

TOSHIBA

2018

Annual Report

For the Year Ended March 31, 2018



TOSHIBA TEC CORPORATION

Financial Highlights

Years ended March 31

Consolidated	Millions of yen					Thousands of U.S. dollars
	2014	2015	2016	2017	2018	2018
Net sales	¥498,894	¥524,577	¥532,818	¥497,611	¥513,289	\$4,831,410
Ordinary profit (loss)	20,920	10,391	(2,298)	12,534	22,768	214,307
Profit (loss) attributable to owners of parent	7,448	(1,149)	(103,449)	7,758	17,512	164,834
Total assets	393,136	416,769	281,615	269,393	282,630	2,660,297
Net assets	186,033	203,108	70,359	76,047	93,215	877,400
	Yen					U.S. dollars
Per share data:						
Profit (loss) attributable to owners of parent-Basic	¥27.14	¥(4.18)	¥(376.69)	¥28.24	¥63.74	\$0.60
Net assets	578.90	623.35	208.93	238.07	300.38	2.83
Non-Consolidated	Millions of yen					Thousands of U.S. dollars
	2014	2015	2016	2017	2018	2018
Net sales	¥261,258	¥265,840	¥261,496	¥260,894	¥282,974	\$2,663,535
Ordinary profit (loss)	10,362	12,668	(1,186)	39,375	15,184	142,922
Profit (loss)	2,355	9,376	(115,933)	36,402	17,733	166,915
Capital stock	39,970	39,970	39,970	39,970	39,970	376,224
Total assets	257,506	293,447	189,623	214,940	209,349	1,970,529
Net assets	127,812	136,109	18,301	54,759	71,725	675,122
	Yen					U.S. dollars
Per share data:						
Profit (loss)-Basic	¥8.58	¥34.15	¥(422.15)	¥132.51	¥64.55	\$0.61
Cash dividends	8.00	13.00	—	2.00	8.00	0.08
Net assets	465.23	495.26	66.21	198.93	260.54	2.45

The dollar amounts in this report represent translations of yen, for convenience only, at the rate of ¥106.24=US\$1.00, the exchange rate on March 31, 2018.

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Business Review for the Fiscal Year 2017

Regarding the global economy in the fiscal year 2017, the US and Europe experienced a gradual recovery, and in Asia the economy was generally firm. In Japan, the economy mostly remained on a recovery track due in part to a gradual recovery in personal consumption, exports and capital investment.

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 “establish profit stability through cost reduction and productivity improvement”, “strengthening of core businesses”, and “expansion of solutions and service business”.

Net sales were ¥513,289 million (up 3% year-on-year), partially due to robust sales of POS systems for the Japanese market and MFPs for overseas markets despite the adverse influence of the transfer of business of TOSEI CORPORATION. With regard to profit/loss, due to factors such as increased profitability on higher sales of POS systems for the domestic market, improvement of the model composition, and the effect of a decline in selling, general and administrative expenses, operating profit was ¥24,546 million (up 68% year-on-year), ordinary profit was ¥22,768 million (up 82% year-on-year) and net profit attributable to owners of parent was ¥17,512 million (up 126% year-on-year). Net profit attributable to owners of parent for the current fiscal year was at an all-time high.

As a result of its strong business performance in the fiscal year 2017, Toshiba Tec Corporation paid a year-end dividend of ¥5 per share for the fiscal year 2017, up ¥2 from the previously announced forecast, while monitoring internal reserves in order to maintain a healthy financial position.

The business highlights for each report segment in the fiscal year 2017 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 highly competitive business environment.

In POS systems for the Japanese market, sales increased due to improvement in demand for POS systems for major customers and increased sales of semi-self checkout systems, self ordering systems, etc. as a result of a labor shortage.

As for POS systems for overseas markets, sales declined, including a reactionary decline due to a concentration of large-scale projects in the previous fiscal year in the Americas, although sales generally remained robust in Europe and Asia.

Sales of MFPs for the Japanese market decreased, attributable in part to a lower number of units sold.

Sales of Automatic Identification systems for the Japanese market decreased, in spite of an increase in the number of units of label printers sold as a whole, due to a high sales composition ratio of relatively inexpensive products.

As a result, net sales from the retail solutions business were ¥324,499 million (up 1% year-on-year) partially due to robust sales of POS systems for the Japanese market despite the adverse influence of the transfer of business of TOSEI CORPORATION. Operating profit was ¥17,255 million (up 53% year-on-year), due to factors such as increased profitability on higher sales of POS systems for the domestic market and improvement in the model composition.

Printing Solutions Business

The printing solutions business, which deals with MFPs for overseas markets, Automatic Identification systems and related products for overseas markets, and inkjet heads for domestic and overseas markets, focused efforts on expanding sales of strategic products, while pioneering vertical markets and new business fields, against a difficult business background

marked by tough competition.

Concerning MFPs for overseas markets, sales increased, due in part to increased sales to Asia, centered on China.

In Automatic Identification systems for overseas markets, sales increased due to factors including increased sales for Asia and the effect of exchange rates.

Sales of inkjet heads were on par with the previous year due to higher sales to customers in Japan despite a decline in sales to overseas customers.

As a result, net sales from the printing solutions business were ¥199,971 million (up 6% year-on-year). Operating profit was ¥7,291 million (up 115% year-on-year), due partially to the effect of lower selling, general and administrative expenses.

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

Forecasts for Fiscal Year 2018

With regard to the global economy, although a recovery should continue in the US and Europe, in Asia the economy is expected to gradually decelerate, mainly in China. In Japan, the economy is anticipated to remain on a recovery track partially due to a gradual recovery in personal consumption, exports and capital investment.

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 “establish profit stability through cost reduction and productivity improvement”, “strengthening of core businesses”, and “expansion of solutions and service business”.

Main measures on a segment basis for fiscal year 2018 ending March 31, 2019 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 more significant in the Japanese market. Concurrently, efforts will be made toward the provision of total solutions, including the development and release of new solutions to meet 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.

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 in overseas markets and of inkjet heads that are important products in both domestic and overseas markets. With respect to total solutions that extensively leverage our product lines and global market reach, 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.

(1) Consolidated Financial Statements

Consolidated Balance Sheet

As of March 31, 2018 and 2017

ASSETS	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Current assets			
Cash and deposits	¥57,355	¥46,129	\$539,863
Notes and accounts receivable-trade	*4 67,996	63,769	640,023
Merchandise and finished goods	32,885	32,849	309,535
Work in process	1,525	1,629	14,354
Raw materials and supplies	6,758	6,100	63,611
Deferred tax assets	6,155	7,560	57,935
Other	32,775	32,900	308,500
Allowance for doubtful accounts	(1,925)	(2,572)	(18,119)
Total current assets	203,528	188,367	1,915,738
Non-current assets			
Property, plant and equipment:			
Buildings and structures	24,044	25,480	226,318
Accumulated depreciation	(17,944)	(19,038)	(168,901)
Buildings and structures, net	6,099	6,441	57,408
Machinery, equipment and vehicles	41,686	43,742	392,376
Accumulated depreciation	(33,718)	(36,279)	(317,376)
Machinery, equipment and vehicles, net	7,968	7,462	75,000
Tools, furniture and fixtures	45,442	47,441	427,730
Accumulated depreciation	(39,423)	(41,536)	(371,075)
Tools, furniture and fixtures, net	6,018	5,904	56,645
Land	1,269	1,640	11,945
Leased assets	11,758	11,220	110,674
Accumulated depreciation	(6,208)	(4,874)	(58,434)
Leased assets, net	5,550	6,346	52,240
Construction in progress	1,183	1,272	11,135
Total property, plant and equipment	28,090	29,068	264,401
Intangible assets:			
Goodwill	4,083	6,053	38,432
Customer relationship assets	568	639	5,346
Other	8,484	7,624	79,857
Total intangible assets	13,135	14,317	123,635
Investments and other assets:			
Investment securities	*1 6,058	*1 5,350	57,022
Net defined benefit asset	2,448	2,204	23,042
Deferred tax assets	17,213	16,731	162,020
Other	12,262	14,008	115,418
Allowance for doubtful accounts	(107)	(655)	(1,007)
Total investments and other assets	37,875	37,640	356,504
Total non-current assets	79,101	81,026	744,550
Total assets	¥282,630	¥269,393	\$2,660,297

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

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Current liabilities			
Notes and accounts payable-trade	*4 ¥59,604	¥61,860	\$561,032
Short-term loans payable	304	1,048	2,861
Lease obligations	4,795	4,033	45,134
Accounts payable - other	25,269	24,044	237,848
Accrued expenses	14,443	13,816	135,947
Income taxes payable	4,771	5,485	44,908
Other	30,754	32,786	289,477
Total current liabilities	139,942	143,076	1,317,225
Non-current liabilities			
Lease obligations	5,682	5,172	53,483
Net defined benefit liability	35,779	35,066	336,775
Other	8,010	10,030	75,395
Total non-current liabilities	49,472	50,269	465,663
Total liabilities	189,415	193,346	1,782,897
Shareholders' equity			
Capital stock			
Authorized-1,000,000 thousand shares			
Issued- 288,145 thousand shares	39,970	39,970	376,224
Capital surplus	12	11	113
Retained earnings	35,861	19,722	337,547
Treasury shares, at cost:			
13,441 thousand shares in 2018	(5,507)	-	(51,835)
13,414 thousand shares in 2017	-	(5,488)	-
Total shareholders' equity	70,337	54,217	662,058
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	2,181	1,581	20,529
Deferred gains or losses on hedges	(22)	(6)	(207)
Foreign currency translation adjustment	10,207	8,927	96,075
Minimum pension liability adjustment	(655)	(720)	(6,165)
Remeasurements of defined benefit plans	468	1,407	4,405
Total accumulated other comprehensive income	12,180	11,189	114,646
Subscription rights to shares	153	104	1,440
Non-controlling interests	10,543	10,537	99,238
Total net assets	93,215	76,047	877,400
Total liabilities and net assets	¥282,630	¥269,393	\$2,660,297

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

Consolidated Statement of Income

Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net sales	¥513,289	¥497,611	\$4,831,410
Cost of sales	*2 305,196	*2 298,128	2,872,703
Gross profit	208,093	199,483	1,958,707
Selling, general and administrative expenses	*1,*2 183,547	*1,*2 184,833	1,727,664
Operating profit	24,546	14,649	231,043
Non-operating income:			
Interest income	560	250	5,271
Dividend income	97	95	913
Foreign exchange gains	–	616	–
Gain on valuation of derivatives	820	–	7,718
Other	339	459	3,191
Total non-operating income	1,818	1,421	17,112
Non-operating expenses:			
Interest expenses	631	639	5,939
Loss on valuation of derivatives	–	629	–
Foreign exchange losses	1,235	–	11,625
Loss on sales and retirement of non-current assets	89	173	838
Other	1,640	2,094	15,437
Total non-operating expenses	3,597	3,536	33,857
Ordinary profit	22,768	12,534	214,307
Extraordinary income:			
Gain on sales of investment securities	274	–	2,579
Gain on sales of shares of subsidiaries	238	2,114	2,240
Gains on reversal of foreign currency translation adjustment	438	–	4,123
Total extraordinary income	951	2,114	8,951
Extraordinary losses:			
Loss on valuation of investment securities	236	–	2,221
Restructuring cost	*3 176	*3 1,002	1,657
Total extraordinary losses	412	1,002	3,878
Profit before income taxes	23,307	13,646	219,381
Income taxes:			
Current	5,079	8,623	47,807
Deferred	(572)	(1,461)	(5,384)
Total income taxes	4,507	7,162	42,423
Profit	18,800	6,484	176,958
Profit (loss) attributable to non-controlling interests	1,287	(1,274)	12,114
Profit attributable to owners of parent	¥17,512	¥7,758	\$164,834

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

Consolidated Statement of Comprehensive Income

Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Profit	¥18,800	¥6,484	\$176,958
Other comprehensive income			
Valuation difference on available-for-sale securities	598	106	5,629
Deferred gains or losses on hedges	(16)	(77)	(151)
Foreign currency translation adjustment	732	(3,232)	6,890
Minimum pension liability adjustment	76	(332)	715
Remeasurements of defined benefit plans, net of tax	(927)	3,266	(8,726)
Total other comprehensive income	* 463	* (269)	4,358
Comprehensive income	¥19,264	¥6,214	\$181,325
Comprehensive income attributable to:			
Owners of parent	18,504	7,978	174,172
Non-controlling interests	760	(1,764)	7,154

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

Consolidated Statement of Changes in Net Assets

Years ended March 31, 2018 and 2017

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2017	¥39,970	¥11	¥19,722	¥(5,488)	¥54,217
Changes during the year					
Dividends of surplus	-	-	(1,373)	-	(1,373)
Profit attributable to owners of parent	-	-	17,512	-	17,512
Purchase of treasury shares	-	-	-	(22)	(22)
Disposal of treasury shares	-	0	-	3	4
Net changes of items other than shareholders' equity	-	-	-	-	-
Balance at March 31, 2018	¥39,970	¥12	¥35,861	¥(5,507)	¥70,337

	Millions of yen						Subscription rights to shares	Non-controlling interests	Total net assets
	Accumulated other comprehensive income								
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum pension liability adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at April 1, 2017	¥1,581	¥(6)	¥8,927	¥(720)	¥1,407	¥11,189	¥104	¥10,537	¥76,047
Changes during the year									
Dividends of surplus	-	-	-	-	-	-	-	-	(1,373)
Profit attributable to owners of parent	-	-	-	-	-	-	-	-	17,512
Purchase of treasury shares	-	-	-	-	-	-	-	-	(22)
Disposal of treasury shares	-	-	-	-	-	-	-	-	4
Net changes of items other than shareholders' equity	600	(16)	1,280	65	(939)	991	49	6	1,046
Balance at March 31, 2018	¥2,181	¥(22)	¥10,207	¥(655)	¥468	¥12,180	¥153	¥10,543	¥93,215

	Thousands of U.S. dollars				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2017	\$376,224	\$104	\$185,636	\$(51,657)	\$510,326
Changes during the year					
Dividends of surplus	-	-	(12,924)	-	(12,924)
Profit attributable to owners of parent	-	-	164,834	-	164,834
Purchase of treasury shares	-	-	-	(207)	(207)
Disposal of treasury shares	-	0	-	28	38
Net changes of items other than shareholders' equity	-	-	-	-	-
Balance at March 31, 2018	\$376,224	\$113	\$337,547	\$(51,835)	\$662,058

	Thousands of U.S. dollars						Subscription rights to shares	Non-controlling interests	Total net assets
	Accumulated other comprehensive income								
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum pension liability adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at April 1, 2017	\$14,881	\$(56)	\$84,027	\$(6,777)	\$13,244	\$105,318	\$979	\$99,181	\$715,804
Changes during the year									
Dividends of surplus	-	-	-	-	-	-	-	-	(12,924)
Profit attributable to owners of parent	-	-	-	-	-	-	-	-	164,834
Purchase of treasury shares	-	-	-	-	-	-	-	-	(207)
Disposal of treasury shares	-	-	-	-	-	-	-	-	38
Net changes of items other than shareholders' equity	5,648	(151)	12,048	612	(8,838)	9,328	461	56	9,846
Balance at March 31, 2018	\$20,529	\$(207)	\$96,075	\$(6,165)	\$4,405	\$114,646	\$1,440	\$99,238	\$877,400

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2016	¥39,970	¥52,970	¥(41,006)	¥(5,523)	¥46,411
Changes during the year					
Profit attributable to owners of parent	-	-	7,758	-	7,758
Purchase of treasury shares	-	-	-	(10)	(10)
Disposal of treasury shares	-	11	-	45	57
Deficit disposition	-	(52,970)	52,970	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-
Balance at March 31, 2017	¥39,970	¥11	¥19,722	¥(5,488)	¥54,217

	Accumulated other comprehensive income						Millions of yen		
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum pension liability adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
	Balance at April 1, 2016	¥1,476	¥71	¥11,740	¥(461)	¥(1,857)	¥10,969	¥116	¥12,862
Changes during the year									
Profit attributable to owners of parent	-	-	-	-	-	-	-	-	7,758
Purchase of treasury shares	-	-	-	-	-	-	-	-	(10)
Disposal of treasury shares	-	-	-	-	-	-	-	-	57
Deficit disposition	-	-	-	-	-	-	-	-	-
Net changes of items other than shareholders' equity	104	(77)	(2,812)	(258)	3,264	220	(11)	(2,325)	(2,116)
Balance at March 31, 2017	¥1,581	¥(6)	¥8,927	¥(720)	¥1,407	¥11,189	¥104	¥10,537	¥76,047

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

Numbers of shares in issue: 288,145 thousand shares in the fiscal year ended March 31, 2018.

Consolidated Statement of Cash Flows

Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Cash flows from operating activities			
Profit before income taxes	¥23,307	¥13,646	\$219,381
Depreciation and amortization	14,036	13,955	132,116
Loss (gain) on sales and retirement of property, plant and equipment	89	173	838
Increase (decrease) in allowance for doubtful accounts	(1,247)	618	(11,738)
Increase (decrease) in net defined benefit liability	(315)	410	(2,965)
Interest and dividend income	(658)	(345)	(6,194)
Interest expenses	631	639	5,939
Decrease (increase) in notes and accounts receivable-trade	(4,253)	7,816	(40,032)
Decrease (increase) in inventories	(756)	4,815	(7,116)
Increase (decrease) in notes and accounts payable-trade	(983)	(4,165)	(9,253)
Loss (gain) on sales of investment securities	(274)	(2,114)	(2,579)
Loss (gain) on valuation of investment securities	236	-	2,221
Loss (gain) on sales of shares of subsidiaries	(238)	-	(2,240)
Restructuring cost	176	1,002	1,657
Other, net	5,966	7,961	56,156
Subtotal	35,716	44,413	336,182
Interest and dividend income received	632	338	5,949
Interest expenses paid	(610)	(723)	(5,742)
Income taxes paid	(6,646)	(7,012)	(62,556)
Net cash provided by (used in) operating activities	29,092	37,016	273,833
Cash flows from investing activities			
Purchases of property, plant and equipment	(8,214)	(6,356)	(77,316)
Proceeds from sales of property, plant and equipment	123	649	1,158
Purchases of investment securities	(13)	(399)	(122)
Proceeds from sales of investment securities	313	4	2,946
Purchases of intangible assets	(3,349)	(2,534)	(31,523)
Payments for transfer of business	*3 (320)	-	(3,012)
Net decrease (increase) in short-term loans receivable	0	(2)	0
Payments of long-term loans receivable	(7)	(29)	(66)
Collections of long-term loans receivable	12	13	113
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	*2 (289)	-	(2,720)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	*2 1,747	-
Other, net	257	32	2,419
Net cash provided by (used in) investing activities	(11,487)	(6,876)	(108,123)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(787)	(2,256)	(7,408)
Repayments of finance lease obligations	(3,415)	(2,823)	(32,144)
Repayments of long-term loans payable	(3)	(3)	(28)
Purchase of treasury shares	(22)	(10)	(207)
Cash dividends paid	(1,374)	(4)	(12,933)
Dividends paid to non-controlling interests	(492)	(397)	(4,631)
Other, net	0	57	0
Net cash provided by (used in) financing activities	(6,095)	(5,439)	(57,370)
Effect of exchange rate change on cash and cash equivalents	(282)	(1,231)	(2,654)
Net increase (decrease) in cash and cash equivalents	11,226	23,468	105,666
Cash and cash equivalents at beginning of period	46,129	22,660	434,196
Cash and cash equivalents at end of period	*1 ¥57,355	*1 ¥46,129	\$539,863

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

Notes to Consolidated Financial Statements

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. The consolidated financial statements include the accounts of the Company and its subsidiaries (collectively, "Companies"). 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 ¥106.24 = US\$1.00 prevailing as of March 31, 2018. 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. As permitted by the Financial Instruments and Exchange Act of Japan, fractions below ¥1 million are rounded off.

Significant matters forming the basis of preparing the consolidated financial statements

1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 79 companies
Kokusai Chart Corporation, a former consolidated subsidiary, was excluded from the scope of consolidation from the fiscal year ended March 31, 2018, since the Company transferred 51% of the issued shares of Kokusai Chart Corporation. In addition, one domestic company and one overseas company have been removed from consolidation due to liquidation.
- (2) The unconsolidated subsidiary is as follows:
Not applicable

2. Application of the equity method

- (1) Number of unconsolidated subsidiaries accounted for under the equity method: Not applicable
- (2) Number of affiliated companies accounted for under the equity method: Not applicable
- (3) Unconsolidated subsidiaries and affiliated companies not accounted for under the equity method:
Because it is immaterial, Advanced Supply Manufacturing Corporation is excluded from the scope of the equity method.

3. Year-ends of consolidated subsidiaries

Of consolidated subsidiaries, Toshiba Global Commerce Solutions Holdings Corporation and its subsidiaries (32 companies excluding Toshiba Global Commerce Solutions, Inc., Toshiba Global Commerce Solutions (India) Private Limited, Toshiba Global Commerce Solutions Korea, Ltd., and TTEC Receivables LLC) and TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD. close accounts on December 31 every year. For those subsidiaries, provisional financial results as of 31 March are used in the preparation of these consolidated financial statements.

The closing dates of other consolidated subsidiaries are the same as the consolidated closing date.

4. Accounting policies

- (1) Valuation basis and method for important assets
 - (i) Investment Securities
Marketable securities classified as "Investment securities" are recorded at fair value, and net unrealized gains or losses after tax effect adjustment are presented as "Valuation difference on available-for-sale-securities" as a component of "Accumulated other comprehensive income" under "Net assets" in the consolidated balance sheet. Cost of securities sold is determined by the moving average method.
Non-marketable securities classified as "Investment securities" are carried at cost, which is determined by the moving average method.
 - (ii) 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 gains or losses recognized in income, except for those which meet the criteria for the deferral hedge accounting under which unrealized gains or losses are deferred as "Deferred gains or losses on hedges" in "Accumulated other comprehensive income" of "Net assets".
Receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding foreign exchange contract rates.
 - (iii) 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.
- (2) Depreciation and amortization methods of significant depreciable and amortizable assets
 - (i) Property, Plant and Equipment and Depreciation excluding leased assets
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, equipment and vehicles	5 to 13 years
Tools, furniture and fixtures	2 to 7 years
 - (ii) Intangible Assets and Amortization excluding leased assets
Intangible assets except for software developed for sales in the market are amortized by the straight-line method. Amortization for software developed for sales in the market is recorded at the greater of either an amortizable amount based on the estimated sales revenue or an amortizable amount based on the straight-line method over remaining valid sales period. Software for internal use is amortized by the straight-line method over its estimated useful life.
 - (iii) Leased assets
For leased assets related to finance lease transactions without the transfer of ownership, leased assets

depreciation is calculated on the straight-line method over the lease term with no residual value.

- (3) Accounting for significant reserves
Allowance for Doubtful Accounts
Allowance for doubtful accounts is provided based on historical experience of bad debt for trade receivables combined with an estimate of the collectability of receivable from companies in financial difficulty.
- (4) Accounting method for retirement benefit liability
The estimated amount of retirement benefits for employees is attributed to each period by the benefit formula method. Prior service cost is amortized by the straight-line method over a period within the average remaining service years for employees (mainly 10 years) at the time of recognition. Actuarial gains or losses are amortized on a straight-line basis over a period (mainly 10 years), which is shorter than the average remaining years of service of the eligible employees, from the fiscal year following the fiscal year in which differences arise.
Unrecognized actuarial gains or losses and unrecognized prior service cost, net of tax, are recognized as "Remeasurement of defined benefit plans" 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 net defined benefit liability at year-end.
- (5) Standards of translation into yen of significant assets or liabilities denominated in foreign currencies
All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from the currency conversion and settlement are recognized in profit or loss.
Assets and liabilities of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date, and revenue and expense items are translated into Japanese yen at average exchange rates during the period. Differences arising from such translation are included in "Foreign currency translation adjustment" and "Non-controlling interests" as a separate component of "Net assets".
- (6) Important hedge accounting methods
Deferred hedging is used for valuation gains and losses on forward foreign exchange contracts. Allocation treatment is applied to those forward exchange contracts that are eligible. The Companies enter into hedged transactions in the ordinary course of business in accordance with its internal rules to reduce exposure of fluctuations in future foreign currency exchange rates.
Hedging instruments are forward exchange contract and hedged items are the forecast transaction in foreign currency. Hedge effectiveness assessment are not considered necessary, as the Company assumes that cash flow from fluctuations from exposure to foreign exchange rates will be identically offset by the fluctuation in the hedging instrument, which is contracted at the same amount.
- (7) The amortization method and amortization period for goodwill
Goodwill is amortized by the straight-line method over 5 to 15 years. Immaterial goodwill generated from minor

business acquisitions is expensed in the year the transaction was executed.

- (8) Scope of cash and cash equivalents in the consolidated statement of cash flows
"Cash and cash equivalents" in the consolidated cash flow statement consists of cash-in-hand, deposits readily convertible into cash, and short-term investments with low risk of price fluctuations and with a maturity of three months or less at the time of acquisition.
- (9) Other important accounting policies in the preparation of consolidated financial statements
Consumption taxes withheld from sales and paid upon purchasing goods and services by the Companies are not included in revenues and expenses.
The consolidated tax payment system is applied.

Forthcoming accounting standard

1. The Company and domestic consolidated subsidiaries

"Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28)" and "Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No.26)" will be applied from the year ending March 31, 2019.

"Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)" and "Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30)" will be applied from the year ending March 31, 2022.

2. Overseas consolidated subsidiaries

IFRS 15 and ASU 2014-09 "Revenue from Contracts with Customers" will be applied from the year ending March 31, 2019.

IFRS 16 and ASU 2016-02 "Leases" will be applied from the year ending March 31, 2020.

Change in presentation

(Consolidated Statement of Income)

"Foreign withholding taxes", separately presented for the year ended March 31, 2017, is included in "Other" under "Non-operating expenses" since those amounts are less than 10% of total Non-operating expenses. To reflect this change in the presentation, the previous consolidated financial statements are reclassified.

As a result of this change, "Foreign withholding taxes" of ¥571 million and "Other" of ¥1,522 million for the year ended March 2017, are collectively presented in "Other" of ¥2,094 million.

Notes to Consolidated Balance Sheet

*1. Investment securities

Investment securities issued by unconsolidated subsidiaries and affiliated companies at March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Investment securities	¥26	¥40	\$245

2. Contingent Liabilities

Contingent liabilities at March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Guarantees on employees' housing loans	¥62	¥92	\$584

3. Trade notes discounted

Trade notes discounted at March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Trade notes discounted	¥48	¥128	\$452

*4. Bills due on the last day of the fiscal year

Bills due on the last day of the fiscal year are deemed to have been settled on the due date.

The following notes matured as of the end of the period are included in the balance because the end of the current period fell on a day on which financial institutions were closed.

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Notes receivable - trade	¥196	¥-	\$1,845
Notes payable - trade	17	-	160

Notes to Consolidated Statement of Income

*1. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended at March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Personnel expenses	¥82,481	¥78,542	\$776,365
Retirement benefit expenses	3,561	4,552	33,518
Research and development expenses	24,792	24,913	233,358

*2. Research and Development Expenses

Research and development costs included in administrative expenses and manufacturing cost for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Research and Development Expenses	¥28,065	¥28,161	\$264,166

*3. Restructuring Cost

The major contents of Restructuring Cost for the year ended March 31, 2018 and 2017 are extra retirement benefit payments and the costs associated with the reorganization of overseas operations.

Notes to Consolidated Statement of Comprehensive Income

*Other comprehensive income for the years ended March 31, 2018 and 2017 are as follows:

Reclassification adjustment and income tax relating to other comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Other comprehensive income			
Valuation difference on available-for-sale securities			
Amount incurred	¥863	¥152	\$8,123
Reclassification adjustments for gains and losses realized in net income	-	(0)	-
Amount before tax effect adjustment	863	152	8,123
Tax effect adjustment	(265)	(46)	(2,494)
Valuation difference on available-for-sale securities	¥598	¥106	\$5,629
Deferred gains or losses on hedges			
Amount incurred	¥(32)	¥(9)	\$(301)
Reclassification adjustments for gains and losses realized in net income	9	(102)	85
Amount before tax effect adjustment	(23)	(112)	(216)
Tax effect adjustment	7	34	66
Deferred gains on hedges	¥(16)	¥(77)	\$(151)
Foreign currency translation adjustment			
Amount incurred	¥1,171	¥(3,241)	\$11,022
Reclassification adjustments for gains and losses realized in net income	(438)	9	(4,123)
Amount before tax effect adjustment	732	(3,232)	6,890
Tax effect adjustment	-	-	-
Foreign currency translation adjustment	¥732	¥(3,232)	\$6,890
Minimum pension liability adjustment			
Amount incurred	¥117	¥(541)	\$1,101
Tax effect adjustment	(41)	208	(386)
Minimum pension liability adjustment	¥76	¥(332)	\$715
Remeasurements of defined benefit plans			
Amount incurred	¥(1,726)	¥3,156	\$(16,246)
Reclassification adjustments for gains and losses realized in net income	377	1,559	3,549
Amount before tax effect adjustment	(1,349)	4,716	(12,698)
Tax effect adjustment	422	(1,450)	3,972
Remeasurements of defined benefit plans	¥(927)	¥3,266	\$(8,726)
Total other comprehensive income	¥463	¥(269)	\$4,358

Notes to Consolidated Statement of Changes in Net Assets

Year ended March 31, 2018

1. The type and total number of issued shares as well as the type and number of our treasury shares are as follows:

(thousand shares)

	Number of shares at beginning of current period	Number of shares increased	Number of shares decreased	Number of shares at end of current period
Issued shares				
Common stock	288,145	–	–	288,145
Total	288,145	–	–	288,145
Treasury shares				
Common stock (Note 1, 2)	13,414	35	9	13,441
Total	13,414	35	9	13,441

Note: 1. The increase of 35 thousand shares in treasury shares was due to purchase requests related to the share exchange.

2. The decrease of 9 thousand shares in treasury shares was resulting from the exercise of subscription rights to shares.

2. Subscription rights to shares and treasury shares subscription rights are as follows:

Classification	The details of subscription rights	Type of shares subject to subscription rights	Number of shares subject to subscription rights (shares)				Balance at end of current period (Million yen)	Balance at end of current period (Thousands of U.S. dollars)
			At beginning of current period	Increased	Decreased	At end of current period		
the Company (Parent company)	Subscription rights as stock option	–	–	–	–	¥153	\$1,440	
Total		–	–	–	–	¥153	\$1,440	

Note: All subscription rights in above table can be exercised.

3. Cash Dividends

- (1) Payments of dividends

(Resolution)	Type of shares	Total amount of dividends	Dividends resource	Dividends per share	Record date	Effective date
Board of Directors' meeting held on May 12, 2017	Common stock	¥549 million (\$5,168 thousand)	Retained earnings	¥2 (\$0.02)	March 31, 2017	June 7, 2017
Board of Directors' meeting held on November 8, 2017	Common stock	¥824 million (\$7,756 thousand)	Retained earnings	¥3 (\$0.03)	September 30, 2017	December 1, 2017

- (2) Dividend payments for which the record date is in the fiscal year ended March 31, 2018, and the effective date is in the following fiscal year

(Resolution)	Type of shares	Total amount of dividends	Dividends resource	Dividends per share	Record date	Effective date
Board of Directors' meeting held on May 9, 2018	Common stock	¥1,373 million (\$12,924 thousand)	Retained earnings	¥5 (\$0.05)	March 31, 2018	June 5, 2018

Year ended March 31, 2017

1. The type and total number of issued shares as well as the type and number of our treasury shares are as follows:

(thousand shares)

	Number of shares at beginning of current period	Number of shares increased	Number of shares decreased	Number of shares at end of current period
Issued shares				
Common stock	288,145	–	–	288,145
Total	288,145	–	–	288,145
Treasury shares				
Common stock (Note 1, 2)	13,505	20	111	13,414
Total	13,505	20	111	13,414

Note: 1. The increase of 20 thousand shares in treasury shares was due to purchase requests related to the share exchange.

2. The decrease of 111 thousand shares in treasury shares was resulting from the exercise of subscription rights to shares.

2. Subscription rights to shares and treasury shares subscription rights are as follows:

Classification	The details of subscription rights	Type of shares subject to subscription rights	Number of shares subject to subscription rights			Balance at end of current period (Million yen)
			At beginning of current period	Increased	Decreased	
the Company (Parent company)	Subscription rights as stock option	–	–	–	–	¥104
Total		–	–	–	–	¥104

Note: All subscription rights in above table can be exercised.

3. Cash Dividends

- (1) Payments of dividends

There is no applicable matter because of non-dividend paying.

- (2) Dividend payments for which the record date is in the fiscal year ended March 31, 2017, and the effective date is in the following fiscal year

(Resolution)	Type of shares	Total amount of dividends	Dividends resource	Dividends per share	Record date	Effective date
Board of Directors' meeting held on May 12, 2017	Common stock	¥549 million	Retained earnings	¥2.0	March 31, 2017	June 7, 2017

Notes to Consolidated Statement of Cash Flows

- *1. Reconciliation of balance of cash and cash equivalents at the end of period and cash and deposits in the consolidated balance sheet is as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Cash and deposits	¥57,355	¥46,129	\$539,863
Cash and cash equivalents	¥57,355	¥46,129	\$539,863

*2. Principal assets and liabilities of a company that ceased to be a consolidated subsidiary

Year ended March 31, 2018

The breakdown of asset and liability at the time of the exclusion of Kokusai Chart Corporation from the scope of consolidation due to the sales of shares, the amount of the sales of shares, and payments for sales of shares are as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	¥1,875	\$17,649
Non-current assets	997	9,384
Current liabilities	(999)	(9,403)
Non-current liabilities	(794)	(7,474)
Non-controlling interests	(407)	(3,831)
Investment account after sale	(121)	(1,139)
Gains on sales of shares of subsidiaries	238	2,240
Total sale value	789	7,427
Cash and cash equivalents	(1,078)	(10,147)
Net: payments for sales of shares	¥(289)	\$(2,720)

Year ended March 31, 2017

The Company newly established TOSEI CORPORATION by means of corporate separation.

The breakdown of asset and liability, total sale value and proceeds from sales at the time of the exclusion of TOSEI CORPORATION from the scope of consolidation due to sales of shares are as follows:

	Millions of yen
Current assets	¥3,349
Non-current assets	855
Current liabilities	(3,634)
Non-current liabilities	(166)
Gains on sales of shares of subsidiaries	2,114
Total sale value	2,520
Cash and cash equivalents	(772)
Proceeds from sales of shares	¥1,747

*3. Principal assets and liabilities concerning transfer of business

Year ended March 31, 2018

The breakdown of asset and liability increased by transfer of business, value of transfer of business and payments for transfer of business are as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	¥61	\$574
Non-current assets	27	254
Goodwill	394	3,709
Current liabilities	(119)	(1,120)
Value of transfer of business	363	3,417
Unpaid amount of acquisition cost	(36)	(339)
Foreign currency translation difference	(7)	(66)
Payments for transfer of business	¥(320)	\$(3,012)

Year ended March 31, 2017

Not applicable

4. Details of important non-cash transactions

Assets and liabilities related to finance lease transactions

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Assets related to finance lease transactions	¥2,238	¥3,643	\$21,066
Liabilities related to finance lease transactions	¥2,615	¥3,710	\$24,614

Lease transactions

(Lessee)

1. Finance Lease

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 leased assets:

Mainly machinery and equipment

(2) Depreciation method of leased assets:

Please refer to “4. Accounting policies (2) Depreciation and amortization methods of significant depreciable and amortizable assets”.

2. Operating Lease as a lessee

Future minimum lease payments for non-cancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Payment due within 1 year	¥5,513	¥2,937	\$51,892
Payment due in more than 1 year	10,438	8,923	98,249
Total	¥15,951	¥11,860	\$150,141

(Lessor)

1. Finance Lease

(1) The details of lease investment assets

(i) Lease investment assets - current assets

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Lease receivables	¥3,297	¥1,379	\$31,034
Interests receivable	(402)	(53)	(3,784)
Total	¥2,894	¥1,325	\$27,240

(ii) Lease investment assets - investments and other assets

	Millions of yen	Thousands of U.S. dollars
Lease receivables	¥5,144	¥2,613
Interests receivable	(649)	(338)
Total	¥4,495	¥2,275

(2) Expected collectible amounts of lease revenues receivable in the following fiscal year are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Within 1 year	¥3,297	¥1,379	\$31,034
Between 1 to 2 years	2,496	691	23,494
Between 2 to 3 years	1,549	669	14,580
Between 3 to 4 years	824	634	7,756
Between 4 to 5 years	274	617	2,579
More than 5 years	—	0	—
Total	¥8,442	¥3,993	\$79,462

2. Operating Lease

Future minimum lease payments for non-cancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Payment due within 1 year	¥219	¥459	\$2,061
Payment due in more than 1 year	1,529	602	14,392
Total	¥1,749	¥1,061	\$16,463

3. Amount on the consolidated balance sheet that corresponds to sub-lease transaction and before deducting the portion of interest equivalent amount are summarized as follows:

(1) Lease investment assets

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Current assets	¥1,818	¥1,186	\$17,112
Investments and other assets	2,453	1,868	23,089

(2) Lease investment payable

	2018	2017	2018
Current liabilities	¥1,818	¥1,186	\$17,112
Non-current liabilities	2,453	1,868	23,089

Financial Instruments

1. Condition of financial instruments

(1) Policy for financial instruments

The Companies, in principle, limit the scope of its cash and fund management activities to short-term deposits, etc.

The Companies use derivatives for the purpose of reducing risks (described below) and don't 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. 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.

Short-term loans payable are mainly for financing related to operating activities by bank loans.

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 instruments, targets, policies and methods of evaluating the effectiveness of the hedge, please refer to Significant matters forming the basis of preparing the consolidated financial statements "4. Accounting policies (6) Important hedge accounting methods".

(3) Risk management for financial instruments

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

The Company adheres to the internal policies for its trade receivables by having the Credit Managing division monitor the status of major counterparties regularly and managing due dates and balances by counterparty, while working to detect early and mitigate any concerns about collection due to the deterioration in their financial positions and other reasons.

(ii) 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.

(iii) 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 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 "Derivative Transactions" are not indicative of the actual market risk involved in derivative transactions.

2. Fair value of financial instruments

Year ended March 31, 2018

The carrying value of financial instruments in the consolidated balance sheet as of March 31, 2018, and their fair value are as follows:

Items without market value are not included in the securities in the table. (See Note2)

	Millions of yen		
	Consolidated balance sheet	Fair value	Difference
(a) Cash and deposits	¥57,355	¥57,355	-
(b) Notes and accounts receivable-trade	67,996		
Allowance for doubtful accounts ^{(*)1}	(1,985)		
	66,011	66,011	-
(c) Marketable and investment securities	4,420	4,420	-
Total assets	127,790	127,790	-
(d) Notes and accounts payable-trade	(59,604)	(59,604)	-
(e) Short- term loans payable	(304)	(304)	-
(f) Accounts payable - other	(25,269)	(25,269)	-
(g) Lease obligations ^{(*)2}	(10,477)	(10,042)	(435)
Total liabilities	(95,656)	(95,220)	(435)
(h) Derivative transactions ^{(*)3}	850	850	-

	Thousands of U.S. dollars		
	Consolidated balance sheet	Fair value	Difference
(a) Cash and deposits	\$539,863	\$539,863	-
(b) Notes and accounts receivable-trade	640,023		
Allowance for doubtful accounts ^{(*)1}	(18,684)		
	621,338	621,338	-
(c) Marketable and investment securities	41,604	41,604	-
Total assets	1,202,843	1,202,843	-
(d) Notes and accounts payable-trade	(561,032)	(561,032)	-
(e) Short- term loans payable	(2,861)	(2,861)	-
(f) Accounts payable - other	(237,848)	(237,848)	-
(g) Lease obligations ^{(*)2}	(98,616)	(94,522)	(4,095)
Total liabilities	(900,377)	(896,273)	(4,095)
(h) Derivative transactions ^{(*)3}	8,001	8,001	-

^{(*)1} Allowance for doubtful accounts provided for individual customers are deducted.

^{(*)2} Lease obligations scheduled to be repaid within one year are included.

^{(*)3} The value of assets and liabilities arising from derivatives is shown at net value. The liability position is shown in parenthesis.

Year ended March 31, 2017

The carrying value of financial instruments in the consolidated balance sheet as of March 31, 2017, and their fair value are as follows:

Items without market value are not included in the securities in the table. (See Note2)

	Millions of yen		
	Consolidated balance sheet	Fair value	Difference
(a) Cash and deposits	¥46,129	¥46,129	-
(b) Notes and accounts receivable-trade	63,769		
Allowance for doubtful accounts ^{(*)1}	(3,211)		
	60,558	60,558	-
(c) Marketable and investment securities	3,412	3,412	-
Total assets	110,100	110,100	-
(d) Notes and accounts payable-trade	(61,860)	(61,860)	-
(e) Short- term loans payable	(1,048)	(1,048)	-
(f) Accounts payable - other	(24,044)	(24,044)	-
(g) Lease obligations ^{(*)2}	(9,206)	(8,881)	(325)
Total liabilities	(96,160)	(95,835)	(325)
(h) Derivative transactions ^{(*)3}	(189)	(189)	-

^{(*)1} Allowance for doubtful accounts provided for individual customers are deducted.

^{(*)2} Lease obligations scheduled to be repaid within one year are included.

^{(*)3} 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 fair value of financial instruments and other matters related to securities and derivative transactions

(a) Cash and deposits and (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 "Securities".

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

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

(g) Lease obligations

The fair market value is calculated by discounting the total amount of the principal and interest based on the reasonably estimated interest rate for similar borrowings.

(h) Derivatives transaction

Please refer to "Derivative Transactions".

2. Financial instruments for which an observable market price or observable inputs used to determine a market price doesn't exist

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Unlisted stocks	¥1,638	¥1,937	\$15,418

The unlisted stocks which do not have market prices are not included in (c) Marketable and investment securities in the above table, since the estimation of the fair value is deemed to be extremely difficult.

3. Collection schedule of monetary claim and redemption schedule of held-to-maturity securities after the consolidated balance sheet as of March 31, 2018 and 2017 are as follows:

	Millions of yen			
	2018			
	Within 1 year	Between 1 to 5 years	Between 5 to 10 years	More than 10 years
Cash and deposits	¥57,355	-	-	-
Notes and accounts receivable-trade	67,996	-	-	-
Total	¥125,352	-	-	-

	Millions of yen			
	2017			
	Within 1 year	Between 1 to 5 years	Between 5 to 10 years	More than 10 years
Cash and deposits	¥46,129	–	–	–
Notes and accounts receivable-trade	63,769	–	–	–
Total	¥109,899	–	–	–

	Thousands of U.S. dollars			
	2018			
	Within 1 year	Between 1 to 5 years	Between 5 to 10 years	More than 10 years
Cash and deposits	\$539,863	–	–	–
Notes and accounts receivable-trade	640,023	–	–	–
Total	\$1,179,895	–	–	–

4. Payment schedule of long-term loans payable, lease obligations and other interest-bearing debt after the consolidated balance sheet as of March 31, 2018 and 2017 are as follows:

	Millions of yen					
	2018					
	Within 1 year	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years	More than 5 years
Short-term loans payable	¥304	–	–	–	–	–
Lease obligations	4,795	3,273	1,764	550	94	–
Total	¥5,099	¥3,273	¥1,764	¥550	¥94	–

	Millions of yen					
	2017					
	Within 1 year	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years	More than 5 years
Short-term loans payable	¥1,048	–	–	–	–	–
Lease obligations	4,033	1,293	1,293	1,293	1,293	–
Total	¥5,082	¥1,293	¥1,293	¥1,293	¥1,293	–

	Thousands of U.S. dollars					
	2018					
	Within 1 year	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years	More than 5 years
Short-term loans payable	\$2,861	–	–	–	–	–
Lease obligations	45,134	30,808	16,604	5,177	885	–
Total	\$47,995	\$30,808	\$16,604	\$5,177	\$885	–

Securities

1. Information regarding marketable securities as of March 31, 2018 and 2017 are as follows:

	Millions of yen					
	2018			2017		
	Carrying value	Acquisition cost	Unrealized gains (losses)	Carrying value	Acquisition cost	Unrealized gains (losses)
Investment securities whose carrying value exceeds their acquisition cost:						
Stocks	¥4,261	¥983	¥3,278	¥3,376	¥1,000	¥2,375
Investment securities whose acquisition cost exceeds their carrying value:						
Stocks	158	170	(12)	35	38	(2)
Total	¥4,420	¥1,154	¥3,266	¥3,412	¥1,039	¥2,373

	Thousands of U.S. dollars		
	2018		
	Carrying value	Acquisition cost	Unrealized gains (losses)
Investment securities whose carrying value exceeds their acquisition cost:			
Stocks	\$40,107	\$9,253	\$30,855
Investment securities whose acquisition cost exceeds their carrying value:			
Stocks	1,487	1,600	(113)
Total	\$41,604	\$10,862	\$30,742

Note: The unlisted stocks of ¥1,638 million (\$15,418 thousand) and ¥1,937 million for the year ended March 31, 2018 and 2017 which do not have market prices are not included in "Investment securities" in the above table, since the estimation of the fair value is deemed to be extremely difficult.

2. Information regarding the sales of securities, except those of the affiliated companies, for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen					
	2018			2017		
	Proceeds	Realized gains	Realized losses	Proceeds	Realized gains	Realized losses
Stocks	¥286	¥274	–	¥177	¥17	¥4

	Thousands of U.S. dollars		
	2018		
	Proceeds	Realized gains	Realized losses
Stocks	\$2,692	\$2,579	–

3. Information regarding impairment of securities
Year ended March 31, 2018

The Company has recognized an impairment loss on securities and recorded loss on valuation of investment securities in an amount of ¥236 million (\$2,221 thousand).

Year ended March 31, 2017

Not applicable

Derivative Transactions

1. Summarized below are the amount of contract and the fair value of the derivative transaction for which the hedge accounting is not applied.

Currency-related transactions

Transaction outside the market

	Millions of yen					
	2018			2017		
	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)
	Maturing within 1 year	Maturing in more than 1 year		Maturing within 1 year	Maturing in more than 1 year	
Forward foreign exchange contracts						
Sell:						
USD	¥17,788	¥–	¥803	¥803	¥29,903	¥–
EUR	11,473	–	207	207	7,512	–
CNY	811	–	3	3	–	–
Buy:						
USD	7,418	–	(113)	(113)	12,277	–
EUR	1,021	–	(17)	(17)	771	–
Total	¥38,513	¥–	¥882	¥882	¥50,465	¥–

	Thousands of U.S. dollars			
	2018			
	Contract amount		Fair value	Unrealized gains (losses)
Maturing within 1 year	Maturing in more than 1 year			
Forward foreign exchange contracts				
Sell:				
USD	\$167,432	\$ –	\$7,558	\$7,558
EUR	107,991	–	1,948	1,948
CNY	7,634	–	28	28
Buy:				
USD	69,823	–	(1,064)	(1,064)
EUR	9,610	–	(160)	(160)
Total	\$362,509	\$ –	\$8,302	\$8,302

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

2. Summarized below are the amount of contract and the fair value of the derivative transaction for which the hedge accounting is applied.

Currency-related transactions

1) Net deferred gains or losses on hedges

	Main hedged items	Millions of yen		
		2018		
		Contract amount		Fair value
Maturing within 1 year	Maturing in more than 1 year			
Forward foreign exchange contracts				
Sell:				
USD	Accounts receivable-trade	¥3,097	¥ –	¥12
EUR	Accounts receivable-trade	2,609	–	0
AUD	Accounts receivable-trade	467	–	(0)
CAD	Accounts receivable-trade	268	–	(0)
Buy:				
USD	Accounts payable-trade	6,588	–	(43)
EUR	Accounts payable-trade	280	–	(1)
Total		¥13,313	¥ –	¥(32)

	Main hedged items	Millions of yen		
		2017		
		Contract amount		Fair value
Maturing within 1 year	Maturing in more than 1 year			
Forward foreign exchange contracts				
Sell:				
USD	Accounts receivable-trade	¥3,211	¥ –	¥10
EUR	Accounts receivable-trade	3,505	–	1
AUD	Accounts receivable-trade	339	–	(10)
CAD	Accounts receivable-trade	237	–	3
Buy:				
USD	Accounts payable-trade	6,554	–	(13)
USD	Accounts payable-other	82	–	(1)
EUR	Accounts payable-trade	261	–	2
Total		¥14,191	¥ –	¥(9)

	Main hedged items	Thousands of U.S. dollars		
		2018		
		Contract amount		Fair value
Maturing within 1 year	Maturing in more than 1 year			
Forward foreign exchange contracts				
Sell:				
USD	Accounts receivable-trade	\$29,151	\$ –	\$113
EUR	Accounts receivable-trade	24,558	–	0
AUD	Accounts receivable-trade	4,396	–	(0)
CAD	Accounts receivable-trade	2,523	–	(0)
Buy:				
USD	Accounts payable-trade	62,011	–	(405)
EUR	Accounts payable-trade	2,636	–	(9)
Total		\$125,311	\$ –	\$(301)

*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

	Main hedged items	Millions of yen		
		2018		
		Contract amount		Fair value
Maturing within 1 year	Maturing in more than 1 year			
Forward foreign exchange contracts				
Sell:				
USD	Accounts receivable-trade	¥468	¥ –	¥13
AUD	Accounts receivable-trade	1,465	–	74
CAD	Accounts receivable-trade	856	–	55
Buy:				
USD	Accounts payable-trade	915	–	(27)
USD	Accounts payable-other	229	–	(1)
AUD	Accounts payable-other	256	–	(5)
Total		¥4,192	¥ –	¥109

	Main hedged items	Millions of yen		
		2017		
		Contract amount		Fair value
Maturing within 1 year	Maturing in more than 1 year			
Forward foreign exchange contracts				
Sell:				
USD	Accounts receivable-trade	¥159	¥ –	¥1
AUD	Accounts receivable-trade	1,099	–	(36)
CAD	Accounts receivable-trade	375	–	(2)
Buy:				
USD	Accounts payable-trade	490	–	1
USD	Accounts payable-other	74	–	(0)
AUD	Accounts payable-other	266	–	(1)
Total		¥2,466	¥ –	¥(37)

Thousands of U.S. dollars				
2018				
Main hedged items	Contract amount		Fair value	
	Maturing within 1 year	Maturing in more than 1 year		
Forward foreign exchange contracts				
Sell:				
USD	Accounts receivable-trade	\$4,405	\$ –	\$122
AUD	Accounts receivable-trade	13,790	–	697
CAD	Accounts receivable-trade	8,057	–	518
Buy:				
USD	Accounts payable-trade	8,613	–	(254)
USD	Accounts payable-other	2,155	–	(9)
AUD	Accounts payable-other	2,410	–	(47)
Total		\$39,458	\$ –	\$1,026

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

Retirement Benefits

1. Summary of Retirement Benefit Plans

The Company and its consolidated subsidiaries have both funded and unfunded defined benefit plans and defined contribution plans.

In defined benefit plans which are fully 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 fully unfunded, the benefits are determined by reference to assessment and qualification and paid on a lump-sum basis.

In addition, certain subsidiaries use the 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 certain domestic subsidiaries have adopted defined contribution pension plans since October 1, 2015.

The defined contribution plans are designed to replace of the funding of defined benefit plans, whereby employees are responsible for managing the funds themselves. For those employees who do not want to participate in the defined contribution benefit plan, the Companies pay an advance payment of retirement benefits, equivalent to the employer's contribution of the defined contribution plan.

2. Defined Benefit Plans

(1) The changes in the retirement benefit obligation during the years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Balance at the beginning of the year	¥89,152	¥91,438	\$839,157
Service cost	3,386	3,597	31,871
Interest cost	848	868	7,982
Actuarial gains or losses	3,350	(2,738)	31,532
Retirement benefit paid	(3,506)	(3,779)	(33,001)
Other	(652)	(234)	(6,137)
Balance at the end of the year	¥92,576	¥89,152	\$871,386

(2) The changes in plan assets during the years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Balance at the beginning of the year	¥56,290	¥54,077	\$529,838
Expected return on plan assets	1,416	1,151	13,328
Actuarial gains or losses	1,601	418	15,070
Contributions by the Company	1,895	3,281	17,837
Retirement benefits paid	(2,018)	(2,515)	(18,995)
Other	(268)	(123)	(2,523)
Balance at the end of the year	¥58,916	¥56,290	\$554,556

(3) The funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2018 and 2017 for the Company's and the consolidated subsidiaries' defined benefit plans

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Funded retirement benefit obligation	¥58,905	¥53,405	\$554,452
Plan assets	(58,916)	(56,290)	(554,556)
	¥(10)	¥(2,885)	\$(94)

Unfunded retirement benefit obligation	¥33,671	¥35,747	\$316,933
Estimated amount for pension fund liquidation of a consolidated subsidiary	(329)	–	(3,097)
Net liability for retirement benefits in the balance sheet	¥33,331	¥32,861	\$313,733
Net defined benefit liability	¥35,779	¥35,066	\$336,775
Net defined benefit asset	(2,448)	(2,204)	(23,042)
Net liability for retirement benefits in the balance sheet	¥33,331	¥32,861	\$313,733

(4) The components of retirement benefit expense for the years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Service cost	¥3,386	¥3,597	\$31,871
Interest cost	848	868	7,982
Expected return on plan assets	(1,416)	(1,151)	(13,328)
Amortization of actuarial losses	466	897	4,386
Amortization of prior service cost	(89)	662	(838)
Retirement benefit expenses	¥3,195	¥4,874	\$30,073

(5) Remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Prior service cost	¥(89)	¥662	\$(838)
Actuarial gains or losses	(1,260)	4,054	(11,860)
Total	¥(1,349)	¥4,716	\$(12,698)

(6) Remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Unrecognized prior service cost	¥243	¥333	\$2,287
Unrecognized actuarial losses	416	1,676	3,916
Total	¥660	¥2,009	\$6,212

(7) The plan assets

(i) The plan assets, by major category, as a percentage of total plan assets as of March 31, 2018 and 2017

	2018	2017
Bonds	36%	34%
Alternatives	27%	27%
Stocks	25%	21%
Life insurance company general accounts	9%	9%
Other	3%	9%
Total	100%	100%

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

(ii) 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

	2018	2017
Discount rate	Mainly 0.5~1.2%	Mainly 1.2%
Expected long term rate of return on plan assets	Mainly 2.5%	Mainly 2.5%
Expected salary increase rate	Mainly 5.6%	Mainly 5.3%

3. Defined Contribution Plans

Amounts which consolidated subsidiaries contributed to their defined contribution plans for the years ended March 31, 2018 and 2017 were ¥1,909 million (\$17,969 thousand) and ¥1,657 million, respectively.

Stock Option Plan

The stock options outstanding as of March 31, 2018 are as follows:

1. The amount and the accounting classification of the stock options existing for the year ended March 31, 2018
Selling, general and administrative expenses for the years ended March 31, 2018 and 2017 were ¥53 million (\$499 thousand) and ¥45 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
Date of resolution	June 23, 2011
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note 1)	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
Date of resolution	June 26, 2012
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note 1)	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
Date of resolution	June 27, 2013
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note 1)	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
Date of resolution	June 27, 2014
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note 1)	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
Date of resolution	July 13, 2015
Qualified beneficiaries	17 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note 1)	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

	The ninth new share subscription rights as share-reward type stock option
Date of resolution	July 27, 2016
Type of shares for which new subscription rights offered (Note 1)	113,000 shares of Common stock
Date of issuance	August 31, 2016
Condition of exercising	(Note 2)
Vesting period	No conditional period required
Subscription rights exercise period	From September 1, 2016 to August 31, 2046

	The tenth new share subscription rights as share-reward type stock option
Date of resolution	June 28, 2017
Qualified beneficiaries	18 of the Company directors and corporate officers
Type of shares for which new subscription rights offered (Note 1)	88,000 shares of Common stock
Date of issuance	August 9, 2017
Condition of exercising	(Note 2)
Vesting period	No conditional period required
Subscription rights exercise period	From August 10, 2017 to August 9, 2047

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, 2018.

As for the number of stock options, it is converted into the number of shares.

(i) The number of stock options (shares)

	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
Date of resolution	June 23, 2011	June 26, 2012	June 27, 2013
Before the resolution			
End of the preceding term	-	-	-
Offered	-	-	-
Cancelled	-	-	-
Vested	-	-	-
Outstanding	-	-	-
After the resolution			
End of the preceding term	9,000	11,000	10,000
Vested	-	-	-
Exercised	-	-	-
Cancelled	-	-	-
Outstanding	9,000	11,000	10,000

	The seventh new share subscription rights as share-reward type stock option	The eighth new share subscription rights as share-reward type stock option	The ninth new share subscription rights as share-reward type stock option
Date of resolution	June 27, 2014	July 13, 2015	July 27, 2016
Before the resolution			
End of the preceding term	-	-	-
Offered	-	-	-
Cancelled	-	-	-
Vested	-	-	-
Outstanding	-	-	-
After the resolution			
End of the preceding term	34,000	41,000	113,000
Vested	-	-	-
Exercised	-	3,000	6,000
Cancelled	-	-	-
Outstanding	34,000	38,000	107,000

	The tenth new share subscription rights as share-reward type stock option
Date of resolution	June 28, 2017
Before the resolution	
End of the preceding term	-
Offered	88,000
Cancelled	-
Vested	88,000
Outstanding	-
After the resolution	
End of the preceding term	-
Vested	88,000
Exercised	-
Cancelled	-
Outstanding	88,000

(ii) Per share data

	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
Date of resolution	June 23, 2011	June 26, 2012	June 27, 2013
Exercised price	¥1(\$0.01)	¥1(\$0.01)	¥1(\$0.01)
The average price at the time of exercising	-	-	-
Official price at the date of offered	¥316(\$2.97)	¥291(\$2.74)	¥550(\$5.18)

	The seventh new share subscription rights as share-reward type stock option	The eighth new share subscription rights as share-reward type stock option	The ninth new share subscription rights as share-reward type stock option
Date of resolution	June 27, 2014	July 13, 2015	July 27, 2016
Exercised price	¥1(\$0.01)	¥1(\$0.01)	¥1(\$0.01)
The average price at the time of exercising	-	¥611(\$5.75)	¥611(\$5.75)
Official price at the date of offered	¥667(\$6.28)	¥602(\$5.67)	¥403(\$3.79)

	The tenth new share subscription rights as share-reward type stock option
Date of resolution	June 28, 2017
Exercised price	¥1(\$0.01)
The average price at the time of exercising	-
Official price at the date of offered	¥605(\$5.69)

3. The evaluation of fair value of stock option
 (1) The fair value of the stock option price is determined using a Black-Scholes model.

(2) General information and the method of estimation

	The tenth new share subscription rights as share-reward type stock option
Stock market volatility (Note 1)	36.1%
Estimated residual period (Note 2)	1.6 years
Estimated dividends (Note 3)	¥2 (\$0.02) per share
Risk-free rate (Note 4)	(0.11%)

Note: 1. The figure is calculated on a weekly basis based on the actual stock prices for the period from the week of December 28, 2015, 1.6 years (expected remaining period) prior to the grant date to the preceding week of grant date.

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, 2017.

4. The yield 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.

Income Taxes and Deferred Tax Assets and Liabilities

1. Significant components of deferred tax assets and liabilities for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Deferred tax assets:			
Elimination of consolidated unrealized gains	¥1,620	¥1,615	\$15,248
Intangible assets	20,531	23,922	193,251
Provision for bonuses	2,791	2,829	26,271
Net defined benefits liability	9,818	9,731	92,413
Loss carried forward	18,166	15,539	170,990
Other	2,922	5,095	27,504
Subtotal of deferred tax assets	¥55,851	¥58,734	\$525,706
Valuation allowance	(32,483)	(34,442)	(305,751)
Total deferred tax assets	¥23,368	¥24,292	\$219,955
Deferred tax liabilities:			
Reserve for advanced depreciation of non-current assets	¥(22)	¥(246)	\$(207)
Valuation difference on available-for-sale securities	(930)	(670)	(8,754)
Other	(2,140)	(4,849)	(20,143)
Total deferred tax liabilities	¥(3,094)	¥(5,766)	\$(29,123)
Net deferred tax assets	¥20,274	¥18,525	\$190,832

Note: Net deferred tax assets are included as below on consolidated balance sheet for the years ended March 31, 2018 and 2017.

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Current assets -			
Deferred tax assets	¥6,155	¥7,560	\$57,935
Non-current assets -			
Deferred tax assets	17,213	16,731	162,020
Current liabilities -			
Other	(43)	(44)	(405)
Non-current liabilities -			
Other	(3,050)	(5,721)	(28,709)

2. Significant factors in the 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, 2018 and 2017.

	2018	2017
Statutory tax rate	30.9%	30.9%
Effect of:		
Different tax rates applied to profit of foreign subsidiaries	(1.9)	(7.1)
Expenses permanently not deductible for income tax purposes	0.5	1.1
Income permanently not taxable for income tax purpose	(0.1)	(0.3)
Corporation tax special credit for research expenditures	(4.2)	(4.4)
Changes in valuation allowance	1.5	20.2
Amortization of goodwill of foreign subsidiaries	2.9	5.4
Foreign tax credits	(1.4)	(0.3)
Tax system reform	(3.4)	-
Liquidation of consolidated subsidiaries	(2.1)	-
Other, net	(3.4)	7.0
Effective tax rates	19.3%	52.5%

3. Effect of a change in the corporate income tax rate

The Tax Cuts and Jobs Act was enacted on December 22, 2017, and the federal corporation tax rate applied to US consolidated subsidiaries was reduced from 35% to 21%. As a result of this reduction, deferred tax assets which is the amount less the deferred tax liability amount increased by ¥767 million (\$7,220 thousand), foreign currency transaction adjustment increased by ¥35 million (\$329 thousand) and income taxes-deferred decreased by ¥803 million (\$7,558 thousand) for the year ended March 31, 2018.

Business Combination

Business Divestitures

On November 8, 2017, the Company resolved at the Board of Directors' meeting that it would accept the tender offer from NAKABAYASHI CO., LTD starting from November 9, 2017, to transfer a portion of the shares of Kokusai Chart Corporation owned by the Company.

On December 14, 2017, the Company transferred 3,060 thousand shares, which account for 51% of the issued shares of Kokusai Chart Corporation owned by the Company.

1. The overview of the business divestiture is as follow:

(1) Company name to which the shares were transferred
 NAKABAYASHI CO.,LTD.

(2) Contents of the business transferred
 Development, manufacture and sales of charts, ribbons, and consumables

(3) Purpose of the share transfer

Kokusai Chart Corporation was the Company's consolidated subsidiary and has contributed to the growth of the Companies due to a stable earnings structure.

Due to the escalating competition in the market of recording paper and meter reading paper, the Company judged that Kokusai Chart Corporation can make continuous improvements to corporate value by taking advantage of production facilities, customer base and expert knowledge owned by NAKABAYASHI CO.,LTD. Given the circumstances, the Company applied for this tender offer and transferred a part of the shares owned by the Company.

The Company will continue to maintain good cooperation with Kokusai Chart Corporation as in the past.

(4) Date of the share transfer

December 14, 2017

(5) Other matters concerning overview of the transaction

Share transfer in consideration for cash or cash equivalents only

2. Overview of accounting treatments

(1) Amount of gain on transfer

Gain on sales of shares of subsidiaries
¥238 million (\$ 2,240 thousand)

(2) Proper book value of assets and liabilities related to the business transferred and major components

	Millions of yen	Thousands of U.S. dollars
Current assets	¥1,875	\$17,649
Non-current assets	997	9,384
Total assets	¥2,873	\$27,043

	Millions of yen	Thousands of U.S. dollars
Current liabilities	¥999	\$9,403
Non-current liabilities	794	7,474
Total liabilities	¥1,793	\$16,877

(3) Accounting treatments

The difference between the consolidated carrying amount and the sale value is recorded in gains on sales of shares of subsidiaries under extraordinary income.

3. Name of the reportable segment to which the business transferred belonged

Retail Solutions Business Group

4. Profit related to the business transferred recorded in the Consolidated Statement of Income for the year ended March 31, 2018

	Millions of yen	Thousands of U.S. dollars
Net sales	¥1,388	\$13,065
Operating profit	33	311

Asset retirement obligations

Information of asset retirement obligations was omitted as its amount is immaterial.

Segment Information, etc.

(Segment information)

1. Summary of reportable segments

The reportable segments of the Companies are components of an entity for which discrete financial information is available and regularly reviewed by the Board of Directors for the purpose of making decisions about resources to be allocated to the segments and assess the segments' performance.

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 for domestic and overseas market, MFPs for domestic market, Auto ID systems and related products for domestic market.

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

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

The accounting policies of the segments are substantially the same as those described in Significant matters forming the basis of preparing the consolidated financial statements.

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
	2018	2017	2018
Net Sales			
Retail Solutions Business Group			
Unaffiliated customers	¥324,411	¥318,065	\$3,053,567
Intersegment	88	2,707	828
Total	324,499	320,773	3,054,396
Printing Solutions Business Group			
Unaffiliated customers	188,878	179,545	1,777,843
Intersegment	11,093	9,603	104,415
Total	199,971	189,148	1,882,257
Adjustments	(11,181)	(12,310)	(105,243)
Consolidated	¥513,289	¥497,611	\$4,831,410
Segment Profit			
Retail Solutions Business Group	¥17,255	¥11,260	\$162,415
Printing Solutions Business Group	7,291	3,389	68,628
Consolidated	¥24,546	¥14,649	\$231,043
Segment Assets			
Retail Solutions Business Group	¥131,773	¥128,236	\$1,240,333
Printing Solutions Business Group	117,621	129,109	1,107,125
Adjustments	33,235	12,047	312,829
Consolidated	¥282,630	¥269,393	\$2,660,297
Depreciation			
Retail Solutions Business Group	¥3,452	¥3,539	\$32,492
Printing Solutions Business Group	8,374	8,073	78,822
Consolidated	¥11,826	¥11,613	\$111,314
Amortization of goodwill			
Retail Solutions Business Group	¥-	¥-	\$-
Printing Solutions Business Group	2,210	2,342	20,802
Consolidated	¥2,210	¥2,342	\$20,802
Capital Expenditures			
Retail Solutions Business Group	¥3,802	¥4,109	\$35,787
Printing Solutions Business Group	10,380	8,029	97,703
Consolidated	¥14,183	¥12,138	\$133,500

Notes: 1. Adjustments of segment assets are corporate assets, and consist of cash and cash equivalents and investment securities in the amount of ¥33,235 million (\$312,829 thousand) and ¥12,047 million as of March 31, 2018 and 2017, respectively.

2. Segment profit corresponds to operating profit of Consolidated Statement of Income.

(Related Information)

1. Products and service information

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net sales of Retail	¥320,119	¥308,408	\$3,013,168
Net sales of MFP	193,170	189,202	1,818,242
Total	¥513,289	¥497,611	\$4,831,410

*Retail: POS systems, Auto ID systems and related products, etc.

*MFP: Multi Function Peripherals that realize facsimiles, office printers, multi-function peripheral devices, scanner function and document management with one machine.

2. Information by geographical area

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net Sales			
Japan	¥217,770	¥208,091	\$2,049,793
The Americas	146,675	149,202	1,380,601
Europe	100,493	95,735	945,905
Asia and others	48,350	44,581	455,102
Total	¥513,289	¥497,611	\$4,831,410

Property, plant and equipment

	Millions of yen	Thousands of U.S. dollars
Japan	¥12,168	\$114,533
The Americas	3,393	31,937
Europe	8,642	81,344
Asia and others	3,885	36,568
Total	¥28,090	\$264,401

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

- (i) The Americas U.S.A., Canada, Mexico, Venezuela, Brazil, Chile
- (ii) Europe U.K., France, Germany, Spain, Switzerland, Belgium, Italy, Netherlands, Sweden, Norway, Denmark, Finland, Poland
- (iii) Asia and others Singapore, Malaysia, Indonesia, China, Australia, Korea, Thailand

3. Information by major customer

Information by major customer is omitted since no single customer accounted for more than 10% of net sales for the years ended March 31, 2018 and 2017.

(Information about impairment loss on non-current assets by reportable segment)

Year ended March 31, 2018

Not applicable

Year ended March 31, 2017

Not applicable

(Information on amortization of goodwill and unamortized balance by reportable segment)

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
	Balance at end of period		Balance at end of period
Retail Solutions Business Group	¥-	¥-	\$-
Printing Solutions Business Group	4,083	6,053	38,432
Consolidated	¥4,083	¥6,053	\$38,432

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

(Information on negative goodwill by reportable segment)

Year ended March 31, 2018

Not applicable

Year ended March 31, 2017

Not applicable

(Information about related parties)

1. Transactions with related parties

(1) Transactions between the Company and related parties

(i) Parent company and major shareholder of the Company

Year ended March 31, 2018

(¥=Million, US\$=Thousand)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	¥499,999 (\$4,706,316)	Energy systems, social infrastructure systems and electronic devices	Direct: 52.7% Indirect: 0.1%
Business relationship	Transaction	Transaction amount	Classification	Balance at fiscal year end	
Deposits of funds and Concurrent position as directors	Deposits of funds	¥7,297 (\$68,684)	Deposit paid in group	-	
	Receipt of interests	¥227 (\$2,137)			

Year ended March 31, 2017

(¥=Million)

Status	Name	Address	Capital	Business	Percentage of voting rights held (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	¥200,000	Energy systems, social infrastructure systems and storage devices	Direct: 52.7% Indirect: 0.1%
Business relationship	Transaction	Transaction amount	Classification	Balance at fiscal year end	
Purchase of information equipment and Concurrent position as directors	Purchase of information equipment	¥4,301	Accounts payable-trade	¥169	
			Accounts payable-other	¥787	
			Accrued expenses	¥684	

Note: 1. With regard to the amounts above, transaction amount does not include consumption taxes, but the ending balance includes consumption taxes.

2. Transaction Terms and Policies for Determining Transaction Terms, etc

Purchase of information equipments is determined by price negotiations, taking market prices into account.

Concerning deposits of funds, it's difficult to figure out transaction amount because fund settlement is performed whenever needed.

Therefore, only the average balance during the period is stated.

Concerning deposits of funds, the Company receives presentation of interest from the parties and decides taking into account mainly prevailing rate of market.

(2) Transactions between the Company's consolidated subsidiaries and related parties

Year ended March 31, 2018

Not applicable

Year ended March 31, 2017

Not applicable

2. Notes to parent company or important affiliated companies

(1) Information about parent company

Toshiba Corporation (listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange)

Per Share Information

Per share information at March 31, 2018 and 2017 is as follows:

	Yen		U.S. dollars
	2018	2017	2018
Net assets per share	¥300.38	¥238.07	\$2.83
Profit per share	63.74	28.24	0.60
Profit per share fully diluted	63.67	28.20	0.60

* Profit per share and profit per share fully diluted were calculated on the basis of the following data.

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Profit per share			
Profit attributable to owners of parent	¥17,512	¥7,758	\$164,834
Amounts not attributable to common stock	-	-	-
Profit attributable to shareholders of parent related to common stock	17,512	7,758	164,834
Average number of shares of common stock during the period (thousand shares)	274,718	274,700	

Profit per share fully diluted

	2018	2017	2018
Adjustment to profit	-	-	-
Increase in number of common stocks (thousand shares)	305	328	
Share subscription rights included in the increase in number of common stock (thousands shares)	305	328	
Outline of the residual securities excluded from the calculation of the fully diluted profit per share because they have no dilutive effects	-	-	

Significant Subsequent Events

Change in the number of shares constituting one trading unit and share consolidation

The Company resolved at the Board of Directors' meeting held on May 9, 2018 to change the number of shares constituting one trading unit and the articles of incorporation and to submit a proposal for share consolidation to the 93rd Annual General Meeting of Shareholders to be held on June 26, 2018. The proposal was approved by the Annual General Meeting of Shareholders.

- Reason for the change in the number of shares constituting one trading unit and share consolidation
For the purpose of improving market convenience for investors, Tokyo Stock Exchange and stock exchanges across Japan published the Action Plan for Consolidating Trading Units and plan to complete the standardization of trading units for common stock issued by all domestically listed companies (transition to 100-share trading units) by October 1, 2018. In light of the intent of this action plan, as a company listed on the Tokyo Stock Exchange, the Company has proposed reducing the number of shares constituting one trading unit from 1,000 to 100, and also the Company has implemented the share consolidation in order to adjust the investment unit to an appropriate level while taking share price fluctuations over the medium to long term into account.
- Details of the change
The number of shares constituting one trading unit will be changed from 1,000 to 100 on October 1, 2018.

3. Details of the share consolidation

- Class of shares to be consolidated
Common stock

(2) Ratio of the share consolidation

On October 1, 2018, shares held by shareholders recorded on the latest shareholders' register as of September 30, 2018, (effectively September 28, 2018) will be consolidated at a 5-to-1 ratio.

(3) Number of shares to be reduced through consolidation

Shares outstanding before consolidation (as of March 31, 2018)	288,145,704
Shares to be reduced through consolidation	230,516,564
Total shares outstanding after consolidation	57,629,140

Note: Shares to be reduced through consolidation and "Total shares outstanding after consolidation" are theoretical values calculated on the total number of shares outstanding before consolidation and the share consolidation ratio.

(4) Total number of authorized shares on the effective date

For the purpose of normalizing total number of authorized shares in accordance with decreasing numbers of total shares outstanding by share consolidation, total number of authorized shares will decrease in the same ratio as the ratio of share consolidation on October 1, 2018.

Authorized shares before change	1,000,000,000
Authorized shares after change	200,000,000

4. Treatment of fractional shares

Regarding any fractional shares that may result from the share consolidation, pursuant to the provisions of the Companies Act, the Company shall sell all such fractional shares in a block and distribute the proceeds to the shareholders who have held the fractional shares in proportion to their respective fractions.

5. Schedule for the change in the number of shares constituting one trading unit and share consolidation

Date of the resolution of the Board of Directors' meeting	May 9, 2018
Date of the resolution of the Annual General Meeting of Shareholders	June 26, 2018
The effective date of the change in the number of shares constituting one trading unit and share consolidation	October 1, 2018 (Plan)

6. Effect on per share information

Per share informations on the assumption that the share consolidation were executed at the beginning of the previous fiscal year are as follows:

	Yen		U.S. dollars
	2018	2017	2018
Net assets per share	¥1,501.94	¥1,190.37	\$14.14
Profit per share	318.73	141.21	3.00
Profit per share fully diluted	318.38	141.04	3.00

Supplemental schedules to the consolidated financial statements

Supplemental schedule of bonds

Not applicable

Supplemental schedule of borrowings

(¥=Million, US\$=Thousand)

Classification	Beginning balance	Ending balance	Average interest rate (%)	Payment due
Short-term loans payable	¥1,048 (\$9,864)	¥304 (\$2,861)	2.0	—
Lease obligations due within one year	¥4,033 (\$37,961)	¥4,795 (\$45,134)	—	—
Lease obligations due after one year	¥5,172 (\$48,682)	¥5,682 (\$53,483)	—	From 2019 to 2022
Total	¥10,254 (\$96,517)	¥10,782 (\$101,487)	—	—

Note: 1. "The average interest rate" represents the weighted-average rate applicable to the ending balance of loans payable.

2. The average interest rates of lease obligations are omitted as lease obligations amount on the consolidated balance sheet is before deducting the portion of interest equivalent amount.

3. Payment schedule of lease obligations due after one year after the consolidated balance sheet as of March 31, 2018 is as follows:

	Millions of yen			
	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Between 4 to 5 years
	2018			
Lease obligations	¥3,273	¥1,764	¥550	¥94
	Thousands of U.S. dollars			
	2018			
Lease obligations	\$30,808	\$16,604	\$5,177	\$885

Supplemental schedule of asset retirement obligations

The information was omitted as the amounts of asset retirement obligations as of the beginning and end of the fiscal year ended March 31, 2018 were less than or equal to a hundredth of the total of liabilities and net assets as of the beginning and end of the fiscal year ended March 31, 2018.

(2) Other

Quarterly information of the fiscal year ended March 31, 2018

(Millions of yen)

(Cumulative period)	Three months	Six months	Nine months	Fiscal year
Net sales	115,662	243,218	371,933	513,289
Profit before income taxes	3,009	9,424	16,770	23,307
Profit attributable to owners of parent	1,459	5,150	11,766	17,512
Profit per share (Yen)	5.31	18.74	42.83	63.74

(Thousands of U.S. dollars)

(Cumulative period)	Three months	Six months	Nine months	Fiscal year
Net sales	1,088,686	2,289,326	3,500,875	4,831,410
Profit before income taxes	28323	88,705	157,850	219,381
Profit attributable to owners of parent	13,733	48,475	110,749	164,834
Profit per share (U.S. dollars)	0.05	0.18	0.40	0.60

(Yen)

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Profit per share	5.31	13.43	24.08	20.91

(U.S. dollars)

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Profit per share	0.05	0.13	0.23	0.20



Independent Auditor's Report

To the Board of Directors of
TOSHIBA TEC CORPORATION

We have audited the accompanying consolidated financial statements of TOSHIBA TEC CORPORATION ("the Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2018, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 such internal control as management determines is necessary to enable the preparation of 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 comply with ethical requirements and 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. In making those risk assessments, the auditor considers internal control 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, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. 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.

*PricewaterhouseCoopers Aarata LLC
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, www.pwc.com/jp/assurance*



To the Board of Directors of
TOSHIBA TEC CORPORATION
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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as at March 31, 2018, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2018 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

PricewaterhouseCoopers Aarata LLC

September 19, 2018

TOSHIBA TEC CORPORATION

Corporate Data

1-11-1, Osaki, Shinagawa-ku, Tokyo 141-8562, Japan
Tel: +81-3-6830-9100
Fax: +81-3-6684-4001
<http://www.toshibatec.com>
Established: February 21, 1950
Employees: 3,586 <Consolidated: 19,780> (as of March 31, 2018)
Common Stock: ¥39,970 million (as of March 31, 2018)
Stock Listing: Tokyo Stock Exchange (1st Section)

Board of Directors and Audit & Supervisory Board (as of June 26, 2018)

President and Chief Executive Officer

◇Takayuki Ikeda

Directors

Masatsugu Sakabe
Yukio Inoue
Masami Uchiyama
Masahiro Yamada
Naohiro Yamaguchi
Hitoshi Kaneda
Naoto Hasegawa
Michio Kuwahara
Shin Nagase

◇:Representative Director

Audit & Supervisory Board Members

Haruo Kawasumi
Yoshinari Sato
Hideo Tabuchi
Kyoko Okumiya

Significant Consolidated Companies (as of March 31, 2018)

- TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.
- TOSHIBA TEC (H.K.) LOGISTICS & PROCUREMENT LTD.
- TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD.
- TOSHIBA TEC SOLUTION SERVICES CORPORATION
- TOSHIBA GLOBAL COMMERCE SOLUTIONS, INC.
- TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH
- TOSHIBA TEC SINGAPORE PTE LTD.
- TOSHIBA TEC FRANCE IMAGING SYSTEMS S.A.
- P.T. TEC INDONESIA
- TOSHIBA GLOBAL COMMERCE SOLUTIONS (NETHERLANDS) B.V.
- TOSHIBA TEC EUROPE RETAIL INFORMATION SYSTEMS S.A.
- TOSHIBA TEC U.K. IMAGING SYSTEMS LIMITED
- TOSHIBA TEC MALAYSIA MANUFACTURING SDN. BHD.
- TEC INFORMATION SYSTEMS CORPORATION
- TOSHIBA GLOBAL COMMERCE SOLUTIONS MEXICO, S. DE R.L. DE C.V.
- TER CORPORATION
- TOSHIBA GLOBAL COMMERCE SOLUTIONS HOLDINGS CORPORATION

