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## Consolidated Financial Results for the Year Ended March 31, 2018 [Japanese GAAP]

May 09, 2018

Company name: TOSHIBA TEC CORPORATION

Stock exchange listing: Tokyo

Code number: 6588

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

Representative: Takayuki Ikeda

President and CEO

Contact: Takashi Mizuno

Senior Manager of Corporate Communications Division

Phone: 03-6830-9151

Scheduled date of Annual General Meeting of Shareholders: June 26, 2018

Scheduled date of commencing dividend payments: June 05, 2018

Scheduled date of filing annual securities report: June 26, 2018

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 01, 2017 to March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2018	513,289	3.2	24,546	67.6	22,768	81.6	17,512	125.7
March 31, 2017	497,611	(6.6)	14,649	814.5	12,534	-	7,758	-

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥ 19,264 million [ 210.0%]  
Fiscal year ended March 31, 2017: ¥ 6,214 million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	63.74	63.67	23.7	8.2	4.8
March 31, 2017	28.24	28.20	12.6	4.5	2.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2018: ¥ - million  
Fiscal year ended March 31, 2017: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2018	282,630	93,215	29.2	300.38
March 31, 2017	269,393	76,047	24.3	238.07

(Reference) Equity: As of March 31, 2018: ¥ 82,518 million  
As of March 31, 2017: ¥ 65,406 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	29,092	(11,487)	(6,095)	57,355
March 31, 2017	37,016	(6,876)	(5,439)	46,129

## 2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	-	0.00	-	2.00	2.00	549	7.1	0.9
March 31, 2018	-	3.00	-	5.00	8.00	2,197	12.6	3.0
Fiscal year ending March 31, 2019 (Forecast)	-	4.00	-	20.00	-		27.5	

The Company plans to carry out the share consolidation at a ratio of one for every five common shares, effective on October 01, 2018. Accordingly, the amount of the year-end dividend per share for the year ending March 31, 2019 (Forecast) takes this share consolidation into account and disclosure of the total annual dividends per share are described as "-". For details, please refer to "Dividends and consolidated earnings forecasts after the share consolidation"

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2018	240,000	(1.3)	6,000	(42.3)	4,500	(52.8)	2,000	(61.2)	7.28
Full year	500,000	(2.6)	18,000	(26.7)	15,000	(34.1)	8,000	(54.3)	145.61

Basic earnings per share for consolidated earnings forecasts for the year ending March 31, 2019 (Forecast) takes the share consolidation into account. For details, please refer to "Dividends and consolidated earnings forecasts after the share consolidation"

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

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

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

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

March 31, 2018: 288,145,704 shares

March 31, 2017: 288,145,704 shares

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

March 31, 2018: 13,441,335 shares

March 31, 2017: 13,414,545 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2018: 274,718,859 shares

Fiscal Year ended March 31, 2017: 274,700,360 shares

\*(Dividends and consolidated earnings forecasts after the share consolidation)

TOSHIBA TEC CORPORATION "the Company" announced that the Board of Directors today (May 09, 2018) propose the matter for share consolidation to the 93<sup>th</sup> Annual General Meeting of Shareholders of the Company to be held in the late June 2018. The Company plans to carry out the share consolidation at a ratio of one for every five common shares, effective on October 01, 2018, subject to the approval of the proposals that the matter for share consolidation at the Annual General Meeting of Shareholders of the Company. On the assumption that share consolidation is not carried out, dividends and consolidated earnings forecasts for the year ending March 31, 2019 are as follows:

(1) Dividends forecasts for the year ending March 31, 2019

Dividends per share

Year-end : 4 yen

(2) Consolidated earnings forecasts for the year ending March 31, 2019

Basic earnings per share

Year-end : 29.12 yen

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	46,129	57,355
Notes and accounts receivable - trade	63,769	67,996
Merchandise and finished goods	32,849	32,885
Work in process	1,629	1,525
Raw materials and supplies	6,100	6,758
Deferred tax assets	7,560	6,155
Other	32,900	32,775
Allowance for doubtful accounts	(2,572)	(1,925)
Total current assets	188,367	203,528
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,480	24,044
Accumulated depreciation	(19,038)	(17,944)
Buildings and structures, net	6,441	6,099
Machinery, equipment and vehicles	43,742	41,686
Accumulated depreciation	(36,279)	(33,718)
Machinery, equipment and vehicles, net	7,462	7,968
Tools, furniture and fixtures	47,441	45,442
Accumulated depreciation	(41,536)	(39,423)
Tools, furniture and fixtures, net	5,904	6,018
Land	1,640	1,269
Leased assets	11,220	11,758
Accumulated depreciation	(4,874)	(6,208)
Leased assets, net	6,346	5,550
Construction in progress	1,272	1,183
Total property, plant and equipment	29,068	28,090
Intangible assets		
Goodwill	6,053	4,083
Customer relationship assets	639	568
Other	7,624	8,484
Total intangible assets	14,317	13,135
Investments and other assets		
Investment securities	5,350	6,058
Net defined benefit asset	2,204	2,448
Deferred tax assets	16,731	17,213
Other	14,008	12,262
Allowance for doubtful accounts	(655)	(107)
Total investments and other assets	37,640	37,875
Total non-current assets	81,026	79,101
Total assets	269,393	282,630

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	61,860	59,604
Short-term loans payable	1,048	304
Lease obligations	4,033	4,795
Accounts payable - other	24,044	25,269
Accrued expenses	13,816	14,443
Income taxes payable	5,485	4,771
Other	32,786	30,754
Total current liabilities	143,076	139,942
Non-current liabilities		
Lease obligations	5,172	5,682
Net defined benefit liability	35,066	35,779
Other	10,030	8,010
Total non-current liabilities	50,269	49,472
Total liabilities	193,346	189,415
<b>Net assets</b>		
Shareholders' equity		
Capital stock	39,970	39,970
Capital surplus	11	12
Retained earnings	19,722	35,861
Treasury shares	(5,488)	(5,507)
Total shareholders' equity	54,217	70,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,581	2,181
Deferred gains or losses on hedges	(6)	(22)
Foreign currency translation adjustment	8,927	10,207
Minimum pension liability adjustment	(720)	(655)
Remeasurements of defined benefit plans	1,407	468
Total accumulated other comprehensive income	11,189	12,180
Share acquisition rights	104	153
Non-controlling interests	10,537	10,543
Total net assets	76,047	93,215
Total liabilities and net assets	269,393	282,630

Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	497,611	513,289
Cost of sales	298,128	305,196
Gross profit	199,483	208,093
Selling, general and administrative expenses	184,833	183,547
Operating profit	14,649	24,546
Non-operating income		
Interest income	250	560
Dividend income	95	97
Foreign exchange gains	616	-
Gain on valuation of derivatives	-	820
Other	459	339
Total non-operating income	1,421	1,818
Non-operating expenses		
Interest expenses	639	631
Loss on valuation of derivatives	629	-
Foreign exchange losses	-	1,235
Loss on sales and retirement of non-current assets	173	89
Other	2,094	1,640
Total non-operating expenses	3,536	3,597
Ordinary profit	12,534	22,768
Extraordinary income		
Gain on sales of investment securities	-	274
Gain on sales of shares of subsidiaries	2,114	238
Gain on reversal of foreign currency translation adjustment	-	438
Total extraordinary income	2,114	951
Extraordinary losses		
Loss on valuation of investment securities	-	236
Restructuring cost	1,002	176
Total extraordinary losses	1,002	412
Profit before income taxes	13,646	23,307
Income taxes - current	8,623	5,079
Income taxes - deferred	(1,461)	(572)
Total income taxes	7,162	4,507
Profit	6,484	18,800
Profit (loss) attributable to non-controlling interests	(1,274)	1,287
Profit attributable to owners of parent	7,758	17,512

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	6,484	18,800
Other comprehensive income		
Valuation difference on available-for-sale securities	106	598
Deferred gains or losses on hedges	(77)	(16)
Foreign currency translation adjustment	(3,232)	732
Minimum pension liability adjustment	(332)	76
Remeasurements of defined benefit plans, net of tax	3,266	(927)
Total other comprehensive income	(269)	463
Comprehensive income	6,214	19,264
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,978	18,504
Comprehensive income attributable to non-controlling interests	(1,764)	760

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31, 2017

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	39,970	52,970	(41,006)	(5,523)	46,411
Changes of items during period					
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					
Total changes of items during period	-	(52,959)	60,729	35	7,805
Balance at end of current period	39,970	11	19,722	(5,488)	54,217

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	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 beginning of current period	1,476	71	11,740	(461)	(1,857)	10,969	116	12,862	70,359
Changes of items during period									
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)
Total changes of items during period	104	(77)	(2,812)	(258)	3,264	220	(11)	(2,325)	5,688
Balance at end of current period	1,581	(6)	8,927	(720)	1,407	11,189	104	10,537	76,047

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	39,970	11	19,722	(5,488)	54,217
Changes of items during period					
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					
Total changes of items during period	-	0	16,139	(19)	16,120
Balance at end of current period	39,970	12	35,861	(5,507)	70,337

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	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 beginning of current period	1,581	(6)	8,927	(720)	1,407	11,189	104	10,537	76,047
Changes of items during period									
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
Total changes of items during period	600	(16)	1,280	65	(939)	991	49	6	17,167
Balance at end of current period	2,181	(22)	10,207	(655)	468	12,180	153	10,543	93,215

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	13,646	23,307
Depreciation and amortization	13,955	14,036
Loss (gain) on sales and retirement of property, plant and equipment	173	89
Increase (decrease) in allowance for doubtful accounts	618	(1,247)
Increase (decrease) in net defined benefit liability	410	(315)
Interest and dividend income	(345)	(658)
Interest expenses	639	631
Decrease (increase) in notes and accounts receivable - trade	7,816	(4,253)
Decrease (increase) in inventories	4,815	(756)
Increase (decrease) in notes and accounts payable - trade	(4,165)	(983)
Loss (gain) on sales of investment securities	(2,114)	(274)
Loss (gain) on valuation of investment securities	-	236
Loss (gain) on sales of shares of subsidiaries	-	(238)
Restructuring cost	1,002	176
Other, net	7,961	5,966
<b>Subtotal</b>	<b>44,413</b>	<b>35,716</b>
Interest and dividend income received	338	632
Interest expenses paid	(723)	(610)
Income taxes paid	(7,012)	(6,646)
<b>Net cash provided by (used in) operating activities</b>	<b>37,016</b>	<b>29,092</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,356)	(8,214)
Proceeds from sales of property, plant and equipment	649	123
Purchase of investment securities	(399)	(13)
Proceeds from sales of investment securities	4	313
Purchase of intangible assets	(2,534)	(3,349)
Payments for transfer of business	-	(320)
Net decrease (increase) in short-term loans receivable	(2)	0
Payments of long-term loans receivable	(29)	(7)
Collection of long-term loans receivable	13	12
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(289)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,747	-
Other, net	32	257
<b>Net cash provided by (used in) investing activities</b>	<b>(6,876)</b>	<b>(11,487)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(2,256)	(787)
Repayments of finance lease obligations	(2,823)	(3,415)
Repayments of long-term loans payable	(3)	(3)
Purchase of treasury shares	(10)	(22)
Cash dividends paid	(4)	(1,374)
Dividends paid to non-controlling interests	(397)	(492)
Other, net	57	0
<b>Net cash provided by (used in) financing activities</b>	<b>(5,439)</b>	<b>(6,095)</b>
Effect of exchange rate change on cash and cash equivalents	(1,231)	(282)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>23,468</b>	<b>11,226</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>22,660</b>	<b>46,129</b>
<b>Cash and cash equivalents at end of period</b>	<b>46,129</b>	<b>57,355</b>