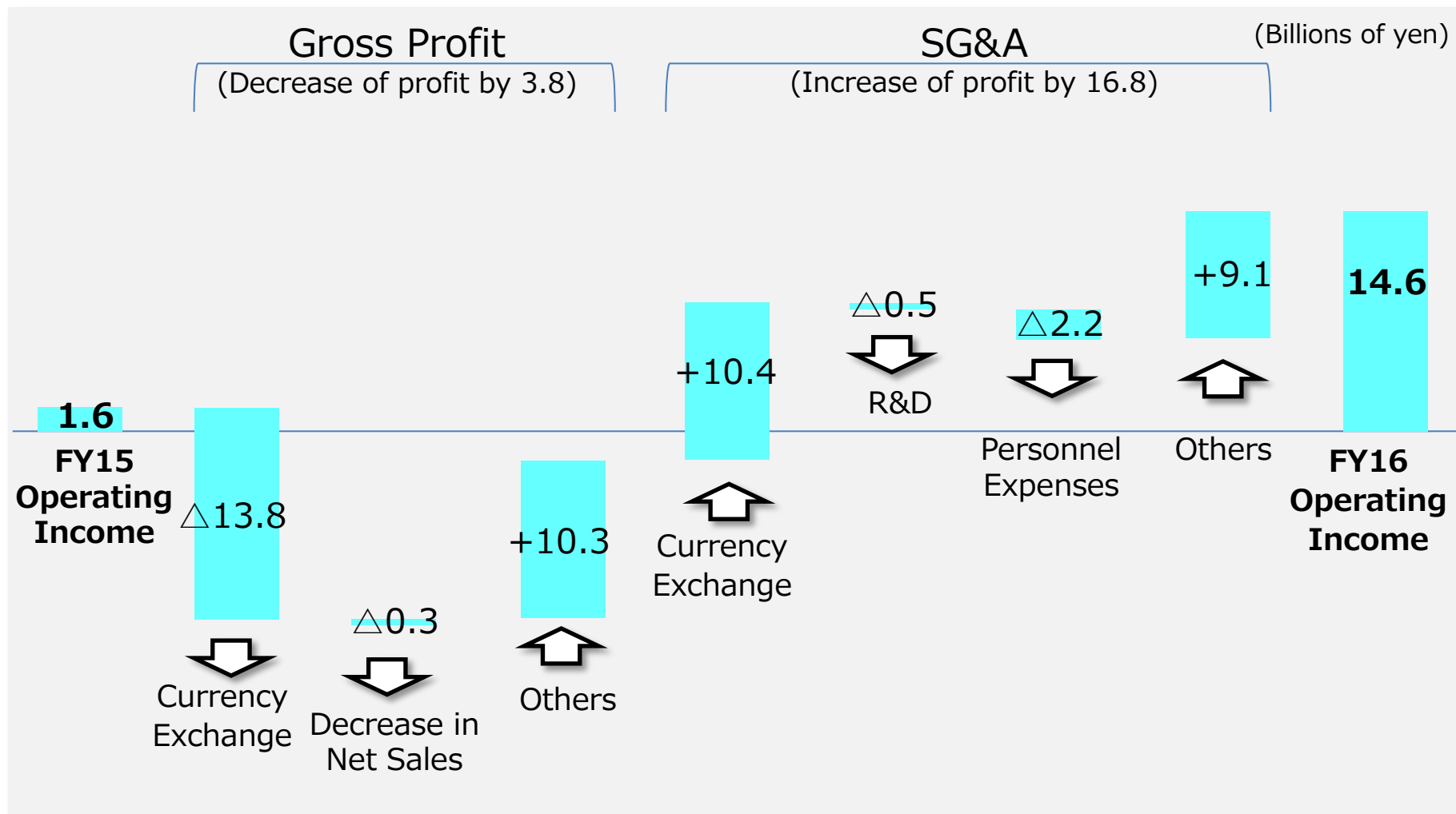
2. FY2016 Consolidated Business Results

3. FY2017 Forecast

FY2016 Business Results

(Billions of Yen)		FY2016 Actual	FY2016 Forecast	FY2015 Actual	Difference	
					vs. FY2016 FC	vs. FY2015
Net Sales		497.6	490.0	532.8	+7.6	△35.2
Operating Income		14.6	14.0	1.6	+0.6	+13.0
(Rate of sales)		(2.9%)	(2.9%)	(0.3%)		
Ordinary Income (△Loss)		12.5	13.0	△2.3	△0.5	+14.8
(Rate of sales)		(2.5%)	(2.7%)	(△0.4%)		
Net Income (△Loss)		7.8	5.0	△103.4	+2.8	+111.2
(Rate of sales)		(1.6%)	(1.0%)	(△19.4%)		
Foreign currency exchange rate	US\$	108.73	108.00	120.77	+0.73	△12.04
	EUR	119.30	118.00	132.74	+1.30	△13.44

Operating Income Analysis of FY2016

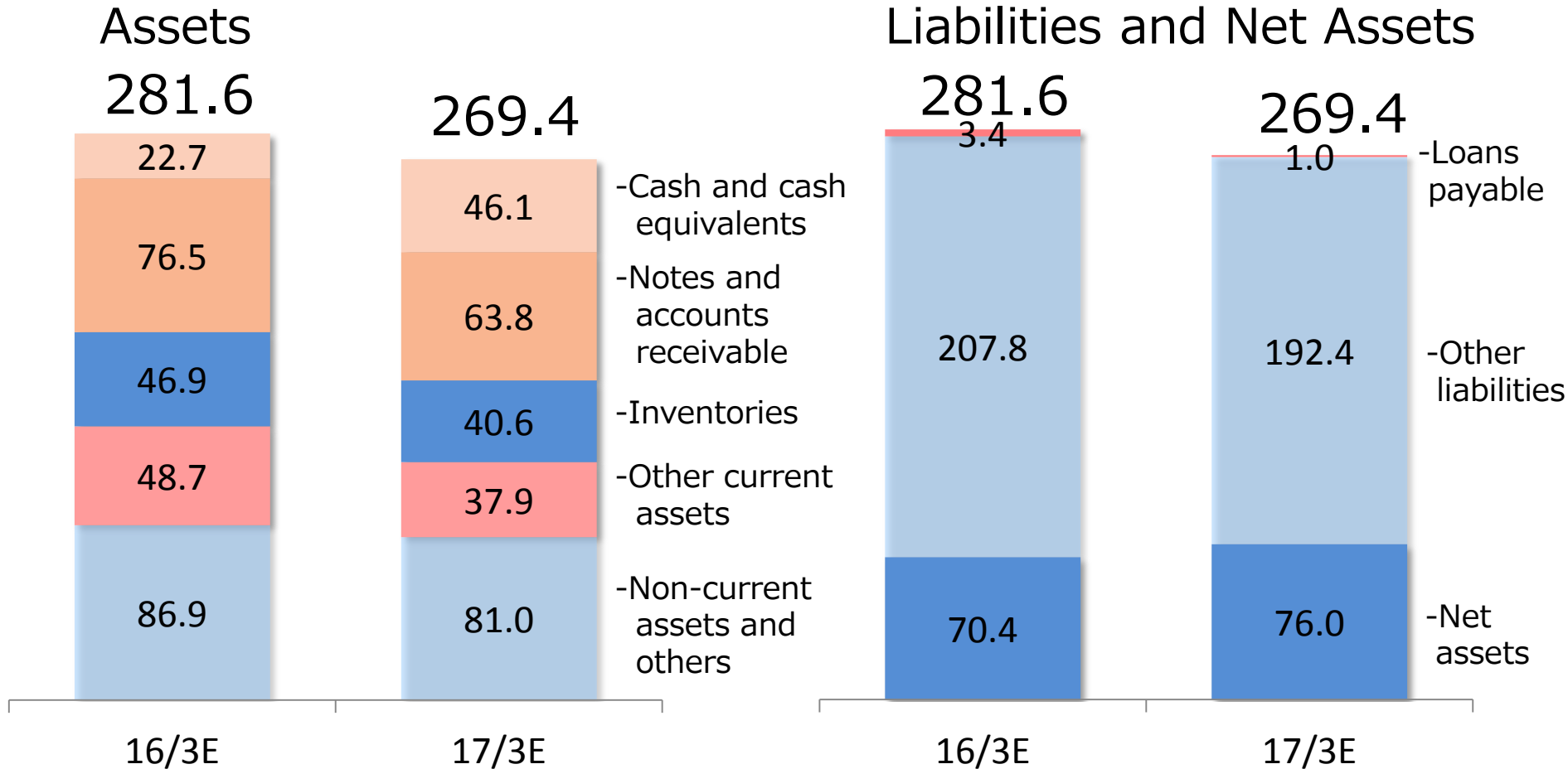


FY2016 Business Results by Segment

	(Billions of yen)	FY2016 Actual	FY2016 Forecast	FY2015 Actual	Difference	
					vs. FY2016 FC	vs. FY2015
Retail Solutions Business Group	Net Sales	320.8	314.0	324.8	+6.8	△4.0
	Operating Income (△Loss)	11.3	8.5	△11.5	+2.8	+22.7
	(Rate of Sales)	(3.5%)	(2.7%)	(△3.5%)		
Printing Solutions Business Group	Net Sales	189.1	189.0	220.2	+0.1	△31.0
	Operating Income	3.4	5.5	13.1	△2.1	△9.7
	(Rate of Sales)	(1.8%)	(2.9%)	(5.9%)		
Consolidated Total	Net Sales	497.6	490.0	532.8	+7.6	△35.2
	Operating Income	14.6	14.0	1.6	+0.6	+13.0
	(Rate of Sales)	(2.9%)	(2.9%)	(0.3%)		

Balance Sheet

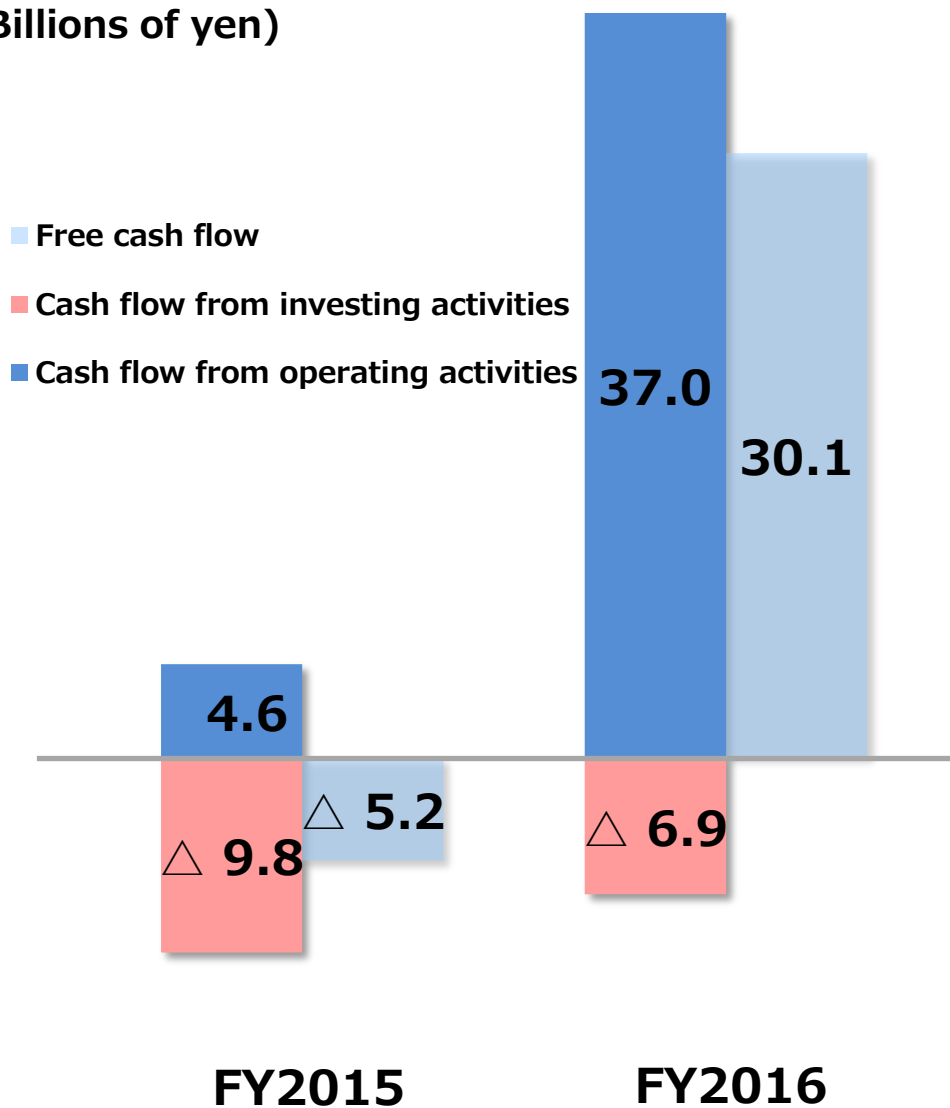
(Billions of yen)



Equity ratio improved significantly owing to the recovery of business performance, as well as the reduction of inventory and the control of notes and accounts receivable.

FY2016 Cash Flow

(Billions of yen)



Cash flows improved significantly owing to the recovery of business performance, as well as the reduction of inventory and control of notes and accounts receivable.

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FY2017 Forecast, Overall

(Billions of Yen)		FY2017 Forecast	FY2016 Actual	Difference vs. FY2016
Net Sales		490.0	497.6	△7.6
Operating Income		16.0	14.6	+1.4
	(Rate of sales)	(3.3%)	(2.9%)	
Ordinary Income		13.0	12.5	+0.5
	(Rate of sales)	(2.7%)	(2.5%)	
Net Income		6.0	7.8	△1.8
	(Rate of sales)	(1.2%)	(1.6%)	
Foreign currency exchange rate	US\$	100.00	108.73	△8.73
	EUR	110.00	119.30	△9.30

FY2017 Forecast by Segment

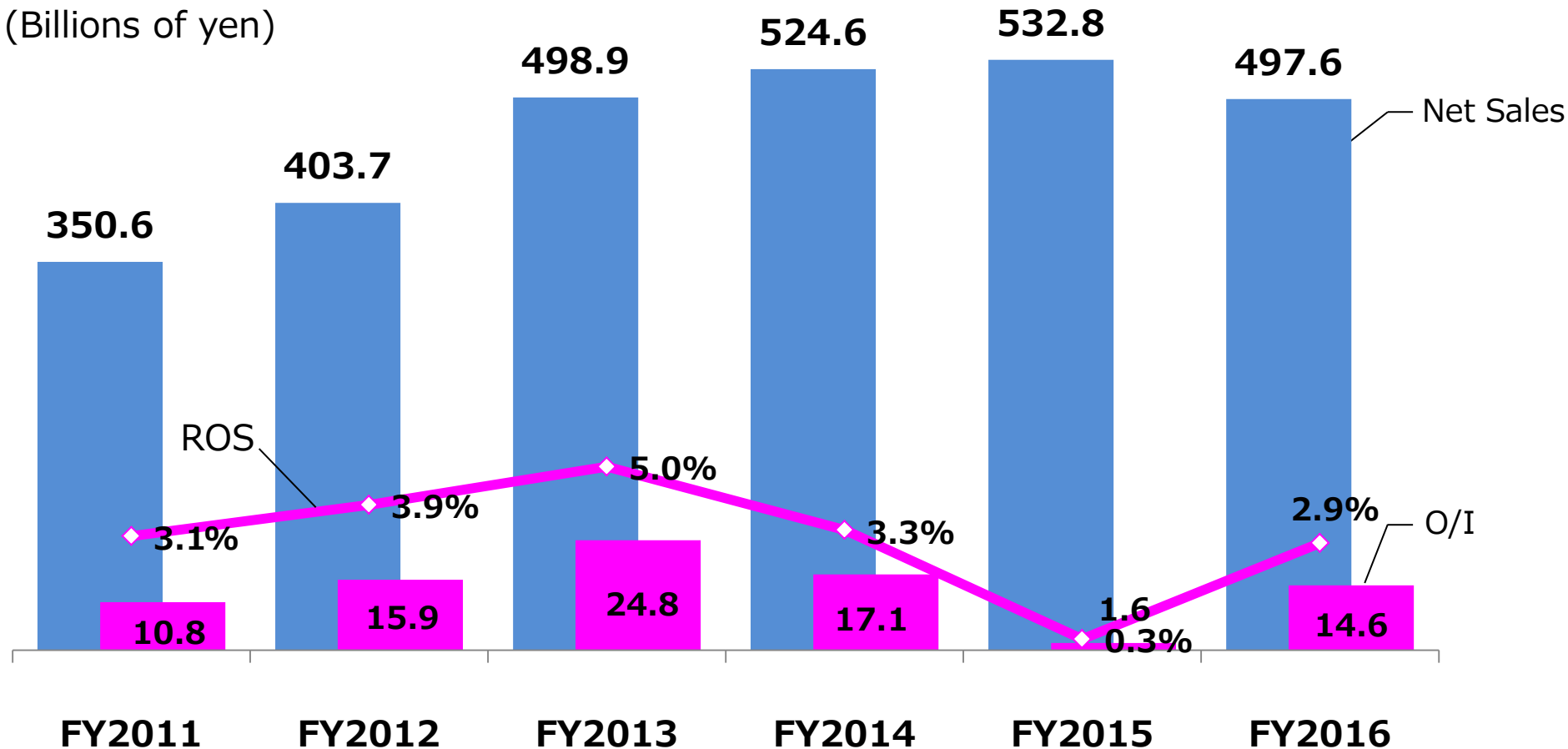
(Billions of yen)		FY2017 Forecast	FY2016 Actual	Difference vs. FY2016
Retail Solutions Business Group	Net Sales	314.0	320.8	△6.8
	Operating Income (Rate of Sales)	10.0 (3.2%)	11.3 (3.5%)	△1.3
Printing Solutions Business Group	Net Sales	188.0	189.1	△1.1
	Operating Income (Rate of Sales)	6.0 (3.2%)	3.4 (1.8%)	+2.6
Consolidated Total	Net Sales	490.0	497.6	△7.6
	Operating Income (Rate of Sales)	16.0 (3.3%)	14.6 (2.9%)	+1.4

Appendix

Sales & Operating Income of the last 6 years

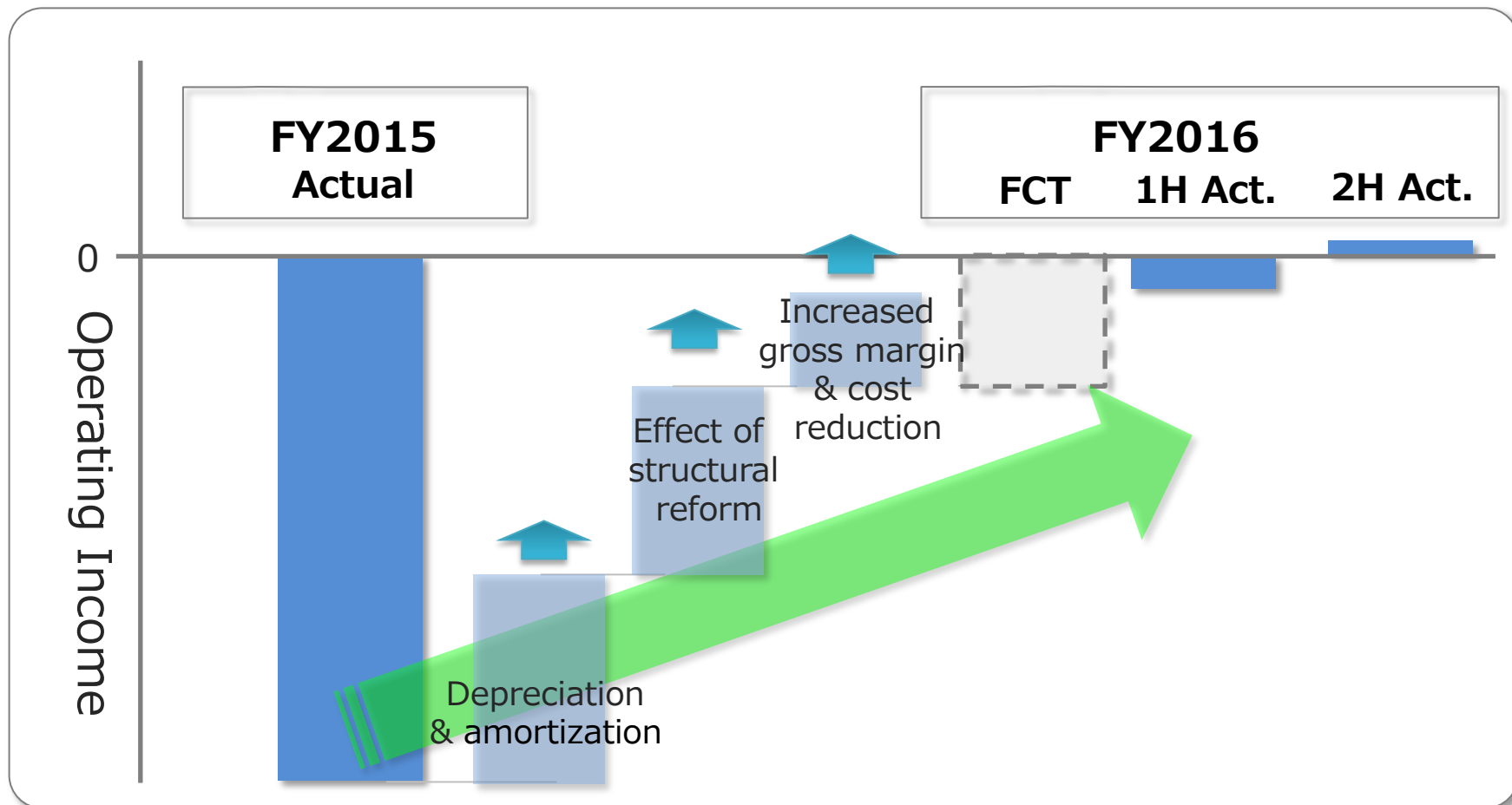
The successful business recovery in FY2016 is leading to a growth phase

(Billions of yen)



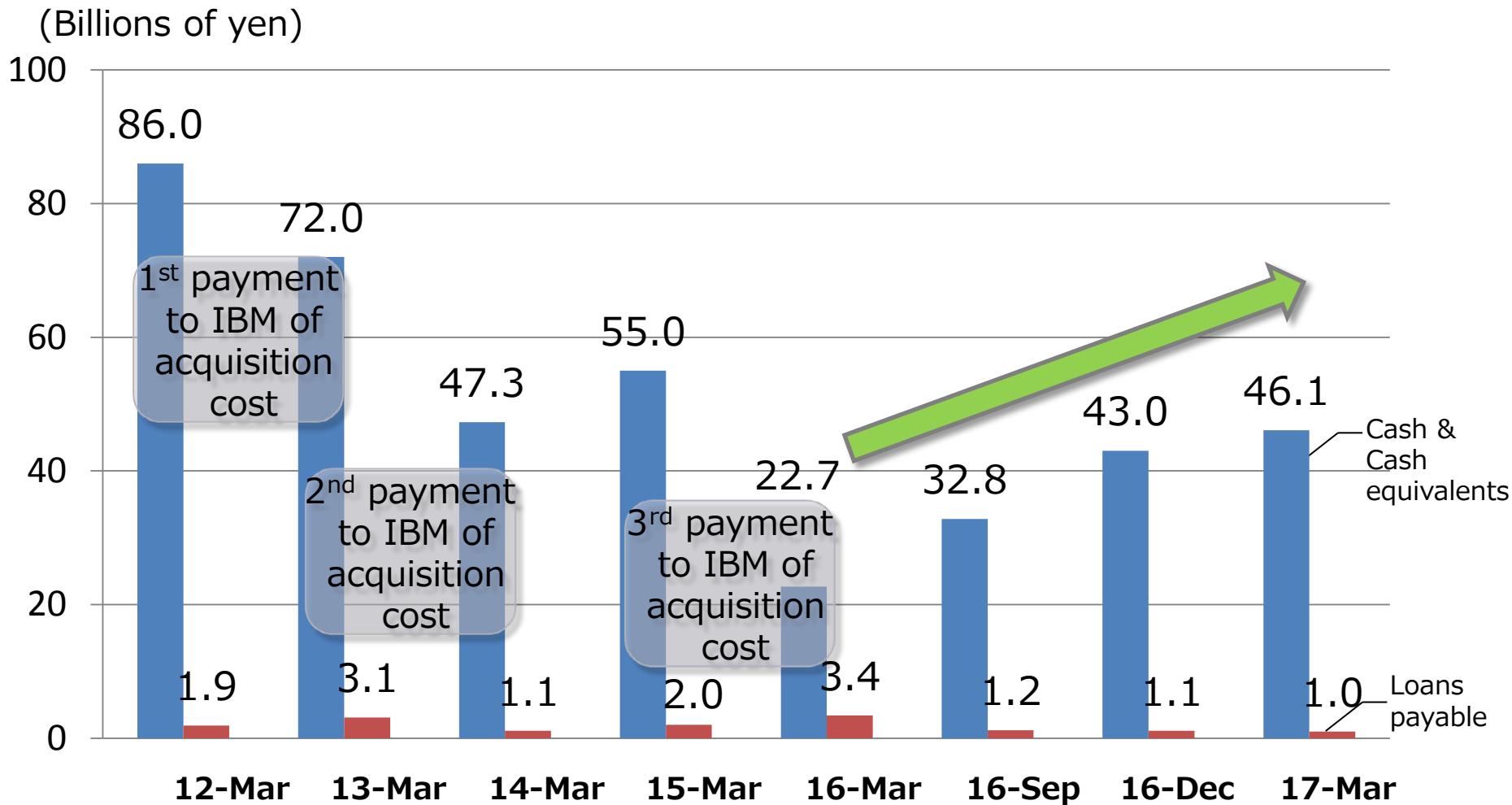
Operating Income of GCS

Profits achieved in FY2016/2H



Recent trend of Toshiba Tec's cash position

A healthy financial position allows us to adopt flexible growth strategies moving forward



Topics (Japan Market)

Expansion of solutions business through collaboration with business partners

Field test of world-first electronic receipt system (equipped with personal data protection function)

Initiate business collaboration with ABEJA, a strong solution provider in the AI field

Launch restaurant “ebica reservation book” service

Launch “O:der(order)” , pre-order/pre-payment service for restaurants

Field test to visualize pre-purchase information by using RFID technology with Adastria

Delivery of RFID readable self-checkout system to GU, one of the group companies of the Fast Retailing Group

<Field test of electronic receipt system>



<ebica>



<O:der>

<Field test to visualize pre-purchase information>



Forward-looking statements concerning TOSHIBA TEC's future performance contained in this presentation represent certain reasonable assumptions based on economic, financial and competitive data and information currently available. However, actual results will be affected by the business and competitive environment and may differ materially from forecasts.

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