TOSHIBA

Leading Innovation

2016 Annual Report

For the Year Ended March 31, 2016

TOSHIBA TEC CORPORATION

Financial Highlights

Years ended March 31

Consolidated	Millions of yen 2012	2013	2014	2015	2016	Thousands of U.S. dollars 2016
Net sales	¥350,604	¥403,694	¥498,895	¥524,577	¥532,818	$4,728,595
Operating income	10,830	15,886	24,801	17,063	1,602	14,217
Net income (loss) attributable to owners of parent	2,566	6,212	7,449	(1,149)	(103,450)	(918,084)
Total assets	276,436	388,513	393,137	416,769	281,616	2,499,253
Net assets	139,732	176,558	186,033	203,108	70,359	624,415
	Yen					U.S. dollars
Per share data:						
Net income (loss) attributable to owners of parent-Basic	¥9.35	¥22.64	¥27.14	¥(4.18)	¥(376.69)	$(3.343)
Net assets	472.36	549.42	578.90	623.35	208.93	1.854

Non-Consolidated	Millions of yen 2012	2013	2014	2015	2016	Thousands of U.S. dollars 2016
Net sales	¥224,933	¥233,686	¥261,259	¥265,840	¥261,496	$2,320,697
Operating income (loss)	3,226	2,557	7,744	8,349	(3,248)	(28,822)
Net income (loss)	2,421	3,901	2,355	9,376	(115,933)	(1,028,872)
Capital stock	39,971	39,971	39,971	39,971	39,971	354,729
Total assets	226,188	244,368	257,507	293,447	189,624	1,682,851
Net assets	125,273	127,428	127,812	136,109	18,301	162,416
	Yen					U.S. dollars
Per share data:						
Net income (loss)-Basic	¥8.82	¥14.22	¥8.58	¥34.15	¥(422.15)	$(3.746)
Cash dividends	7.00	8.00	8.00	13.00	–	–
Net assets	456.27	463.99	465.23	495.26	66.21	0.588

The dollar amounts in this report represent translations of yen, for convenience only, at the rate of ¥112.68=US$1.00, the exchange rate prevailing on March 31, 2016.

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Business Review for the Consolidated Fiscal Year 2015

Regarding the global economy in the consolidated fiscal year 2015, the US experienced an economic recovery, while a gradual economic recovery continued in Europe, and in Asia the economy generally decelerated, centered on China. In the Japanese economy, exports weakened due to the slowing down of the Chinese economy, among other factors, and sluggish improvements in personal consumption and capital investment kept the economy from achieving a full-fledged recovery.
Under such circumstances, the Toshiba Tec Group has been diligently working to become “a global one-stop solutions company” under the three pillars of its business strategy, namely “growth of global retail business”, “expansion of solutions and service business”, and “establishment of a steadily profitable organization through cost reduction and productivity improvement”.
Net sales were ¥532,818 million (up 2% compared to the previous consolidated fiscal year), partially owing to the effect of exchange rates. With regard to operating income/loss, owing to such factors as lower profitability in the global commerce solutions business acquired from IBM in August 2012, increased selling, general and administrative expenses in line with additional occurrences such as expenses for new operating systems, revaluation of hardware inventory, and revaluation of software for sale, operating income was ¥1,602 million (down 91% year-on-year). Regarding final profit and loss, in the global commerce solutions business, in line with smaller investment at major customers and reduced projects at new customers, revisions were made to medium-term business plans and sales plans, leading to extraordinary losses such as an impairment loss of ¥84,558 million on non-current assets including goodwill, and net loss attributable to owners of parent of ¥103,450 million (net loss attributable to owners of parent of ¥1,149 million during the previous consolidated fiscal year).
In view of the above harsh conditions, regarding the distribution of surplus for the fiscal year 2015, it is with great regret that no dividends were paid for both interim and year-end dividends. The Toshiba Tec Group asks for the understanding of its shareholders.

Business Highlights for each Report Segment

The business highlights for each report segment in the consolidated fiscal year 2015 are described below.

Retail Solutions Business

The retail solutions business, which deals with POS systems for domestic and overseas markets, and MFPs, Automatic Identification systems and related products for the Japanese market, was committed to developing new products appropriate to market needs, expanding sales of core products, promoting area marketing, along with reinforcing cost competitiveness to improve the profit structure, in what continues to be a severe business environment where investment demand in the retail industry in western countries and Japan lacks strength and competition with rivals remains intense.
In POS systems for the Japanese market, amid a severe business environment due to such factors as revisions to plans for new store openings in the retail industry, although self-service registers and self-ordering systems were strong, sales decreased owing in part to a drop in sales of products for shopping centers.
As for POS systems for overseas markets, although growth was limited owing partially to smaller investment at major customers, sales increased due to factors such as exchange rates.
Sales of MFPs for the Japanese market decreased, attributable in part to a lower number of units sold.
Regarding Automatic Identification systems for the Japanese market, although sales of label printers for the medical industry grew, due to a pullback from a concentration of large-scale projects in the previous consolidated fiscal year, sales decreased.

As a result, net sales from the retail solutions business were ¥324,810 million (an increase of ¥414 million over the previous consolidated fiscal year). Operating loss was ¥11,480 million (an operating loss of ¥420 million during the previous consolidated fiscal year), due to factors such as a decline in profitability in the global commerce solutions business.

Printing Solutions Business

The printing solutions business, which deals with MFPs for overseas markets, Automatic Identification systems and related products for overseas markets, and inkjets for domestic and overseas markets, focused efforts on expanding sales of strategic products, while pioneering vertical markets and new business fields, and expanding sales through the promotion of an alliance strategy, against a difficult business background marked by tough competition.

Concerning MFPs for overseas markets, sales increased due to various factors, including sales promotion activities focused on differentiating our proprietary products and utilizing our customer network, establishing sales bases in Malaysia and Thailand, and the effects of exchange rates, which led to growth in the US market and the Asia market.

In Automatic Identification systems for overseas markets, sales increased due to factors including favorable sales to major customers in the US and sales of products such as high-speed label printers in the European market, along with the effects of exchange rates.

Sales of inkjets increased due to strong sales to customers in Japan, Europe, and Asia.

As a result, net sales from the printing solutions business were ¥220,174 million (up 3% compared to the previous consolidated fiscal year). Operating income was ¥13,082 million (down 25% year-on-year), owing partially to the effects of higher selling, general and administrative expenses.

Note: Automatic Identification (AI) system refers to systems that contain hardware and software to automatically retrieve, identify and manage from barcodes and IC tags.

Forecasts for Fiscal Year 2016

With regard to the global economy, a gradual recovery is expected to continue in the US and Europe. Meanwhile, the economy in Asia is expected to generally decelerate, centered on China. In Japan, the economy is exposed to downside risk, such as the economic slowdown overseas, but a gradual recovery is expected as personal consumption and exports steadily pick up.

Under such circumstances, the Toshiba Tec Group will unite as one, and diligently work to become "a global one-stop solutions company" under the three pillars of its business strategy, namely "growth of global retail business", "expansion of solutions and service business", and "establishment of a steadily profitable organization through cost reduction and productivity improvement".

Main measures on a segment basis for fiscal year 2016 ending March 31, 2017 are as follows:

Retail Solutions Business

In the retail solutions business, efforts will be made to increase business, through expanded sales of POS systems that are leading products in both domestic and overseas markets and of MFPs and Automatic Identification systems as well as related products that are major ones in the Japanese market. Concurrent efforts will be also made toward the provision of total solutions, including the development and release of new ones appropriate to market needs, the deployment of sales and marketing structures tailored to specific regions, the enhancement of service and supply businesses, and the optimization of sales and service networks. Fundamental measures will be devised and implemented aiming at the recovery of business performance in the global commerce solutions business.

Printing Solutions Business

In the printing solutions business, efforts will be made to enhance profitability, through expanded sales of MFPs, Automatic Identification systems and related products that are major ones in overseas markets and of inkjet heads that are important products in both domestic and overseas markets. Also, toward the provision of total solutions that capitalize on a wide range of products and markets, efforts will be made to develop and release strategic new products, deploy sales and marketing structures tailored to specific regions, optimize sales and service networks, and strengthen business in emerging markets.

Consolidated Balance Sheet

March 31, 2016

ASSETS	Millions of yen 2016	Millions of yen 2015	Thousands of U.S. dollars (Note 1) 2016
Current assets			
Cash and cash equivalents	¥22,661	¥54,965	$201,107
Notes and accounts receivable-trade	76,471	81,017	678,652
Inventories	46,858	45,716	415,853
Accounts receivable – other	20,168	20,277	178,986
Deferred tax assets (Note 13)	4,914	8,398	43,608
Prepaid expenses and other current assets	26,397	30,617	234,272
Allowance for doubtful accounts	(2,775)	(1,405)	(24,627)
Total current assets	194,694	239,585	1,727,851
Non-current assets			
Property, plant and equipment:			
Buildings and structures	27,876	31,109	247,389
Machinery, equipment and vehicles	42,957	45,751	381,232
Tools, furniture and fixtures	48,204	49,311	427,798
Land	2,119	2,540	18,807
Lease assets	11,805	11,342	104,769
Accumulated depreciation	(105,199)	(109,239)	(933,614)
Construction in progress	3,583	2,746	31,798
	31,345	33,560	278,179
Intangible assets:			
Goodwill	8,634	36,912	76,621
Customer relationships	711	33,906	6,306
Other	7,596	36,232	67,417
	16,941	107,050	150,344
Investments and other assets:			
Investment securities: (Note 17)			
Unconsolidated subsidiaries and affiliates	45	46	396
Other	4,837	4,998	42,923
Deferred tax assets (Note 13)	17,228	14,422	152,891
Asset for retirement benefits (Note 4)	1,326	3,352	11,767
Other	15,202	13,716	134,923
Allowance for doubtful accounts	(61)	(63)	(545)
	38,577	36,471	342,355
Total non-current assets	86,863	177,081	770,878
Deferred assets	59	103	524
Total assets	¥281,616	¥416,769	$2,499,253

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of yen 2016	2015	Thousands of U.S. dollars (Note 1) 2016
Current liabilities			
Notes and accounts payable-trade	¥71,176	¥90,081	$631,665
Short-term loans payable (Note 3)	3,407	2,028	30,238
Accounts payable - other	29,557	15,501	262,311
Lease obligations (Note 3)	4,436	3,358	39,367
Income taxes payable (Note 13)	3,644	3,598	32,339
Provision for directors' bonuses	57	–	503
Other (Note 13)	46,327	50,149	411,140
Total current liabilities	158,604	164,715	1,407,563
Non-current liabilities			
Long-term loans payable (Note 3)	17	–	147
Lease obligations (Note 3)	5,954	4,024	52,844
Provision for directors' retirement benefits	117	141	1,041
Liability for retirement benefits (Note 4)	38,687	37,888	343,336
Other (Note 13)	7,878	6,893	69,907
Total non-current liabilities	52,653	48,946	467,275
Total liabilities	211,257	213,661	1,874,838
Net assets			
Shareholders' equity			
Capital stock			
Authorized-1,000,000 thousand shares			
Issued- 288,146 thousand shares	39,971	39,971	354,729
Capital surplus	52,971	52,966	470,101
Retained earnings	(41,007)	64,365	(363,923)
Treasury stock, at cost:			
13,505 thousand shares in 2016	(5,523)	–	(49,018)
13,562 thousand shares in 2015	–	(5,542)	–
Total shareholders' equity	46,412	151,760	411,889
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,476	1,514	13,103
Deferred gains on hedges	71	4	631
Foreign currency translation adjustments	11,741	18,015	104,193
Minimum pension liability adjustments	(462)	(569)	(4,100)
Retirement benefit liability adjustments	(1,857)	440	(16,480)
Total accumulated other comprehensive income	10,969	19,404	97,347
Subscription rights to shares	116	116	1,031
Non-controlling interests	12,862	31,828	114,148
Total net assets	70,359	203,108	624,415
Total liabilities and net assets	¥281,616	¥416,769	$2,499,253

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statement of Income

Year ended March 31, 2016

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	2016
Net sales	¥532,818	¥524,577	$4,728,595
Cost of sales (Notes 4, 6 and 9)	315,732	301,355	2,802,026
Gross profit	217,086	223,222	1,926,569
Selling, general and administrative expenses (Notes 4, 7, 9 and 20)	215,484	206,159	1,912,352
Operating income	1,602	17,063	14,217
Non-operating income and expenses:			
Interest and dividends income	439	507	3,898
Gain on sales of investment securities	98	46	868
(Loss) gain on valuation of derivatives	(542)	1,993	(4,811)
Interest expenses	(963)	(588)	(8,546)
Loss on sales and retirement of non-current assets	(36)	(51)	(315)
Foreign exchange losses	(837)	(5,867)	(7,430)
Loss on settlement	–	(1,105)	–
Impairment loss (Note 10)	(85,023)	–	(754,554)
Restructuring cost (Note 11)	(1,440)	(686)	(12,780)
Loss on transfer of business (Note 12)	(325)	–	(2,885)
Other, net	(2,060)	(1,607)	(18,283)
(Loss) income before income taxes	(89,087)	9,705	(790,621)
Income taxes (Note 13):			
Current	12,514	7,037	111,060
Deferred	966	2,999	8,567
Net loss	(102,567)	(331)	(910,248)
Net loss attributable to:			
Non-controlling interests	883	818	7,836
Owners of parent	¥(103,450)	¥(1,149)	$(918,084)

	Yen		U.S. dollars
Per share data (Note 25)	2016	2015	2016
Net loss attributable to owners of parent-Basic	¥(376.69)	¥(4.18)	$(3.343)
Cash dividends	–	¥13.00	–

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statement of Comprehensive Income

Year ended March 31, 2016

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	2016
Net loss	¥(102,567)	¥(331)	$(910,248)
Other comprehensive income			
Valuation difference on available-for-sale securities	(38)	528	(339)
Deferred gains on hedges	67	8	596
Foreign currency translation adjustments	(7,268)	15,901	(64,506)
Minimum pension liability adjustments	202	(593)	1,796
Retirement benefit liability adjustments	(2,291)	2,214	(20,328)
Total other comprehensive income (Note 8)	(9,328)	18,058	(82,781)
Comprehensive (loss) income	¥(111,895)	¥17,727	$(993,029)
Comprehensive (loss) income attributable to:			
Owners of parent	(111,885)	12,471	(992,943)
Non-controlling interests	(10)	5,256	(86)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2016

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2015	¥39,971	¥52,966	¥64,365	¥(5,542)	¥151,760
Cumulative effect of change in accounting policies(Note2)	–	–		–	–
Restated balance at April 1, 2015	39,971	52,966	64,365	(5,542)	151,760
Changes during the year					
Cash Dividends (Note 24)	–	–	(1,922)	–	(1,922)
Net loss attributable to owners of parent	–	–	(103,450)	–	(103,450)
Purchase of treasury stock	–	–	–	(18)	(18)
Disposal of treasury stock	–	5	–	37	42
Net changes of items other than shareholders' equity	–	–	–	–	–
Balance at March 31, 2016	¥39,971	¥52,971	¥(41,007)	¥(5,523)	¥46,412

Millions of yen

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains on hedges	Foreign currency translation adjustments	Minimum pension liability adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at April 1, 2015	¥1,514	¥4	¥18,015	¥(569)	¥440	¥19,404	¥116	¥31,828	¥203,108
Cumulative effect of change in accounting policies(Note2)									–
Restated balance at April 1, 2015	1,514	4	18,015	(569)	440	19,404	116	31,828	203,108
Changes during the year									
Cash Dividends (Note 24)	–	–	–	–	–	–	–	–	(1,922)
Net loss attributable to owners of parent	–	–	–	–	–	–	–	–	(103,450)
Purchase of treasury stock	–	–	–	–	–	–	–	–	(18)
Disposal of treasury stock	–	–	–	–	–	–	–	–	42
Net changes of items other than shareholders' equity	(38)	67	(6,274)	107	(2,297)	(8,435)	(0)	(18,966)	(27,401)
Balance at March 31, 2016	¥1,476	¥71	¥11,741	¥(462)	¥(1,857)	¥10,969	¥116	¥12,862	¥70,359

Thousands of U.S. dollars

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2015	$354,729	$470,056	$571,219	$(49,186)	$1,346,818
Cumulative effect of change in accounting policies(Note2)	–	–	–	–	–
Restated balance at April 1, 2015	354,729	470,056	571,219	(49,186)	1,346,818
Changes during the year					
Cash Dividends (Note 24)	–	–	(17,058)	–	(17,058)
Net loss attributable to owners of parent	–	–	(918,084)	–	(918,084)
Purchase of treasury stock	–	–	–	(162)	(162)
Disposal of treasury stock	–	45	–	330	375
Net changes of items other than shareholders' equity	–	–	–	–	–
Balance at March 31, 2016	$354,729	$470,101	$(363,923)	$(49,018)	$411,889

Thousands of U.S. dollars

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains on hedges	Foreign currency translation adjustments	Minimum pension liability adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at April 1, 2015	$13,436	$35	$159,876	$(5,047)	$3,906	$172,206	$1,033	$282,464	$1,802,521
Cumulative effect of change in accounting policies(Note2)	–	–	–	–	–	–	–	–	–
Restated balance at April 1, 2015	13,436	35	159,876	(5,047)	3,906	172,206	1,033	282,464	1,802,521
Changes during the year									
Cash Dividends (Note 24)	–	–	–	–	–	–	–	–	(17,058)
Net loss attributable to owners of parent	–	–	–	–	–	–	–	–	(918,084)
Purchase of treasury stock	–	–	–	–	–	–	–	–	(162)
Disposal of treasury stock	–	–	–	–	–	–	–	–	375
Net changes of items other than shareholders' equity	(333)	596	(55,683)	947	(20,386)	(74,859)	(2)	(168,316)	(243,177)
Balance at March 31, 2016	$13,103	$631	$104,193	$(4,100)	$(16,480)	$97,347	$1,031	$114,148	$624,415

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2014	¥39,971	¥52,971	¥65,736	¥(5,585)	¥153,093
Cumulative effect of change in accounting policies(Note2)	–	–	2,523	–	2,523
Restated balance at April 1, 2014	39,971	52,971	68,259	(5,585)	155,616
Changes during the year					
Cash Dividends (Note 24)	–	–	(2,745)	–	(2,745)
Net loss attributable to owners of parent	–	–	(1,149)	–	(1,149)
Purchase of treasury stock	–	–	–	(29)	(29)
Disposal of treasury stock	–	(5)	–	72	67
Net changes of items other than shareholders' equity	–	–	–	–	–
Balance at March 31, 2015	¥39,971	¥52,966	¥64,365	¥(5,542)	¥151,760

Millions of yen

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains(losses) on hedges	Foreign currency translation adjustments	Minimum pension liability adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at April 1, 2014	¥988	¥(4)	¥6,626	¥(55)	¥(1,771)	¥5,784	¥130	¥27,026	¥186,033
Cumulative effect of change in accounting policies(Note2)								44	2,567
Restated balance at April 1, 2014	988	(4)	6,626	(55)	(1,771)	5,784	130	27,070	188,600
Changes during the year									
Cash Dividends (Note 24)	–	–	–	–	–	–	–	–	(2,745)
Net loss attributable to owners of parent	–	–	–	–	–	–	–	–	(1,149)
Purchase of treasury stock	–	–	–	–	–	–	–	–	(29)
Disposal of treasury stock	–	–	–	–	–	–	–	–	67
Net changes of items other than shareholders' equity	526	8	11,389	(514)	2,211	13,620	(14)	4,758	18,364
Balance at March 31, 2015	¥1,514	¥4	¥18,015	¥(569)	¥440	¥19,404	¥116	¥31,828	¥203,108

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Numbers of shares in issue: 288,146 thousand shares in the fiscal year ended March 31, 2016.

Consolidated Statement of Cash Flows

Year ended March 31, 2016

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	2016
Cash flows from operating activities			
(Loss) income before income taxes	¥(89,087)	¥9,705	$(790,621)
Depreciation and amortization	19,497	20,387	173,027
Impairment loss(Note 10)	85,023	–	754,554
Decrease in allowance for doubtful accounts	(1,807)	(58)	(16,037)
Increase in net defined benefit liability	602	3,314	5,344
Interest and dividends income	(439)	(507)	(3,898)
Interest expenses	963	588	8,546
Loss on sales and retirement of property, plant and equipment	36	51	315
Gain on sales of investment securities	(98)	(46)	(868)
Restructuring cost (Note 11)	1,440	686	12,780
Loss on transfer of business	325	–	2,885
Changes in assets and liabilities:			
Decrease in notes and accounts receivable-trade	1,708	13,194	15,161
Increase in inventories	(2,348)	(1,241)	(20,840)
(Decrease) increase in notes and accounts payable-trade	(15,665)	6,297	(139,025)
Other, net	12,335	(22,248)	109,475
Subtotal	12,485	30,122	110,798
Interest and dividends income received	443	501	3,934
Interest expenses paid	(875)	(645)	(7,771)
Income taxes paid	(7,485)	(7,026)	(66,424)
Net cash provided by operating activities	4,568	22,952	40,537
Cash flows from investing activities			
Purchases of property, plant and equipment	(8,724)	(6,803)	(77,424)
Proceeds from sales of property, plant and equipment	1,177	226	10,442
Purchases of intangible assets	(5,376)	(14,046)	(47,712)
Proceeds from transfer of business	600	–	5,325
Proceeds from sales of intangible assets	–	1,923	–
Purchases of investment securities	(19)	(14)	(170)
Purchase of shares of subsidiaries resulting in change in scope of consolidation (Note 15)	(1,280)	–	(11,358)
Proceeds from sales of investment securities	168	108	1,490
Net decrease in short-term loans receivable	3,363	3,448	29,842
Payments of long-term loans receivable	(13)	(13)	(116)
Collections of long-term loans receivable	16	16	139
Other, net	298	382	2,662
Net cash used in investing activities	(9,790)	(14,773)	(86,880)
Cash flows from financing activities			
Net increase in short-term loans payable	1,028	1,109	9,128
Proceeds from long-term loans payable	4	–	34
Repayments of long-term loans payable	(4)	–	(33)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(19,121)	–	(169,690)
Repayments of finance lease obligations	(3,047)	(2,946)	(27,038)
Purchase of treasury stock	(18)	(29)	(162)
Cash dividends paid	(1,925)	(2,746)	(17,086)
Cash dividends paid to non-controlling shareholders	(900)	(496)	(7,986)
Other, net	42	67	364
Net cash used in financing activities	(23,941)	(5,041)	(212,469)
Effect of exchange rate change on cash and cash equivalents	(3,141)	4,522	(27,878)
Net (decrease) increase in cash and cash equivalents	(32,304)	7,660	(286,690)
Cash and cash equivalents at beginning of period	54,965	47,305	487,797
Cash and cash equivalents at end of period	¥22,661	¥54,965	$201,107

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Notes to Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

The consolidated financial statements of TOSHIBA TEC CORPORATION (the "Company") have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.
Certain reclassifications have been made to present the consolidated financial statements in a format which is more familiar to the readers outside Japan.
Solely for the convenience of the readers, the consolidated financial statements have been presented in U.S. dollars by translating Japanese yen amounts at the exchange rate of ¥112.68 = US$1.00 prevailing as of March 31, 2016. The translation should not be construed as a representation that the Japanese yen could be converted into U.S. dollar at the above or any other rate of exchange.

2. Summary of Significant Accounting Policies

(A) Basis of Consolidation and Accounting of Investments in Affiliated Companies

The consolidated financial statements include the accounts of the Company and its subsidiaries (collectively, "Companies"). For the years ended March 31, 2016 and 2015, the accounts of 86 subsidiaries are consolidated. All significant inter-company transactions and accounts are eliminated in consolidation.
All assets and liabilities of the consolidated subsidiaries are revaluated on acquisitions, if applicable. The difference between the cost of investments in subsidiaries and the fair value of the net assets acquired at the dates of acquisition is recognized as goodwill in the consolidated balance sheet and principally amortized by the straight-line method over 5 to 17 years.
The Company has no unconsolidated subsidiary to which the equity method of accounting has been applied for the years ended March 31, 2016 and 2015.
From the perspective of immateriality, the investments in the remaining unconsolidated subsidiaries and the affiliated companies are stated at cost.
Certain subsidiaries have the fiscal year end which differs from that of the Company. As a result, adjustments have been made for any significant transactions as needed in consolidation that took place during the period between the fiscal year end of the subsidiaries and the fiscal year end of the Company.

(B) Foreign Currency Translation

Revenue and expense accounts of foreign consolidated subsidiaries are translated into yen using the annual average rate during each of the fiscal years. The balance sheet accounts, except for the components of net assets, are translated at the rate in effect at each of the balance sheet dates. The components of net assets are translated at their historical rates. Translation adjustments are presented as a component of "Accumulated other comprehensive income" under Net Assets in the consolidated balance sheet.
Foreign currency transactions are measured at the applicable rates of exchange prevailing at the transaction dates, unless hedged by forward foreign exchange contracts. Assets and liabilities denominated in foreign currencies at the balance sheet date are re-measured at the applicable rates of exchange prevailing at that date, unless hedged by foreign exchange contracts. Exchange differences are charged or credited to income.

(C) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments, generally with original maturates of three months or less.

(D) Investment Securities

Marketable securities classified as "Other securities" are reported at fair value with unrealized holding gains or losses, net of taxes, presented as "Available-for-sale-securities" as a component of "Accumulated other comprehensive income" under Net Assets in the consolidated balance sheets. Cost of securities sold is determined by the moving average method.
Non-marketable securities classified as "Other securities" are carried at cost, which is determined by the moving average method.

(E) Inventories

Finished goods, merchandises and semi-finished components are principally stated at the lower of cost, determined by the first-in, first-out method, or net realizable value. Work-in-process and raw materials are principally stated at the lower of cost, determined by the moving average method, or net realizable value. Supplies are principally stated at the latest purchase cost method.

(F) Property, Plant and Equipment and Depreciation

Property, plant and equipment are depreciated by the straight-line method over their estimated useful lives.
The useful lives of principal property, plant and equipment are summarized as follows:

Buildings and structures	15 to 38 years
Machinery and equipment	5 to 13 years
Tools, furniture and fixtures	2 to 7 years

(G) Intangible Assets and Amortization

Intangible assets except for software are amortized by the straight-line method. Software intended for commercial sale is amortized at the larger amount of either an amortizable amount based on the estimated sales revenue or an amortizable amount based on a straight-line method over remaining valid sales period. Software for internal use is amortized by the straight-line method over its estimated useful life.

(H) Leases

The Companies lease certain equipment under non-cancelable lease agreements referred to as finance leases. Depreciation of lease assets is calculated by the straight-line method over the lease period with no residual value.

(I) Deferred Assets

Deferred organization expenses are amortized by the straight-line method over a period of 5 years.

(J) Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivable from companies in financial difficulty.

(K) Provision for Directors' Retirement Benefits

In certain domestic consolidated subsidiaries the retirement benefits to directors are determined based on the internal rule and accounted for as an expense of the accounting period in which such retirement benefits were accrued.

(L) Provision for Directors' Bonuses

The bonuses to directors are determined based on the internal rule and accounted for as an expense of the accounting period in which such bonuses were accrued.

(M) Retirement Benefits

The retirement benefit obligation for employees is attributed to each period by the benefit formula method.
Prior service cost is being amortized by the straight-line method over a certain period (mainly 10 years), which are shorter than the average remaining years of service of the employees when incurred.
Actuarial gain or loss is amortized from following the year in which the gain or loss is incurred by the straight-line method over a certain period (mainly 10 years), which are shorter than the average remaining years of service of the employees when incurred.
Unrecognized actuarial gain or loss and unrecognized prior service cost, net of tax, are recognized as "Retirement benefit liability adjustments" in "Accumulated other comprehensive income" of "Net assets."
Certain consolidated subsidiaries use a simplified method for calculating retirement benefit expenses and liabilities based on the assumption that the benefits payable, which are calculated as if all eligible employees voluntarily terminated their employment at the current fiscal year end, approximate the retirement benefit obligation at year-end.

(N) Income Taxes, Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the temporary differences are expected to reverse.
The Company and its wholly owned domestic subsidiaries file their consolidated tax return in Japan for the Corporation Tax purpose.

(O) Consumption Taxes

Consumption taxes withheld from sales and paid upon purchasing goods and services by the Companies are not included in revenues and expenses.

(P) Derivative Financial Instruments

The Company and certain subsidiaries have entered into forward foreign exchange contracts to reduce the risk of fluctuation in exchange rate in the foreign currency transactions related to accounts receivable and payable denominated in foreign currency.
Derivative financial instruments are reported at fair value with unrealized gain or loss, charged or credited to income, except for those which meet the criteria for the deferral hedge accounting under which unrealized gains or losses are deferred as "Deferred gains (losses) on hedge" in "Accumulated other comprehensive income" under Net assets.
Receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding foreign exchange contract rates.

(Q) Research and Development Expenses

Research and development costs are charged to income as incurred.

(R) Changes in Accounting Policies

Adoption of Revised Accounting Standard for Business Combinations, etc.
The Company and its domestic consolidated subsidiaries adopted "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No.21 of September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 of September 13, 2013), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7 of September 13, 2013) and other related guidance, effective from April 1, 2015. Under these revised accounting standards, the Company changed its accounting policies to recognize in capital surplus the differences arising from the changes in the Company's ownership interest in a subsidiary when the Company retains control over the subsidiary and to record acquisition-related costs as expenses in the fiscal year in which the costs are incurred. In addition, with respect to business combinations implemented on or after April 1, 2015, the Company changed its accounting policy for the reallocation of purchase price due to the completion of the provisional accounting to reflect such reallocation in the consolidated financial statements for the fiscal year in which the business combination was implemented. The Company also changed the presentation method of net income and the term "Non-controlling interests" is used instead of "Minority interests." In order to reflect these changes, certain amounts in the prior year comparative information were reclassified to conform to such changes in the current fiscal year presentation.
In the consolidated statement of cash flows, cash flows from purchase or sales of shares of subsidiaries not resulting in changes in the scope of consolidation are included in "Cash flows from financing activities" and acquisition related costs for shares of subsidiaries resulting in changes in the scope of consolidation and cash flows related to costs associated with purchase or sales of shares of subsidiaries not resulting in changes in the scope of consolidation are included in "Cash flows from operating activities."
The Company adopted the Revised Accounting Standard for Business Combinations, etc., prospectively from April 1, 2015 by following the transitional treatments in paragraph 58-2 (4) of ASBJ Statement No. 21, paragraph 44-5 (4) of ASBJ Statement No. 22 and paragraph 57-4 (4) of ASBJ Statement No. 7.
The effects of these changes on the consolidated balance sheet as of March 31, 2016, the consolidated statement of income for the year then ended, and net assets per share and net loss per share for the year ended were immaterial.

(S) Accounting Standards Issued but Not Yet Adopted

Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26 of March 28, 2016)

1. Overview
   "Implementation Guidance on Recoverability of Deferred Tax Assets" prescribes the guidance in applying "Accounting Standard for Tax Effect Accounting" (issued by "Business Accounting Council") regarding recoverability of deferred tax assets after conducting a necessary review on the requirements for classification and parts of treatment for the measurement of deferred tax assets, basically taking over the framework of the Japanese Institute of Certified Public Accountants ("JICPA") Audit framework of Committee Report No.66 "Audit Treatment on Determining the Recoverability of

Deferred Tax Assets," whereby entities are categorized into five categories and deferred tax assets are estimated based on each of these categories, when the practical accounting guidance and audit guidance on tax effect accounting (accounting treatment section) of the JICPA were transferred to the ASBJ.
The following treatments were changed as necessary regarding the requirements for classification of the entity and estimation of deferred tax assets:

- Treatment for an entity that does not meet any of the criteria in types 1 to 5;
- Criteria for types 2 and 3;
- Treatment for deductible temporary differences which cannot be scheduled in an entity that qualifies as type 2;
- Treatment for the reasonable estimable period of future pre-adjusted taxable income in an entity that qualifies as type 3; and
- Treatment when an entity classified as type 4 also meets the criteria for types 2 or 3.

2. Scheduled date of adoption
The Company expects to adopt the revised implementation guidance from the beginning of the fiscal year ending March 31, 2017.

3. Impact of adopting the implementation guidance
The Company is currently evaluating the effect of adopting the implementation guidance on its consolidated financial statements.

(T) Change in presentation

(Consolidated Balance Sheet)
The amount of Accounts receivable – other, included and presented in "Prepaid expenses and other current assets" under "Current assets" for the year ended March 31, 2015, exceeded the amount of 5% of total assets, it is presented as "Accounts receivable – other". To reflect this change in the presentation, the previous consolidated financial statements and related foot note amounts have been reclassified.
As a result of this change, ¥50,895 million ($451,676 thousand) presented in "Prepaid expenses and other current assets" under "Current assets" in the previous consolidated financial statements has been reclassified as ¥20,277 million ($179,955 thousand) in "Accounts receivable – other" and ¥30,617 million ($271,721 thousand) in "Prepaid expenses and other current assets."

(U) Additional Information

Not applicable

3. Short-Term Loans Payable and Long-Term Loans Payable

The short-term loans payable and long-term debt (including lease obligations) at March 31, 2016 and 2015, consist of the following :

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Short-term loans payable	¥3,407	¥2,028	$30,238
Long-term loans payable	17	–	147
	¥3,424	¥2,028	$30,385
Lease obligations	10,390	7,382	92,211
Less current portion	4,436	3,358	39,367
	¥5,954	¥4,024	$52,844

The average interest rate for short-term loans outstanding at March 31, 2016 and 2015 is 1.26 % and 1.48 %, respectively.
The average interest rate for long-term loans outstanding at March 31, 2016 is 2.52 % .
The average interest rate for lease obligations is omitted because the Companies recorded the amount of lease payments inclusive of interest in the Consolidated Balance Sheet.

The aggregate annual maturities of lease obligations (excluding the current portion) outstanding at March 31, 2016 are as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2018	¥1,489	$13,211
2019	1,489	13,211
2020 and thereafter	2,976	26,422
	¥5,954	$52,844

4. Retirement Benefits

1. Summary of Retirement Benefit Plans
The Company and its consolidated subsidiaries have either funded or unfunded defined benefit plans and defined contribution plans.
In defined benefit plans which are all funded, the benefits are determined by reference to qualification and length of service and paid on a lump-sum or annuity basis.
In defined benefit plans which are all unfunded, the benefits are determined by reference to assessment and qualification and paid on a lump-sum basis.
In addition, a part of subsidiaries use a simplified method for the calculation of defined benefit liability and retirement benefit cost of their defined benefit pension plans and lump-sum payment plans.
The Company and its certain domestic subsidiaries have adopted defined contribution pension plans since October 1, 2015.
It replaces a part of the fund for lump-sum retirement benefit plans to a defined contribution pension plan, under which the employees manage the fund by themselves. The Company pays the amount equivalent to the employer's contributions defined in the treatment of the defined contribution pension plan as an advance payment of retirement benefits to the employees who do not want to participate in the defined contribution pension plan.

2. Defined Benefit Plans
1) The changes in the retirement benefit obligation during the years ended March 31, 2016 and 2015 are follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Balance at the beginning of the year	¥88,870	¥89,846	$788,690
Cumulative effect of change in accounting policies	–	(3,927)	–
Restated balance at the beginning of the year	88,870	85,919	788,690
Service cost	3,649	4,247	32,386
Interest cost	1,021	1,057	9,065
Actuarial gain and loss	2,141	307	19,003
Retirement benefit paid	(4,084)	(3,667)	(36,242)
Other	(159)	1,007	(1,415)
Balance at the end of the year	¥91,438	¥88,870	$811,487

2) The changes in plan assets during the years ended March 31, 2016 and 2015 are follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Plan assets at beginning of the year	¥54,333	¥49,255	$482,192
Expected return on plan assets	1,243	1,252	11,033
Actuarial gain and loss	(2,073)	2,480	(18,395)
Contributions by the Company	3,371	3,491	29,911
Retirement benefits paid	(2,350)	(2,552)	(20,855)
Other	(447)	407	(3,971)
Plan assets at end of the year	¥54,077	¥54,333	$479,915

3) The funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2016 and 2015 for the Company's and the consolidated subsidiaries' defined benefit plans

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Funded retirement benefit obligation	¥55,582	¥53,261	$493,271
Plan assets	(54,077)	(54,333)	(479,917)
	¥1,505	¥(1,072)	$13,354
Unfunded retirement benefit obligation	¥35,856	¥35,608	$318,215
Net liability for retirement benefits in the balance sheet	¥37,361	¥34,536	$331,569
Liability for retirement benefits	¥38,687	¥37,888	$343,336
Asset for retirement benefits	(1,326)	(3,352)	(11,767)
Net liability for retirement benefits in the balance sheet	¥37,361	¥34,536	$331,569

4) The components of retirement benefit expense for the years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Service cost	¥3,649	¥4,247	$32,386
Interest cost	1,021	1,057	9,065
Expected return on plan assets	(1,243)	(1,252)	(11,033)
Amortization of actuarial loss	93	235	821
Amortization of prior service cost	835	919	7,411
Retirement benefit expenses	¥4,355	¥5,206	$38,650

5) Retirement benefit liability adjustments included in other comprehensive income (before tax effect) for the years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Prior service cost	¥922	¥919	$8,176
Actuarial gain (loss)	(4,208)	2,407	(37,342)
	¥(3,286)	¥3,326	$(29,166)

6) Retirement benefit liability adjustments included in accumulated other comprehensive income (before tax effect) as of March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Unrecognized prior service cost	¥(329)	¥1,238	$(2,921)
Unrecognized actuarial loss	(2,390)	(1,818)	(21,212)
	¥(2,719)	¥(580)	$(24,133)

7)-1. The plan assets, by major category, as a percentage of total plan assets as of March 31, 2016 and 2015

	2016	2015
Bonds	39%	37%
Alternatives	25%	26%
Stocks	23%	25%
Life insurance company general accounts	9%	9%
Other	4%	3%
Total	100%	100%

Note: "Alternatives" are mainly investments in hedge funds and real estates.

7)-2. How to set the expected long-term rate of return on plan assets
The Companies set the expected long-term rate of return in consideration of target portfolio of plan assets, expected long-term rate of return and past performance.

8) The assumptions used in actuarial calculation

	2016	2015
Discount rate	Mainly 1.2%	Mainly 1.2%
Expected long term rate of return on plan assets	Mainly 2.5%	Mainly 2.5%
Expected salary increase rate	Mainly 5.3%	Mainly 4.2%

3. Defined Contribution Plans
Amounts which consolidated subsidiaries contributed to their defined contribution plans for the years ended March 31, 2016 and 2015 were ¥1,993 million ($17,687 thousand) and ¥451 million, respectively.

5. Contingent Liabilities

Contingent liabilities at March 31, 2016 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Trade notes receivable discounted or endorsed	¥112	¥155	$995
Guarantees on employees' housing loans	134	193	1,192

6. Valuation loss on Inventories

Inventories are stated at the amount after devaluation due to lowered profitability and the following amount of Valuation loss is included in cost of sales.

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Valuation loss on Inventories	¥3,271	¥919	$29,026

7. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended at March 31, 2016 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Personnel expenses	¥95,613	¥95,311	$848,537
Retirement benefit expenses	4,987	3,756	44,256
Research and development expenses	24,999	22,739	221,858

8. Other Comprehensive Income

Other comprehensive income for the years ended March 31, 2016 and 2015 are follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Other comprehensive income			
Valuation difference on available-for-sale securities			
Amount incurred	¥(9)	¥751	$(84)
Amount of recycling	(99)	(45)	(878)
Amount before tax effect adjustments	(108)	706	(962)
Tax effect adjustments	70	(178)	623
Valuation difference on available-for-sale securities	¥(38)	¥528	$(339)
Deferred gains on hedges			
Amount incurred	¥103	¥12	$913
Amount of recycling	(6)	–	(53)
Amount before tax effect adjustments	¥97	¥12	$860
Tax effect adjustments	(30)	(4)	(264)
Deferred gains on hedges	¥67	¥8	$596
Foreign currency translation adjustments			
Amount incurred	¥(7,268)	¥15,901	$(64,506)
Amount of recycling	–	–	–
Amount before tax effect adjustments	(7,268)	15,901	(64,506)
Tax effect adjustments	–	–	–
Foreign currency translation adjustments	¥(7,268)	¥15,901	$(64,506)
Minimum pension liability adjustments			
Amount incurred	¥354	¥(952)	$3,144
Tax effect adjustments	(152)	359	(1,348)
Minimum pension liability adjustments	¥202	¥(593)	$1,796
Retirement benefit liability adjustments			
Amount incurred	¥(4,214)	¥2,173	$(37,398)
Amount of recycling	928	1,153	8,232
Amount before tax effect adjustments	(3,286)	3,326	(29,166)
Tax effect adjustments	995	(1,112)	8,838
Retirement benefit liability adjustments	¥(2,291)	¥2,214	$(20,328)
Total other comprehensive income	¥(9,328)	¥18,058	$(82,781)

9. Research and Development Expenses

Research and development costs charged to income for the years ended March 31, 2016 and 2015 are as follows:

Millions of yen		Thousands of U.S. dollars
2016	2015	2016
¥27,585	¥25,626	$244,805

10. Impairment Loss

The Companies are grouping the assets by the minimum unit that generates almost independent cash flows based on the classification for management accounting purpose.
The Companies recognized impairment loss in an amount of ¥85,023 million ($754,554 thousand) under "Non-operating income and expenses" for the year ended March 31, 2016.
The detail is as follows.

1. Impairment loss of Toshiba Global Commerce Solutions Holdings Corporation and its subsidiaries

Usage	Type	Amount (Millions of yen)	Place	Thousands of U.S. dollars
–	Goodwill	¥24,489	USA and others	$217,334
Assets for business	Buildings and structures	800	USA and others	7,097
	Machinery, equipment and vehicles	630		5,590
	Tools, furniture and fixtures	239		2,124
	Construction in progress	554		4,917
	Customer relationships	32,072		284,624
	Other intangible assets	25,774		228,738

For Global Commerce Solution Business, the Companies recognized impairment loss of ¥84,558 million ($750,424 thousand).
After the acquisition of Global Commerce Solution Business in August 2012, the Companies made efforts in development of the business and creation of synergy, however in October 2015, it was found that an investment restraint tendency of the main customers became remarkable, and uncertainties increased in the future of the demand. As a result of reviewing a medium-term business plan including the setup timing and the cost of the new operation system based on above situations conservatively, and having carried out the impairment test, the Companies recognized impairment loss of ¥65,781 million ($583,785 thousand) in the second quarter ended September 30, 2015.
In addition, as a result of having carried out the impairment test after having reviewed sales plan due to the reviews of projects for new customers, the Companies recognized impairment loss of ¥18,777 million ($166,639 thousand) on non-current assets including customer related assets (customer list) and operation system for the business in the Forth quarter ended March 31, 2016.
The recoverable value is measured using value in use and calculated by discounting future cash flows at 10.0%.

2. Impairment loss of Mifuku factory

Usage	Type	Amount (Millions of yen)	Place	Thousands of U.S. dollars
Assets for business	Buildings and structures	¥465	Izunokuni, Shizuoka	$4,130

As a result of appraisal Mifuku factory by an independent real estate appraiser at the time of sales and purchase agreement on the real estate, the carrying amounts of these assets were reduced to the recoverable amount, and impairment loss of ¥465 million ($4,130 thousand) was recognized under "Non-operating income and expenses."

11. Restructuring Cost

The contents of Restructuring Cost for the year ended March 31, 2016 are extra retirement benefit payments and costs of disposal and consolidation of sales bases in the overseas operating.
The contents of Restructuring Cost for the year ended March 31, 2015 are extra retirement benefit payments and costs of disposal and consolidation of sales bases in the overseas operating.

12. Loss on transfer of business

Loss on transfer of business for the year ended March 31, 2016
A loss on the business transfer of TEC PRECISION CO., LTD. to Kyoden Co., Ltd.
Loss on transfer of business for the year ended March 31, 2015
Not applicable

13. Income Taxes and Deferred Tax Assets and Liabilities

1. Significant components of the Companies' deferred tax assets and liabilities for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Deferred tax assets:			
Elimination of consolidated unrealized gains	¥1,530	¥1,772	13,577
Intangible assets	4,805	5,040	42,646
Loss on valuation of investment securities	23,275	1,278	206,559
Allowance for doubtful accounts	12,814	140	113,724
Provision for bonuses	1,936	2,037	17,178
Net liability for retirement benefits	10,889	9,848	96,636
Other	3,539	7,584	31,404
Total gross deferred tax assets	¥58,788	¥27,699	$521,724
Valuation allowance	(36,647)	(4,879)	(325,226)
Total deferred tax assets	¥22,141	¥22,820	$196,498
Deferred tax liabilities:			
Reserve for advanced depreciation of non-current assets	¥(246)	¥(374)	$(2,184)
Valuation difference on available-for-sale securities	(631)	(703)	(5,597)
Other	(2,970)	(2,365)	(26,362)
Total deferred tax liabilities	(3,847)	(3,442)	(34,143)
Net deferred tax assets	¥18,294	¥19,378	$162,355

Net deferred tax assets are included as below on consolidated balance sheet for the years ended March 31, 2016 and 2015.

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Current assets - Deferred tax assets	¥4,914	¥8,398	$43,608
Non-current assets - Deferred tax assets	17,228	14,422	152,891
Current liabilities - Other	(58)	(271)	(511)
Non-current liabilities - Other	(3,790)	(3,171)	(33,633)

2. Difference between statutory tax rate and effective tax rate
The following table summarizes the difference between the statutory tax rate and the effective tax rate for the years ended March 31, 2016 and 2015.

	2016	2015
Statutory tax rate	Note	35.6%
Effect of :		
Different tax rates applied to income of foreign subsidiaries		(18.2)
Expenses permanently not deductible for income tax purposes		1.2
Income permanently not taxable for income tax purpose		(0.1)
Corporation tax special credit for research expenditures		(10.9)
Changes in valuation allowance		59.1
Downward revision of deferred tax asset by change in statutory tax rate		18.9
Amortization of goodwill of foreign subsidiaries		17.2
Other, net		0.6
Effective tax rates		103.4

Note: The information for the year ended March 31, 2016 is omitted, because the Company recorded loss before income taxes.

3. Effect of a change in the corporate income tax rate
The "Act for Partial Amendment of the Income Tax Act, etc." (Act No.15 of 2016) and the "Act for Partial Amendment of the Local Tax Act, etc." (Act No.13 of 2016) were enacted by the Diet on March 29, 2016.
As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 32.3% to 30.9% and 30.6% for the temporary differences expected to be realized or settled from April 1, 2016 to March 31, 2018 and for the temporary differences expected to be realized or settled from April 1, 2018, respectively.
The effect of the reduction of the effective statutory tax rate was to decrease deferred tax assets, after offsetting deferred tax liabilities, by ¥3,104 million ($27,547 thousand) and increase deferred income taxes by ¥3,067 million ($27,219 thousand), valuation difference on available-for-sale securities by ¥36 million ($319 thousand) for the year ended March 31, 2016.

14. Leases

(A) Finance Lease as a lessee

Finance Lease transactions, except for those which meet the conditions that the ownership of the leased assets was transferred to the lessee.
1. The content of lease assets: Mainly machinery and equipment
2. Depreciation method of lease assets:
Please refer to Note 2 Summary of Significant Accounting Policies (H) Leases.

(B) Operating Lease as a lessee

Future minimum lease payments for noncancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Due within one year	¥874	¥705	$7,756
Due after one year	2,849	2,246	25,282
	¥3,723	¥2,951	$33,038

(C) Finance Lease as a lessor

1. Details of investment lease

1) Investment lease - current assets	Millions of yen 2016	2015	Thousands of U.S. dollars 2016
Lease revenues receivable	¥345	¥128	$3,060
Interests receivable	(19)	(6)	(164)
	¥326	¥122	$2,896

2) Investment lease - others			
Lease revenues receivable	¥407	¥652	$3,613
Interests receivable	(21)	(35)	(190)
	¥386	¥617	$3,423

2. Expected collectible amounts of lease revenues receivable are as follows:

	Millions of yen 2016	2015	Thousands of U.S. dollars 2016
Within one year	¥345	¥128	$3,060
Between 1 to 2 years	196	286	1,738
Between 2 to 3 years	135	212	1,203
Between 3 to 4 years	55	142	489
Between 4 to 5 years	21	12	184
More than 5 years	–	0	–
	¥752	¥780	$6,674

(D) Operating Lease as a lessor

Future minimum lease payments for noncancelable operating leases are summarized as follows:

	Millions of yen 2016	2015	Thousands of U.S. dollars 2016
Due within one year	¥668	¥695	$5,930
Due after one year	978	1,052	8,679
	¥1,646	¥1,747	$14,609

(E) Other related information

Future minimum lease payments for noncancelable operating sub-leases are summarized as follows:

Investment lease	Millions of yen 2016	2015	Thousands of U.S. dollars 2016
Current assets	¥1,370	¥443	$12,163
Others	2,371	599	21,040
	¥3,741	¥1,042	$33,203
Lease expenses payable			
Current liabilities	¥1,370	¥443	$12,163
Fixed liabilities	2,371	599	21,040
	¥3,741	¥1,042	$33,203

15. Consolidated Statement of Cash Flows

The content of important non-cash transactions
The amount of non-cash transactions on assets and liabilities under finance lease is ¥3,595 million ($31,903 thousand) and ¥3,633 million ($32,240 thousand) for the year ended March 31, 2016 and ¥3,435 million and ¥3,696 million for the year ended March 31, 2015, respectively.

Business combination through equity acquisition
Year ended March 31, 2016
The Company acquired TOSHIBA TEC MALAYSIA SDN. BHD., Tele Dynamics Solution Sdn. Bhd., B Excelle Sdn. Bhd. and TOSHIBA TEC (THAILAND) CO., LTD. during the year ended March 31, 2016.
Assets and liabilities of the acquired companies and the relationship with net payments for the acquisition were as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	¥4,528	$40,180
Non-current assets	3,263	28,955
Goodwill	279	2,475
Current liabilities	(3,296)	(29,255)
Non-current liabilities	(1,721)	(15,270)
Non-controlling interests	(1,360)	(12,058)
Total acquisition cost	¥1,693	$15,027
Cash and cash equivalents	(413)	(3,669)
Net payments for acquisition	¥1,280	$11,358

16. Financial Instruments

Overview

1. Policy for financial instruments
The Companies raise funds mainly using Toshiba Group Finance program. Essentially the Companies use the program for temporarily excess funds.
The Companies use derivatives for the purpose of reducing risks (described below) and do not enter into derivatives for speculative or trading purposes.

2. Types of financial instruments and related risks
Trade receivables (Notes and accounts receivable-trade) are exposed to credit risk in relation to customers. In addition, the Companies are exposed to foreign currency exchange rate fluctuation risk arising from receivables denominated in foreign currencies. In principle, the foreign currency exchange rate fluctuation risk deriving from the trade receivables denominated in foreign currencies, net of trade payables denominated in the same currencies, are hedged by forward foreign exchange contracts.
Investment securities are exposed to market risk. These are the equity securities of certain enterprises with which the Companies have business relationships.
Substantially all trade payables (Notes and accounts payable-trade) are due within one year. Although the Companies are exposed to foreign currency exchange rate fluctuation risk arising from those payables denominated in foreign currencies. However the volume of trade payable is in the range of accounts receivable of the same currency.
A debt is short-term used in working capital which is mainly raised using the Toshiba Group Finance program.
Regarding derivatives, the Companies enter into forward foreign exchange contracts and options to reduce the foreign currency exchange rate fluctuation risk arising from the receivables and payables denominated in foreign currencies.
With regard to instrumentals, targets, policies and methods of evaluating the effectiveness of the hedge, please refer to Note 2 Summary of Significant Accounting Policies (P) Derivative Financial instruments.

3. Risk management for financial instruments

1) Monitoring of credit risks (the risks that related to breach of contract with client)

In accordance with the internal policies, the Credit Managing division monitors credit worthiness of their customers periodically, and monitors due dates and outstanding balances by individual customer. In addition, the Companies are making efforts to identify and mitigate risks of bad debts from customers who are having financial difficulties.

2) Monitoring of market risks (the risks arising from fluctuations in foreign exchanges rates, interest rates and others)

For trade receivables and payables denominated in foreign currencies, the Companies identify the foreign currency exchange rate fluctuation risk for each currency on a monthly basis and enter into forward foreign exchange contracts to hedge such risk.

The Financial Division manages risks on derivative transactions, in accordance with the internal policies.

Monthly reports including actual transaction data are submitted to Chief Financial Officer for their review.

For marketable and investment securities, the Companies periodically review the fair values of such financial instruments and the financial position of the issuers. In addition, the Companies continuously evaluate whether securities should be maintained taking into account their fair values and relationships with the issuers.

3) Monitoring of liquidity risk (the risk that the Companies may not be able to meet its obligations on scheduled due dates)

Based on the report from each division, the Companies prepare and update their cash flow plans on a timely basis to manage liquidity risk.

4. Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, the fair value is determined based on reasonable estimates. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. In addition, the notional amounts of derivatives in Note 18 Derivative Transactions are not indicative of the actual market risk involved in derivative transactions.

Estimated Fair Value of Financial Instruments

For the year ended March 31, 2016

The carrying value of financial instruments in the consolidated balance sheet as of March 31, 2016, and their estimated fair value are as follows:

		Millions of yen		
		Consolidated balance sheet	Estimated fair value	Difference
(a)	Cash and cash equivalents	¥22,661	¥22,661	–
(b)	Notes and accounts receivable-trade	76,471	–	–
	Allowance for doubtful accounts (*1)	(2,753)	–	–
		73,718	73,718	–
(c)	Accounts receivable - other	20,168	20,168	–
(d)	Marketable and investment securities	3,232	3,232	–
(e)	Notes and accounts payable-trade	(71,176)	(71,176)	–
(f)	Short- term loans payable	(3,407)	(3,407)	–
(g)	Accounts payable - other	(29,557)	(29,557)	–
(h)	Derivative transaction (*2)	330	330	–

		Thousands of U.S. dollars		
		Consolidated balance sheet	Estimated fair value	Difference
(a)	Cash and cash equivalents	$201,107	$201,107	–
(b)	Notes and accounts receivable-trade	678,652	–	–
	Allowance for doubtful accounts (*1)	(24,432)	–	–
		654,220	654,220	–
(c)	Accounts receivable - other	178,986	178,986	–
(d)	Marketable and investment securities	28,680	28,680	–
(e)	Notes and accounts payable-trade	(631,665)	(631,665)	–
(f)	Short- term loans payable	(30,238)	(30,238)	–
(g)	Accounts payable - other	(262,311)	(262,311)	–
(h)	Derivative transaction (*2)	2,926	2,926	–

(*1) Allowance for doubtful accounts provided for individual customers are deducted.
(*2) The value of assets and liabilities arising from derivatives is shown at net value. The liability position is shown in parenthesis.

Note: 1. Method to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

(a) Cash and cash equivalents, (b) Notes and accounts receivable-trade and (c) Accounts receivable - other

Since these items are settled in a short period of time, their carrying value approximates the fair value.

(d) Marketable and investment securities

The fair value of marketable and investment securities is based on the quoted market price. For information on securities by each holding purpose, please refer to Note 17 Securities.

(e) Notes and accounts payable-trade, (f) Short-term loans payable and (g) Accounts payable - other

Since these items are settled in a short period of time, their carrying value approximates the fair value.

(h) Derivatives transaction

Please refer to Note 18 Derivative Transactions.

2. Financial instruments for which it is extremely difficult to determine the fair value

	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥1,650	$14,639

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in (d) Marketable and investment securities in the above table.

For the year ended March 31, 2015

The carrying value of financial instruments in the consolidated balance sheet as of March 31, 2015, and their estimated fair value are as follows:

		Millions of yen		
		Consolidated balance sheet	Estimated fair value	Difference
(a)	Cash and cash equivalents	¥54,965	¥54,965	–
(b)	Notes and accounts receivable-trade	81,017	–	–
	Allowance for doubtful accounts (*1)	(1,342)	–	–
		79,675	79,675	–
(c)	Marketable and investment securities	3,236	3,236	–
(d)	Notes and accounts payable-trade	(90,081)	(90,081)	–
(e)	Short- term loans payable	(2,028)	(2,028)	–
(f)	Derivative transaction (*2)	(1,981)	(1,981)	–

(*1) Allowance for doubtful accounts provided for individual customers are deducted.
(*2) The value of assets and liabilities arising from derivatives is shown at net value. The liability position is shown in parenthesis.

Notes: 1. Method to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

(a) Cash and cash equivalents, (b) Notes and accounts receivable-trade

Since these items are settled in a short period of time, their carrying value approximates the fair value.

(c) Marketable and investment securities

The fair value of marketable and investment securities is based on the quoted market price. For information on securities by each holding purpose, please refer to Note 17 Securities.

(d) Notes and accounts payable-trade, (e)Short-term loans payable

Since these items are settled in a short period of time, their carrying value approximates the fair value.

(f) Derivatives transaction

Please refer to Note 18 Derivative Transactions.

2. Financial instruments for which is extremely difficult to determine the fair value

	Millions of yen
Unlisted stocks	¥1,808

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in (c) Marketable and investment securities in the above table.

17. Securities

1. Information regarding marketable other securities as of March 31, 2016 and 2015 are as follows:

	Millions of yen					
	2016			2015		
	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
Other securities whose carrying value exceeds their acquisition cost:						
Stocks	¥3,117	¥931	¥2,186	¥3,128	¥977	¥2,151
Other securities whose acquisition cost exceeds their carrying value:						
Stocks	115	133	(18)	108	125	(17)
Subtotal	115	133	(18)	108	125	(17)
Total	¥3,232	¥1,064	¥2,168	¥3,236	¥1,102	¥2,134

	Thousands of U.S. dollars		
	2016		
	Carrying value	Acquisition cost	Unrealized gain (loss)
Other securities whose carrying value exceeds their acquisition cost:			
Stocks	$27,662	$8,269	$19,393
Other securities whose acquisition cost exceeds their carrying value:			
Stocks	1,018	1,178	(160)
Subtotal	1,018	1,178	(160)
Total	$28,680	$9,447	$19,233

2. The proceeds from sales of securities, except those of the affiliated companies, for the years ended March 31, 2016 and 2015 were ¥168 million ($1,490 thousand) and ¥108 million, respectively. The realized gains on those sales for the years ended March 31, 2016 and 2015 were ¥115 million ($1,021 thousand) and ¥46 million, respectively. The realized losses on those sales for the years ended March 31, 2016 is ¥17 million ($151 thousand).

3. Information regarding non-marketable securities as of March 31, 2016 and 2015 is as follows.

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
	Carrying value		Carrying value
Other securities			
Unlisted stocks	¥1,650	¥1,808	$14,639
Others	–	–	–
Total	¥1,650	¥1,808	$14,639

18. Derivative Transactions

1. Summarized below are the amount of contract and the estimated fair value of the derivative instruments outstanding at March 31, 2016 and 2015, for which the hedge accounting is not applied.

Transaction outside the market

Currency-related transactions

	Millions of yen							
	2016				2015			
	Contract amount		Fair value	Unrealized gain(loss)	Contract amount		Fair value	Unrealized gain (loss)
	Maturing within one year	Maturing after one year			Maturing within one year	Maturing after one year		
Forward foreign exchange contracts								
Sell:								
USD	¥18,167	¥ –	¥355	¥355	¥15,763	¥ –	¥(31)	¥(31)
EUR	7,676	–	90	90	7,498	–	426	426
Buy:								
USD	5,991	–	(149)	(149)	13,310	–	1,016	1,016
EUR	6,960	–	(27)	(27)	–	–	–	–
CNY	14,356	–	(47)	(47)	12,198	–	570	570
GBP	1,620	–	(4)	(4)	–	–	–	–
Total	¥54,770	¥ –	¥218	¥218	¥48,769	¥ –	¥1,981	¥1,981

	Thousands of U.S. dollars			
	2016			
	Contract amount		Fair value	Unrealized gain(loss)
	Maturing within one year	Maturing after one year		
Forward foreign exchange contracts				
Sell:				
USD	$161,233	$ –	$3,150	$3,150
EUR	68,120	–	800	800
Buy:				
USD	53,171	–	(1,319)	(1,319)
EUR	61,765	–	(239)	(239)
CNY	127,402	–	(418)	(418)
GBP	14,375	–	(38)	(38)
Total	$486,066	$ –	$1,936	$1,936

***Calculation of the fair value is based on the value from financial institutions.**

2. Summarized below are the amount of contract and the estimated fair value of the derivative instruments outstanding at March 31, 2016 and 2015, for which hedge accounting is applied.

Currency-related transactions

1) Net deferred profits on hedges

	Millions of yen					
	2016			2015		
	Contract amount		Fair value	Contract amount		Fair value
	Maturing within one year	Maturing after one year		Maturing within one year	Maturing after one year	
Forward foreign exchange contracts						
Sell:						
USD	¥3,938	¥ –	¥97	¥3,678	¥ –	¥0
EUR	1,676	–	31	1,789	–	(0)
AUD	683	–	(8)	555	–	1
CAD	182	–	3	256	–	1
Buy:						
USD	4,501	–	(11)	5,257	–	(0)
AUD	–	–	–	276	–	(0)
EUR	179	–	(0)	–	–	–
CNY	1	–	(0)	24	–	4
Total	¥11,160	¥ –	¥112	¥11,835	¥ –	¥6

	Thousands of U.S. dollars		
	2016		
	Contract amount		Fair value
	Maturing within one year	Maturing after one year	
Forward foreign exchange contracts			
Sell:			
USD	$34,951	$ –	$858
EUR	14,874	–	275
AUD	6,058	–	(67)
CAD	1,619	–	30
Buy:			
USD	39,942	–	(101)
AUD	–	–	–
EUR	1,587	–	(3)
CNY	10	–	(0)
Total	$99,041	$ –	$992

***Calculation of the fair value is based on the value from financial institutions.**

2) Forward foreign exchange contracts, for which the deferral hedge accounting is applied

	Millions of yen					
	2016			2015		
	Contract amount		Fair value	Contract amount		Fair value
	Maturing within one year	Maturing after one year		Maturing within one year	Maturing after one year	
Forward foreign exchange contracts						
Sell:						
USD	¥335	¥ –	¥15	¥3,586	¥ –	¥0
AUD	394	–	(4)	1,257	–	39
CAD	553	–	14	983	–	19
Buy:						
USD	1,196	–	(61)	1,422	–	2
AUD	250	–	(0)	–	–	–
Total	¥2,728	¥ –	¥(36)	¥7,248	¥ –	¥60

	Thousands of U.S. dollars		
	2016		
	Contract amount		Fair value
	Maturing within one year	Maturing after one year	
Forward foreign exchange contracts			
Sell:			
USD	$2,974	$ –	$134
AUD	3,494	–	(34)
CAD	4,911	–	125
Buy:			
USD	10,619	–	(543)
AUD	2,216	–	(0)
Total	$24,214	–	$(318)

***Calculation of the fair value is based on the value from financial institutions.**

19. Segment Information

(A) Business Segments

1. Summary of reportable segments

The reportable segments of the Companies are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors meeting to make decisions about resource allocation and to assess the performance.

Aiming to become "a global one-stop solutions company," the Companies create comprehensive strategies per market and develop business activities under a framework for business operation by each market segment.

Therefore, the Companies report on "Retail Solutions Business Group" and "Printing Solutions Business Group" as reportable segments.

"Retail Solutions Business Group" is engaged in development, manufacturing, sales, maintenance services, etc. of POS Systems, MFPs and Auto ID systems for domestic market and POS Systems, printers and solution related products for overseas market.

"Printing Solution Business Group" is engaged in development, manufacturing, sales, maintenance services, etc. of MFPs, Auto ID systems and related solution products for overseas market.

2. The calculation method for amounts of sales, income, assets and other items per reportable segments

The accounting policies of the segments are substantially the same as those described in the significant accounting policies in Note 2 Summary of Significant Accounting Policies.

Intersegment sales and transfers are calculated at the prevailing market prices.

3. Information concerning sales, profit or loss, assets and other items by reportable segment is as follows:

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Net Sales			
Retail Solutions Business Group			
Unaffiliated customers	¥322,476	¥322,071	$2,861,871
Intersegment	2,334	2,325	20,715
Total	324,810	324,396	2,882,586
Printing Solutions Business Group			
Unaffiliated customers	210,342	202,506	1,866,724
Intersegment	9,832	10,599	87,256
Total	220,174	213,105	1,953,980
Adjustments	(12,166)	(12,924)	(107,971)
Consolidated	¥532,818	¥524,577	$4,728,595
Segment Profit (Loss)			
Retail Solutions Business Group	¥(11,480)	¥(420)	$(101,882)
Printing Solutions Business Group	13,082	17,483	116,099
Consolidated	¥1,602	¥17,063	$14,217
Segment Assets			
Retail Solutions Business Group	¥147,901	¥257,414	$1,312,575
Printing Solutions Business Group	130,175	144,180	1,155,264
Adjustments	3,540	15,175	31,414
Consolidated	¥281,616	¥416,769	$2,499,253
Depreciation			
Retail Solutions Business Group	¥7,266	¥7,566	$64,485
Printing Solutions Business Group	8,208	8,133	72,845
Consolidated	¥15,474	¥15,699	$137,330
Amortization of goodwill			
Retail Solutions Business Group	¥1,043	¥1,871	$9,256
Printing Solutions Business Group	2,980	2,817	26,441
Consolidated	¥4,023	¥4,688	$35,697
Capital Expenditures			
Retail Solutions Business Group	¥6,938	¥15,230	$61,572
Printing Solutions Business Group	10,315	9,440	91,541
Consolidated	¥17,253	¥24,670	$153,113

Notes: 1. Adjustments of segment assets are corporate assets, and consist of cash and cash equivalents and investment securities in the amount of ¥3,540 million ($31,416 thousand) and ¥15,175 million as of March 31, 2016 and 2015, respectively.

2. Segment profit (loss) corresponds to operating income of Consolidated Statement of Income.

3. The main products of each business segment
Retail Solutions Business Group
POS Systems, MFPs and Auto ID systems, in Japan and
POS Systems, Printers and related products, abroad
Printing Solutions Business Group
MFPs and Auto ID systems and related products, abroad

4. Changes in reportable segment
The reportable segments in the previous fiscal year were "System Solutions" and "Global Solutions."
In order to lead the business markets and provide innovative solutions to all customers, the Company has re-organized its business structure from geographic-oriented segmentation to product & service-oriented segmentation from the current fiscal year. As a result, the reportable segments were changed to "Retail Solutions" and "Printing Solutions."
Above segment information in previous fiscal year is restated based on the new reportable segments after the re-organization of the Company.

(B) Relative Information

1. Products and service information

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Net sales of Retail	¥309,978	¥308,995	$2,750,957
Net sales of MFP	222,840	215,582	1,977,638
	¥532,818	¥524,577	$4,728,595

*Retail : POS systems, Auto ID systems and related products, etc.
*MFP : Multi Function Peripherals, facsimiles, office printers, multi-function peripheral devices, scanner function and document management to be realized in one piece

2. Information by geographical area

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Net Sales			
Japan	¥200,493	¥208,353	$1,779,315
The Americas	168,099	162,522	1,491,825
Europe	111,865	106,244	992,770
Asia and others	52,361	47,458	464,685
Total	¥532,818	¥524,577	$4,728,595
Property, plant and equipment			
Japan	¥14,425	¥13,411	$128,015
The Americas	3,476	5,890	30,847
Europe	8,910	8,803	79,071
Asia and others	4,534	5,456	40,246
Total	¥31,345	¥33,560	$278,179

Criteria of geographical segmentation and the name of countries or areas mainly included in each segment except for Japan are as follows:
1) Criteria: geographical closeness
2) Countries & Areas
2)-1. The Americas
U.S.A., Canada, Mexico, Puerto Rico, Venezuela, Brazil, Chile
2)-2. Europe
U.K., France, Germany, Spain, Switzerland, Belgium, Italy, Netherlands, Sweden, Norway, Denmark, Finland, Poland
2)-3. Asia and others
Singapore, Malaysia, Indonesia, China, Australia, Korea, Thailand

3. Information by major customer
There are no customers whom the Companies sell it to more than 10% of total sales for the years ended March 31, 2016 and 2015.

4. Information about impairment loss on non-current assets by reportable segment

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Retail Solutions Business Group	¥84,558	¥ –	$750,424
Printing Solutions Business Group	465	–	4,130
Consolidated	¥85,023	¥ –	$754,554

5. Information on amortization of goodwill and unamortized balance by reportable segment

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
	Balance at end of period		Balance at end of period
Retail Solutions Business Group	¥ –	¥25,014	$ –
Printing Solutions Business Group	8,634	11,898	76,621
Consolidated	¥8,634	¥36,912	$76,621

For the amount of amortization of goodwill, it is omitted as it is disclosed in "Segment Information."

6. Information on negative goodwill by reportable segment
For the year ended March 31, 2016
Not applicable

For the year ended March 31, 2015
Not applicable

20. Stock Option Plan

The stock options outstanding as of March 31, 2016 are as follows:

1. The amount and the accounting subject in relation to the stock options existing for the year ended March 31, 2016.
Selling, general and administrative expenses for the years ended March 31, 2016 and 2015 are ¥42 million ($369 thousand) and ¥52 million, respectively.

2. The size of stock option and its circumstances

1) General information

	The fourth new share subscription rights as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note1)	128,000 shares of Common stock
Date of issuance	August 2 , 2011
Condition of exercising	(Note 2)
Vesting period	No conditional period required
Subscription rights exercise period	From August 3, 2011 to August 2, 2041

	The fifth new share subscription rights as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note1)	156,000 shares of Common stock
Date of issuance	August 2 , 2012
Condition of exercising	(Note 2)
Vesting period	No conditional period required
Subscription rights exercise period	From August 3, 2012 to August 2, 2042

	The sixth new share subscription rights as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note1)	89,000 shares of Common stock
Date of issuance	July 31, 2013
Condition of exercising	(Note 2)
Vesting period	No conditional period required
Subscription rights exercise period	From August 1, 2013 to July 31, 2043

	The seventh new share subscription rights as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note1)	79,000 shares of Common stock
Date of issuance	July 31, 2014
Condition of exercising	(Note 2)
Vesting period	No conditional period required
Subscription rights exercise period	From August 1, 2014 to July 31, 2044

	The eighth new share subscription rights as share-reward type stock option
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note1)	69,000 shares of Common stock
Date of issuance	July 29, 2015
Condition of exercising	(Note 2)
Vesting period	No conditional period required
Subscription rights exercise period	From July 30, 2015 to July 29, 2045

Note: 1 The amount is converted into the number of shares.
2 Fixed term of the right is not given.
Subscription rights may be exercised in a lump sum within expiration cycle and 10 days after a beneficiary resigns from directors or corporate officers.

2) The size of stock option and movement
Addressed is the amount of stock options existing as of March 31, 2016.
As for the number of stock options, it is converted into the number of shares.

2)-1. The number of stock options

	The first new share subscription rights as share-reward type stock option	The second new share subscription rights as share-reward type stock option	The third new share subscription rights as share-reward type stock option
Before the resolution			
End of the preceding term	–	–	–
Offered	–	–	–
Cancelled	–	–	–
Vested	–	–	–
Outstanding	–	–	–
After the resolution			
End of the preceding term	4,000	8,000	6,000
Vested	–	–	–
Exercised	4,000	8,000	6,000
Cancelled	–	–	–
Outstanding	–	–	–

	The fourth new share subscription rights as share-reward type stock option	The fifth new share subscription rights as share-reward type stock option	The sixth new share subscription rights as share-reward type stock option
Before the resolution			
End of the preceding term	–	–	–
Offered	–	–	–
Cancelled	–	–	–
Vested	–	–	–
Outstanding	–	–	–
After the resolution			
End of the preceding term	30,000	52,000	58,000
Vested	–	–	–
Exercised	6,000	23,000	20,000
Cancelled	–	–	–
Outstanding	24,000	29,000	38,000

	The seventh new share subscription rights as share-reward type stock option	The eighth new share subscription rights as share-reward type stock option
Before the resolution		
End of the preceding term	–	–
Offered	–	69,000
Cancelled	–	–
Vested	–	69,000
Outstanding	–	–
After the resolution		
End of the preceding term	79,000	–
Vested	–	69,000
Exercised	18,000	5,000
Cancelled	–	–
Outstanding	61,000	64,000

2)-2. Per share data

	The first new share subscription rights as share-reward type stock option	The second new share subscription rights as share-reward type stock option	The third new share subscription rights as share-reward type stock option
Exercised price	¥1 ($0.009)	¥1 ($0.009)	¥1 ($0.009)
The average price at the time of exercising	¥626 ($5.556)	¥626 ($5.556)	¥626 ($5.556)
Official price at the date of offered	¥560 ($4.970)	¥393 ($3.488)	¥307 ($2.725)

	The fourth new share subscription rights as share-reward type stock option	The fifth new share subscription rights as share-reward type stock option	The sixth new share subscription rights as share-reward type stock option
Exercised price	¥1 ($0.009)	¥1 ($0.009)	¥1 ($0.009)
The average price at the time of exercising	¥626 ($5.556)	¥551 ($4.890)	¥571 ($5.067)
Official price at the date of offered	¥316 ($2.804)	¥291 ($2.583)	¥550 ($4.881)

	The seventh new share subscription rights as share-reward type stock option	The eighth new share subscription rights as share-reward type stock option
Exercised price	¥1 ($0.009)	¥1 ($0.009)
The average price at the time of exercising	¥575 ($5.103)	¥436 ($3.869)
Official price at the date of offered	¥667 ($5.919)	¥602 ($5.343)

3. The evaluation of fair price of stock option

1) The evaluation method used: Black–Scholes model
2) General information and the method of estimation

	The eighth new share subscription rights as share-reward type stock option
Stock market volatility (Note 1)	30.8%
Estimated residual period (Note 2)	1.5 years
Estimated dividends (Note 3)	¥13 ($0.115) per share
Risk-free rate (Note 4)	0.01%

Note: 1 The figure is calculated based on actual share data from January 20, 2014 up to the week of offered.
2 The calculation is based on the condition that the Company's directors or corporate officers are resigned and the option was exercised exactly after the day of resignation. For tenure of directors and executive officers, the Company has calculated the average tenure remaining term at the date of grant based on the average tenure.
3 The estimated figure is based on the actual dividend amount for the year ended March 31, 2015.
4 Estimated capitalization cycle of government bond is in accordance with estimated residual period.

4. The method of estimating the number of stock options vested
Fundamentally, only the actual number of cancelled stock options is shown as it is difficult to estimate the possible number of cancelled stock options.

21. Business Combination

Transaction under common control

Additional share acquisition of Toshiba Global Commerce Solutions Holdings Corporation
At the Board of Directors meeting held on January 28, 2016, the Company made a resolution about the stock transfer contract (hereinafter the "Contract") to acquire shares equivalent to 19.9% of outstanding shares of Toshiba Global Commerce Solutions Holdings Corporation from IBM Corporation that the Company had planned to acquire after a certain period of time had elapsed since the transfer of retail store solution business of IBM Corporation executed on August 1, 2012, and concluded the Contract on the same day.

Toshiba Global Commerce Solutions Holdings and its subsidiaries became wholly-owned subsidiaries of the Company as a result of the execution of the Contract on January 29, 2016.

(1) Overview of the transaction
1) Name and business description of the company involved in the business combination
Name of the acquired company: Toshiba Global Commerce Solutions Holdings and its subsidiaries
Business description: Hardware (system and technology), software, service and consulting through IT and integration solution
2) Date of business combination: January 29, 2016
3) Legal form of the business combination: Share acquisition by TOSHIBA TEC CORPORATION from a non-controlling shareholder
4) Name of the companies subsequent to the combination: No change

(2) Overview of accounting treatments
In accordance with "Revised Accounting Standard for Business Combinations"(ASBJ Statement No.21, September 13, 2013) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2013), this transaction was accounted for as a transaction with a non-controlling shareholder.

(3) Matters to be disclosed in case of additional share acquisition
Acquisition cost and breakdown
Consideration for acquisition: Cash
Acquisition cost: $160.5 million (¥19,121 million)

Business combination by acquisition

Share acquisition of Tele Dynamics Sdn. Bhd. by TOSHIBA TEC SINGAPORE PTE. LTD.

(1) Overview of the business combination
TOSHIBA TEC SINGAPORE PTE. LTD. ("TSE"), which is a subsidiary of the Company, acquired the shares of Tele Dynamics Sdn. Bhd. on April 1, 2015. Consequently, Tele Dynamics Sdn. Bhd. with its 3 subsidiaries (Tele Dynamics Solution Sdn. Bhd., B Excelle Sdn. Bhd., Thaicom Network Co., Ltd.) became subsidiaries of TSE and TSE started business in Malaysia and Thailand.
In addition, regarding the ownership ratios, TSE owns 51.0% and Questland Development Sdn. Bhd. owns 49.0%, however after a certain period of time elapsed, TSE is going to have 100% ownership interests in Tele Dynamics Sdn. Bhd.

1) Name and business description of the acquired company
Name of the acquired company: Tele Dynamics Sdn. Bhd. and its 3 subsidiaries (Tele Dynamics Solution Sdn. Bhd., B Excelle Sdn. Bhd., Thaicom Network Co., Ltd.)
Business description: Sales and maintenance of MFP, POS and BCS, IT business and solution development in Malaysia and Thailand
2) Main reason for the business combination
The Company aims at its business expansion in the printing solution market by acquiring sales companies in Malaysia and Thailand as subsidiaries.
3) Date of business combination: April 1, 2015
4) Legal form of the business combination: Share acquisition
5) Name of the companies subsequent to the combination: TOSHIBA TEC MALAYSIA SDN. BHD., Tele Dynamics Solution Sdn. Bhd., B Excelle Sdn. Bhd. and TOSHIBA TEC (THAILAND) CO., LTD.

(2) Accounting period for which operating results of the acquired companies were included in the consolidated statements of income: From April 1, 2015 to March 31, 2016

(3) Acquisition cost and breakdown
Consideration for acquisition: Cash
Acquisition cost: ¥1,693 million ($15,027 thousand)

(4) Main acquisition-related cost and amount
Advisory fees: ¥23 million ($205 thousand)

(5) Amount of goodwill incurred, reason for its recognition, amortization method, and amortization period
1) Amount of goodwill incurred
Amount of goodwill incurred: ¥279 million ($2,475 thousand)
In addition, in the first quarter ended June 30, 2015, the amount of goodwill of ¥776 million ($6,884 thousand) was recognized as a result of provisional allocation of acquisition costs. However in the forth quarter ended March 31, 2016, the Company reconsidered allocation of the said acquisition costs in the course of scrutinizing the details and the Company eventually transferred a certain amount of goodwill to other intangible assets at March 31, 2016.
2) Reason for recognition of goodwill: Because the fair value of net assets was less than the acquisition cost, the difference was recognized as goodwill.

3) Amortization method, and amortization period: Straight-line method over 8 years

(6) Assets acquired and liabilities assumed at the date of business combination

Current assets:	¥4,528 million ($40,180 thousand)
Non-current assets:	¥3,263 million ($28,955 thousand)
Total assets:	¥7,791 million ($69,135 thousand)
Current liabilities:	¥3,296 million ($29,255 thousand)
Non-current liabilities:	¥1,721 million ($15,270 thousand)
Total liabilities:	¥5,017 million ($44,525 thousand)

(7) Amount of acquisition cost which was allocated to intangible assets other than goodwill and amortization period
Customer related assets
Amount: ¥782 million ($6,936 thousand)
Amortization period: Straight-line method over 11 years

22. Asset Retirement Obligation

Omitted as immaterial in amount.

23. Transactions with Related Parties

1. Transactions with Related Parties

(A) Transactions with related parties for the year ended March 31, 2016.

(¥=Million, US$=Thousand)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	¥439,901 ($3,903,985)	Manufacturing and sales of digital products and electronic devices and home appliances	Direct: 52.7% Indirect: 0.1%

Relationship		Transaction	Transaction amount	Account item	Balance at fiscal year end
Dispatch of executive officers, etc.	Business relationship				
Interlocking of directors	Deposits of funds and Borrowing of funds, Concurrent directors	Deposits of funds and Borrowing of funds	(Note)	short-term loan payable	¥1,475 ($13,090)
		Interest expenses	¥23 ($205)		

With regard to the amounts above, transaction amount and balance at fiscal year end don't include consumption taxes.

Note: Concerning deposits of funds, it's difficult to figure out transaction amount because fund settlement is performed whenever needed.
Therefore, only balance at fiscal year end is stated.

Policy for determining trade terms and conditions and other related matters
Depositing funds are determined from market rates and offers from third party interest rates.

(B) Transactions with related parties for the year ended March 31, 2015.

(¥=Million)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	¥439,901	Manufacturing and sales of digital products and electronic devices and home appliances	Direct: 52.7% Indirect: 0.1%

Relationship		Transaction	Transaction amount	Account item	Balance at fiscal year end
Dispatch of executive officers, etc.	Business relationship				
Interlocking of directors	Deposits of funds, Concurrent directors	Deposits of funds	(Note)	Cash and cash equivalents	¥12,339
		Interest income	¥10	Accrued interest	¥0

With regard to the amounts above, transaction amount and balance at fiscal year end don't include consumption taxes.

Note: Concerning deposits of funds, it's difficult to figure out transaction amount because fund settlement is performed whenever needed.
Therefore, only balance at fiscal year end is stated.

Policy for determining trade terms and conditions and other related matters
Depositing funds are determined from market rates and offers from third party interest rates.

(¥=Million, US$=Thousand, S$=Thousand)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Asia Pacific Pte., Ltd.	Singapore	S$6,784	The regional representative company in Asia and Pacific	None

Relationship		Transaction	Transaction amount	Account item	Balance at fiscal year end
Dispatch of executive officers, etc.	Business relationship				
None	Deposits of funds	Deposits of funds	(Note)	Cash and cash equivalents	¥5,365
		Interest income	¥3		

With regard to the amounts above, transaction amount and balance at fiscal year end don't include consumption taxes.

Note: Concerning deposits of funds, it's difficult to figure out transaction amount because fund settlement is performed whenever needed.
Therefore, only balance at fiscal year end is stated.

Policy for determining trade terms and conditions and other related matters
Depositing funds are determined from market rates and offers from third party interest rates.

(¥=Million, US$=Thousand, GBP=Thousand)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba of Europe, Ltd.	London, UK	GBP 13,522	The regional representative company in Europe , Middle East and Africa	None

Relationship		Transaction	Transaction amount	Account item	Balance at fiscal year end
Dispatch of executive officers, etc.	Business relationship				
None	Deposits of funds	Deposits of funds	(Note)	Cash and cash equivalents	¥7,939
		Interest income	¥5		

With regard to the amounts above, transaction amount and balance at fiscal year end don't include consumption taxes.

Note: Concerning deposits of funds, it's difficult to figure out transaction amount because fund settlement is performed whenever needed.
Therefore, only balance at fiscal year end is stated.

Policy for determining trade terms and conditions and other related matters
Depositing funds are determined from market rates and offers from third party interest rates.

(¥=Million, US$=Thousand)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba America, Ltd.	New York, USA	$1,002,550	The regional representative company in Americas	None

Relationship		Transaction	Transaction amount	Account item	Balance at fiscal year end
Dispatch of executive officers, etc.	Business relationship				
None	Deposits of funds	Deposits of funds	(Note)	Cash and cash equivalents	¥7,511
		Interest income	¥0		

With regard to the amounts above, transaction amount and balance at fiscal year end don't include consumption taxes.

Note: Concerning deposits of funds, it's difficult to figure out transaction amount because fund settlement is performed whenever needed.
Therefore, only balance at fiscal year end is stated.

Policy for determining trade terms and conditions and other related matters
Depositing funds are determined from market rates and offers from third party interest rates.

(¥=Million, US$=Thousand, CNY=Thousand)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba China Co., Ltd.	Beijing, China	CNY249,362	The regional representative company in China	None

Relationship		Transaction	Transaction amount	Account item	Balance at fiscal year end
Dispatch of executive officers, etc.	Business relationship				
None	Deposits of funds	Deposits of funds	(Note)	Other	¥3,485
		Interest income	¥41		

With regard to the amounts above, transaction amount and balance at fiscal year end don't include consumption taxes.

Note: Concerning deposits of funds, it's difficult to figure out transaction amount because fund settlement is performed whenever needed.
Therefore, only balance at fiscal year end is stated.

Policy for determining trade terms and conditions and other related matters
Depositing funds are determined from market rates and offers from third party interest rates.

24. Cash Dividends

(A) Cash dividends for the year ended March 31, 2016

1. Cash dividends paid

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors held on June 16, 2015	Common stock	¥1,922	¥7.0	March 31, 2015	June 29, 2015

(Resolution)	Type of shares	Total amount of dividends (Thousands of US dollars)	Dividends per share (US dollars)	Record date	Effective date
Board of Directors held on June 16, 2015	Common stock	$17,058	$0.062	March 31, 2015	June 29, 2015

2. Year end dividends of the following fiscal year
There is no applicable matter because of non-dividend paying

(B) Cash dividends for the year ended March 31, 2015

1. Cash dividends paid

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors held on April 28, 2014	Common stock	¥1,097	¥4.0	March 31, 2014	June 2, 2014
Board of Directors held on October 29, 2014	Common stock	¥1,647	¥6.0	September 30, 2014	December 1, 2014

2. Year end dividends of the following fiscal year

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend resource	Dividends per share (Yen)	Record date	Effective date
Board of Directors held on June 16, 2015	Common stock	¥1,922	Retained earnings	¥7.0	March 31, 2015	June 29, 2015

25. Per Share Information

Per share information at March 31, 2016 and 2015 is as follows:

	Yen		U.S. dollars
	2016	2015	2016
Net assets per share	¥208.93	¥623.35	$1.854
Net loss per share	(376.69)	(4.18)	(3.343)
Net income per share fully diluted	–	–	–

*** For the years ended March 31 2016 and 2015, although there were dilutive potential common shares, net income per share fully diluted were not presented due to the recording of a net loss.**
*** Net loss per share and net income per share fully diluted were calculated on the basis of the following data.**

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
Net loss per share			
Net loss attributable to owners of parent	¥(103,450)	¥(1,149)	$(918,084)
Amounts not attributable to common stock	–	–	–
Net loss attributable to common stock shareholders of parent	(103,450)	(1,149)	(918,084)
Average number of shares of common stock during the period (thousand shares)	274,625	274,563	
Outline of the residual securities excluded from the calculation of the fully diluted net income per share because they have no dilutive effects.	–	–	–

Note: As noted in Note 2 (s), "Changes in Accounting Policies," the Company adopted the Revised Accounting Standard for Business Combinations, etc. and followed the transitional treatments prescribed in these accounting standards. The effects of the adoption on net assets per share as of March 31, 2016 and net loss per share for the year then ended were immaterial.

26. Subsequent Event

Not applicable

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Building a better working world

Independent Auditor's Report

The Board of Directors
TOSHIBA TEC CORPORATION

We have audited the accompanying consolidated financial statements of TOSHIBA TEC CORPORATION and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOSHIBA TEC CORPORATION and its consolidated subsidiaries as at March 31, 2016, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 29, 2016
Tokyo, Japan

TOSHIBA TEC CORPORATION

Corporate Data

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Tel: +81-3-6830-9100
Fax: +81-3-6684-4001
http://www.toshibatec.com
Established: February 21, 1950
Employees: 3,477 <Consolidated: 21,102> (as of March 31, 2016)
Common Stock: ¥39,971 million (as of March 31, 2016)
Stock Listing: Tokyo Stock Exchange (1st Section)

Board of Directors and Audit & Supervisory Board (as of August 24,2016)

President and Chief Executive Officer
◇Takayuki Ikeda

Directors
Hiroshi Tangoku
Toshifumi Matsumoto
Masatsugu Sakabe
Kazuo Yajima
Yukio Inoue
Shinichiro Akiba
Michio Kuwahara
Shin Nagase

◇:Representative Director

Audit & Supervisory Board Members
Haruo Kawasumi
Takehiko Ouchi
Hideo Tabuchi

Main Consolidated Companies (as of March 31, 2016)

- TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.
- TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD.
- TOSHIBA TEC (H.K.) LOGISTICS & PROCUREMENT LTD.
- TOSHIBA TEC SOLUTION SERVICES CORPORATION
- TOSHIBA GLOBAL COMMERCE SOLUTIONS, INC.
- TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH
- TOSHIBA TEC SINGAPORE PTE LTD.
- P.T. TEC INDONESIA
- TOSHIBA TEC FRANCE IMAGING SYSTEMS S.A.
- TOSHIBA TEC EUROPE RETAIL INFORMATION SYSTEMS S.A.
- TOSHIBA TEC U.K. IMAGING SYSTEMS LIMITED
- TOSEI CORPORATION
- TOSHIBA GLOBAL COMMERCE SOLUTIONS MEXICO, S. DE R.L. DE C.V.
- TEC INFORMATION SYSTEMS CORPORATION
- POS PERAKENDE OTOMASYON SISTEMLERI TICARET VE SANAYI A.S.
- TOSHIBA GLOBAL COMMERCE SOLUTIONS (CANADA) LTD.
- TOSHIBA GLOBAL COMMERCE SOLUTIONS (U.K.) LIMITED
- TEC PRECISION CO., LTD.
- TOSHIBA TEC MALAYSIA MANUFACTURING SDN. BHD.
- TER CORPORATION
- KOKUSAI CHART CORPORATION
- TOSHIBA GLOBAL COMMERCE SOLUTIONS (NETHERLANDS) B.V.
- TOSHIBA GLOBAL COMMERCE SOLUTIONS FOR RETAIL (BRAZIL), LTD.
- TOSHIBA GLOBAL COMMERCE SOLUTIONS HOLDINGS CORPORATION

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