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Correction of FY2015 Consolidated Business Results

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Forward-looking Statements

- This presentation contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group.
- These forward-looking statements are not historical facts, rather they are based on management's assumptions and beliefs in light of the economic, financial and other data currently available.
- Since Toshiba Group promotes business in various market environments in many countries and regions, its activities are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations.
- Toshiba's fiscal year (FY) runs from April 1 to March 31. 1H refers to the first six months (April-September), 2H refers to the latter six months (October-March); 1Q refers to the first quarter (April-June); 2Q refers to the second quarter (July-September); 3Q refers to the third quarter (October-December); and 4Q refers to the fourth quarter (January-March).
- All figures are consolidated totals for the first 12 months of fiscal year 2015, unless otherwise stated.
- Prior-period performance on consolidated segment information has been reclassified to conform with the current classification, unless otherwise stated.
- The Healthcare and the Home Appliances businesses are classified as a discontinued operation in accordance with the Accounting Standards Classification (ASC) 205-20 "Presentation of Financial Statements – Discontinued Operations". The results of the Healthcare and Home Appliances businesses have been excluded from net sales, operating income (loss), and income (loss) from continuing operations, before income taxes and noncontrolling interests. Net income of Toshiba Group is calculated by reflecting the Healthcare and Home Appliances businesses results to income (loss) from continuing operations, before income taxes and noncontrolling interests. Results of the past fiscal years have been revised to reflect this change, unless otherwise stated.

FY2015 Consolidated Business Results

Overall – After Correction

(Yen in billions, except
Earnings (Losses) per share)

	FY2015 After Correction	FY2015 Before Correction (Announced on May 12)	Difference	FY2014 Actual	Difference
Net Sales	5,668.7	5,670.1	-1.4	6,114.7	-446.0
Operating Income (Loss)	-708.7	-719.1	10.4	188.4	-897.1
%	-12.5%	-12.7%		3.1%	
Income (Loss) before income taxes and noncontrolling interests	-633.1	-642.3	9.2	156.6	-789.7
%	-11.2%	-11.3%		2.6%	
Income Taxes	-253.8	-269.0	15.2	-143.0	-110.8
Income (Loss) from continuing operations, before noncontrolling interests	-886.9	-911.3	24.4	13.6	-900.5
Income (Loss) from discontinued operations, before noncontrolling interests	370.9	373.3	-2.4	-32.6	403.5
Net Income (Loss)	-460.0	-483.2	23.2	-37.8	-422.2
%	-8.1%	-8.5%		-0.6%	
Earnings (Losses) per share attributable to shareholders of the Company	-¥108.64	-¥114.13	¥5.49	-¥8.93	-¥99.71
Free cash flow	652.2	652.2	0.0	140.3	511.9
Equity attributable to shareholders of the Company	328.9	312.6	16.3	1,084.0	-755.1
Shareholders' equity ratio	6.1%	5.8%	+0.3%	17.1%	-11.0%
Net interest-bearing debt	481.2	482.0	-0.8	1,120.8	-639.6
Net debt-to-equity ratio	146%	154%	-8%	103%	43%

* Net interest-bearing debt: Interest-bearing debt – cash and deposits

Reasons for Corrections

Main Reasons for Corrections

1. Partial change in calculation method of the amount of nuclear power business goodwill impairment

When Toshiba announced fiscal year 2015 business results on May 12, Toshiba judged its view on the method for calculating the amount of goodwill impairment in the Nuclear Power Systems business to be reasonable, though at the time it was in continuous discussion with its auditor and recognized that the auditor took a different view. After that date, following further discussion with auditor, Toshiba reconsidered the calculation method, and accepted that the view by auditor was also reasonable, and subsequently corrected the amount of goodwill impairment.

2. Reflecting the business results of Toshiba TEC Corporation, correction of other errors

3. Correction of errors in tax calculation

Errors occurred in the accounting procedure related to tax calculation, as there were multiple overlaps in such issues as reversal of deferred tax assets during the term and compliance with tax reform, etc.

4. Correction of errors related to reclassification of discontinued operations

Errors occurred due to the complex accounting procedure for tax expenses related to reclassification of the Healthcare Systems & Services and Home Appliances businesses as discontinued operations.

Corrected Items

(Yen in billions)

	After Correction	Before Correction	Corrected Amount	
Income (Loss) before income taxes and noncontrolling interests	-633.1	-642.3	9.2	Impact on comprehensive income (loss)
Correction of goodwill impairment of nuclear power business			15.9	1.8
Error corrections (Toshiba TEC Corporation, others)			-6.7	

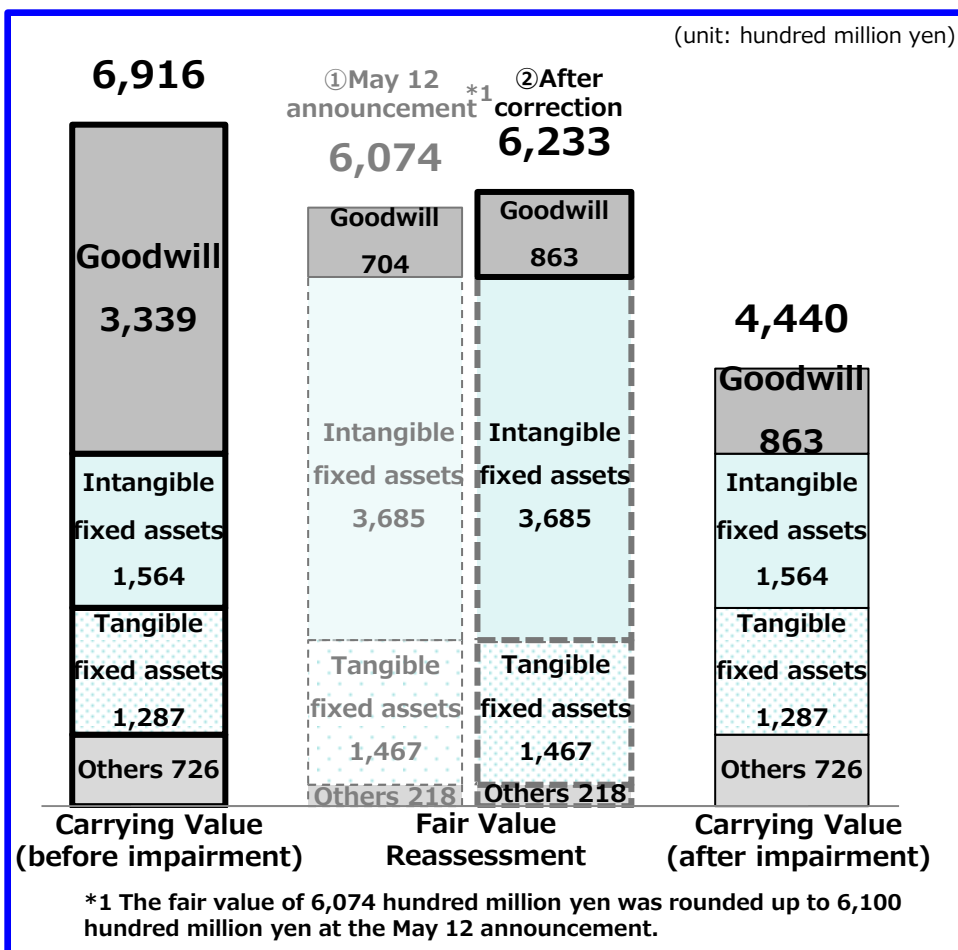
	After Correction	Before Correction	Corrected Amount	
Income taxes	-253.8	-269.0	15.2	Impact on comprehensive income (loss)
In/Out between tax expense and comprehensive income (loss)			8.7	-8.7
Correction of deferred tax assets and liabilities associated with the sale of home appliances business			3.2	
In/Out between tax expense and income (loss) from discontinued operations			2.7	
Others			0.6	

	After Correction	Before Correction	Corrected Amount
Income (Loss) from discontinued operations	370.9	373.3	-2.4
In/Out between tax expense and income (loss) from discontinued operations			-2.7
Others			0.3

	After Correction	Before Correction	Corrected Amount
Net Income (Loss) attributable to noncontrolling interests	56.0	54.8	1.2
Correction of goodwill impairment of nuclear power business			-2.1
Error corrections (Toshiba TEC Corporation, others)			3.3

Partial Change in Calculation Method of the Amount of Nuclear Power Business Goodwill Impairment

247.6 billion yen goodwill impairment:
Carrying value (333.9 billion yen) → Fair value (86.3 billion yen)
 Correcting 15.9 billion yen (86.3 billion yen – 70.4 billion yen)
 --- Review of the value of noncontrolling shareholders' interest



Discussion point on the fair value evaluation of nuclear power business

- ✓ There are noncontrolling shareholders for major subsidiaries of nuclear power business.
- ✓ Reviewed the treatment of minority discount*2 against noncontrolling interest for evaluation of nuclear power business's fair value.

①May 12 announcement:
Considered minority discount
 ... Premise is that values are different for Toshiba and noncontrolling shareholders

②After correction:
Do not consider minority discount
 ... Premise is that value is the same for Toshiba and noncontrolling shareholders
 ⇒ **Final decision after discussion with auditors**

*2 There are cases where the value per share differs for shares of shareholders who have control of the company and the shares of minor shareholders.

FY2015 Consolidated Business Results by Segment – After Correction

(Yen in billions)

		FY2015 After Correction	FY2015 Before Correction (Announced on May 12)	Difference	FY2014 Actual	Difference
Energy & Infrastructure	Net Sales	2,048.4	2,048.4	0.0	1,993.9	54.5
	Operating Income (Loss)	-367.5	-382.2	14.7	19.2	-386.7
Community Solutions	Net Sales	1,425.2	1,426.0	-0.8	1,410.7	14.5
	Operating Income (Loss)	-78.8	-76.3	-2.5	53.9	-132.7
Healthcare Systems & Services *	Net Sales	436.8	436.8	0.0	428.0	8.8
	Operating Income (Loss)	2.5	2.5	0.0	25.7	-23.2
Electronic Devices & Components	Net Sales	1,605.0	1,605.0	0.0	1,768.8	-163.8
	Operating Income (Loss)	-101.6	-101.7	0.1	216.6	-318.2
Lifestyle Products & Services *	Net Sales	802.0	802.6	-0.6	1,163.7	-361.7
	Operating Income (Loss)	-150.6	-150.5	-0.1	-109.7	-40.9
Others	Net Sales	477.8	477.8	0.0	523.4	-45.6
	Operating Income (Loss)	12.8	14.8	-2.0	6.0	6.8
Corporate and Eliminations	Net Sales	-548.7	-548.7	0.0	-632.6	83.9
	Operating Income (Loss)	-37.5	-38.5	1.0	-41.3	3.8
Before deduction of discontinued operation Total	Net Sales	6,246.5	6,247.9	-1.4	6,655.9	-409.4
	Operating Income (Loss)	-720.7	-731.9	11.2	170.4	-891.1
Deduction of discontinued operation (TMSC and Home Appliances)	Net Sales	-577.8	-577.8	0.0	-541.2	-36.6
	Operating Income (Loss)	12.0	12.8	-0.8	18.0	-6.0
Total	Net Sales	5,668.7	5,670.1	-1.4	6,114.7	-446.0
	Operating Income (Loss)	-708.7	-719.1	10.4	188.4	-897.1

*The Healthcare and the Home Appliances businesses are classified as discontinued operation. The net sales and operating income (loss) of the Healthcare and Home Appliances businesses are indicated in each segment before discontinuation in the above chart for the reference.

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