

- Toshiba announced its FY2015 Business Results on May 12, 2016, in a FY2015 Earnings Release and at a press conference. However, on May 23, 2016, Toshiba corrected certain parts of those results. For the reasons for the corrections, please refer to "(Correction of Financial Data) Toshiba's Consolidated Results for Fiscal Year 2015, to March 31, 2016 (US GAAP)", announced on May 23, 2016.
- This document contains the corrected version of the presentation materials used for FY2015 Business Results announcement on May 12, 2016. The corrected parts are underlined.
  - \* In page 18 of the original, some text was underlined. These parts are indicated with a wavy underline in this document, and are not corrected parts.
- A clean version of this document (underlines deleted) is available on the following Toshiba website:  
<http://www.toshiba.co.jp/about/ir/en/pr/pr2015q4.htm>

**TOSHIBA**

Leading Innovation >>>

# **FY2015 Consolidated Business Results**

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**Representative Executive Officer and  
Corporate Senior Vice President**

**TOSHIBA CORPORATION**

**May 12, 2016**

# 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, Against Forecast

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

	FY2015 Actual	Forecast (as of April 26)	Difference
Net Sales	<u>5,668.7</u>	5,500.0	<u>168.7</u>
Operating Income (Loss)	<u>-708.7</u>	-690.0	<u>-18.7</u>
%	<u>-12.5%</u>	-12.5%	
Income (Loss) before income taxes and noncontrolling interests	<u>-633.1</u>	-600.0	<u>-33.1</u>
%	<u>-11.2%</u>	-10.9%	
Income (Loss) from continuing operations, before noncontrolling interests	<u>-886.9</u>	-880.0	<u>-6.9</u>
Income (Loss) from discontinued operations, before noncontrolling interests	<u>370.9</u>	360.0	<u>10.9</u>
Net Income (Loss)	<u>-460.0</u>	-470.0	<u>10.0</u>
%	<u>-8.1%</u>	-8.5%	
Earnings (Losses) per share attributable to shareholders of the Company	<u>-¥108.64</u>	-¥111.00	<u>¥2.36</u>
Free cash flow	652.2		
Equity attributable to shareholders of the Company	<u>328.9</u>	300.0	<u>28.9</u>
Shareholders' equity ratio	<u>6.1%</u>	5.5%	<u>+0.6%</u>
Net interest-bearing debt	<u>481.2</u>	490.0	<u>-8.8</u>
Net debt-to-equity ratio	<u>146%</u>	163%	<u>-17%</u>

Additional Impairment on TGCS:  
-18.8 billion

\* Hereinafter, "Net Income (Loss)" refers to Net Income (Loss) attributable to shareholders of the Company.

\* Hereinafter, "the Company" refers to Toshiba Corporation.

\* Hereinafter, "shareholders' equity ratio" refers to equity attributable to shareholders of the Company / total asset ratio.

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

# Key Points of FY2015

## ● Net Sales:

Toshiba Group as a whole saw lower sales than in the year-earlier period. While the Energy & Infrastructure and Community Solutions segments recorded higher sales due to yen depreciation, the Lifestyle Products & Services segment saw significantly lower sales due to structural reforms that redefined sales territories and other factors. The Electronic Devices & Components segment also recorded lower sales on sales prices decline and lower demand for HDD.

➤ Net Sales	<u>5,668.7 billion yen</u>	(YoY: <sup>*1</sup> <u>-446.0 billion yen</u> )
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\*1 YoY: Year-on-year

## ● Income (Loss):

Toshiba Group as a whole recorded a consolidated operating deficit of 708.7 billion yen, its largest ever. Impairment losses of total of -452.1 billion yen were recorded, mainly in the Nuclear Power Systems business, TGCS<sup>\*2</sup>, and the Transmission & Distribution and Solar Photovoltaic Systems businesses. To ensure profit in FY2016, Toshiba Group also recorded a structural reform cost of 146.1 billion yen and a 141.4 billion yen as provision for unprofitable projects and revaluation of inventories.

Net income (loss) was -460.0 billion yen, the Group's lowest ever, despite recording a gain of 375.2 billion yen from the sale of Toshiba Medical Systems Corporation as a profit from a discontinued operation. A major factor was a -300.0 billion yen reversal of deferred tax assets of Toshiba Corporation and its wholly owned subsidiaries in Japan.

➤ Operating Income (Loss)	<u>-708.7 billion yen</u>	(YoY: <u>-897.1 billion yen</u> )
➤ Income (Loss) before income taxes and noncontrolling interests	<u>-633.1 billion yen</u>	(YoY: <u>-789.7 billion yen</u> )
➤ Net Income (Loss)	<u>-460.0 billion yen</u>	(YoY: <u>-422.2 billion yen</u> )

<sup>\*2</sup> TGCS: Toshiba Global Commerce Solutions (a company in the POS business, acquired from IBM (USA))

# Key Points of FY2015

## ● Cash Flows:

Toshiba Group secured positive free cash flows of 652.2 billion yen, a YoY improvement of 511.9 billion yen, though cash flows from operating activities significantly declined from the previous year, reflecting revenues of 638.4 billion yen from the sale of Toshiba Medical Systems Corporation and 204.5 billion yen from the sales of securities.

## ● Financial Structure:

The net debt-to equity (D/E) ratio was 146%, a YoY deterioration (increase) of 43 points. This significant decline in equity attributable to shareholders of the Company is the result of deterioration in net income (loss), despite a decrease in net interest-bearing debt due to income from sales of assets.

The shareholders' equity ratio was 6.1%, a YoY deterioration (decrease) of 11.0 points.



# 1. Overall Business Results

# FY2015 Consolidated Business Results Overall

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

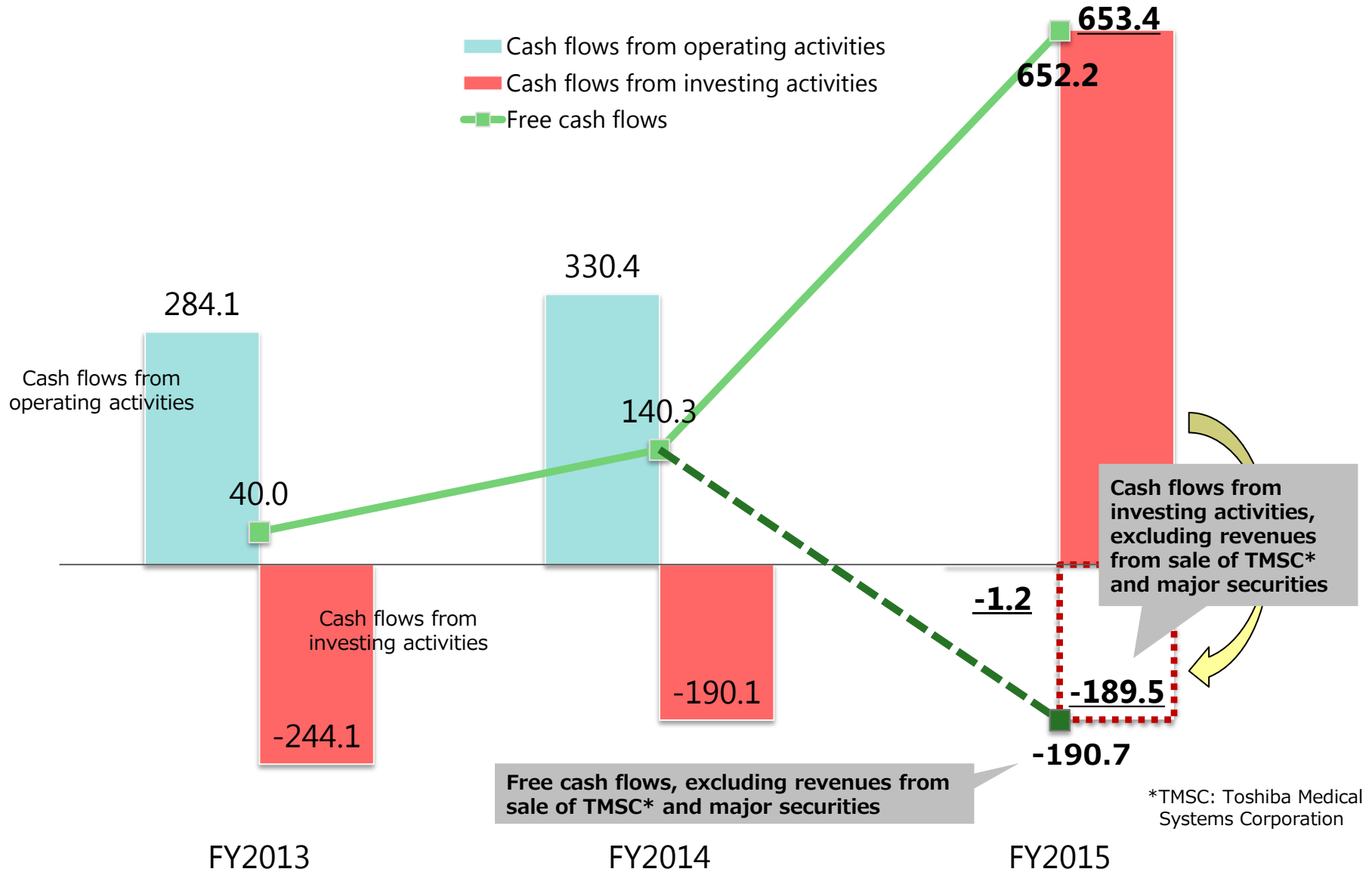
	FY2015	FY2014	Difference
Net Sales	<u>5,668.7</u>	6,114.7	<u>-446.0</u>
Operating Income (Loss)	<u>-708.7</u>	188.4	<u>-897.1</u>
%	<u>-12.5%</u>	3.1%	
Income (Loss) before income taxes and noncontrolling interests	<u>-633.1</u>	156.6	<u>-789.7</u>
%	<u>-11.2%</u>	2.6%	
Income (Loss) from continuing operations, before noncontrolling interests	<u>-886.9</u>	<u>13.6</u>	<u>-900.5</u>
Income (Loss) from discontinued operations, before noncontrolling interests	<u>370.9</u>	<u>-32.6</u>	<u>403.5</u>
Net Income (Loss)	<u>-460.0</u>	-37.8	<u>-422.2</u>
%	<u>-8.1%</u>	-0.6%	
Earnings (Losses) per share attributable to shareholders of the Company	<u>-¥108.64</u>	-¥8.93	<u>-¥99.71</u>
Free cash flow	652.2	140.3	511.9
Equity attributable to shareholders of the Company	<u>328.9</u>	1,084.0	<u>-755.1</u>
Shareholders' equity ratio	<u>6.1%</u>	17.1%	<u>-11.0%</u>
Net interest-bearing debt	<u>481.2</u>	<u>1,120.8</u>	<u>-639.6</u>
Net debt-to-equity ratio	<u>146%</u>	<u>103%</u>	<u>43%</u>

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



# Free Cash Flows

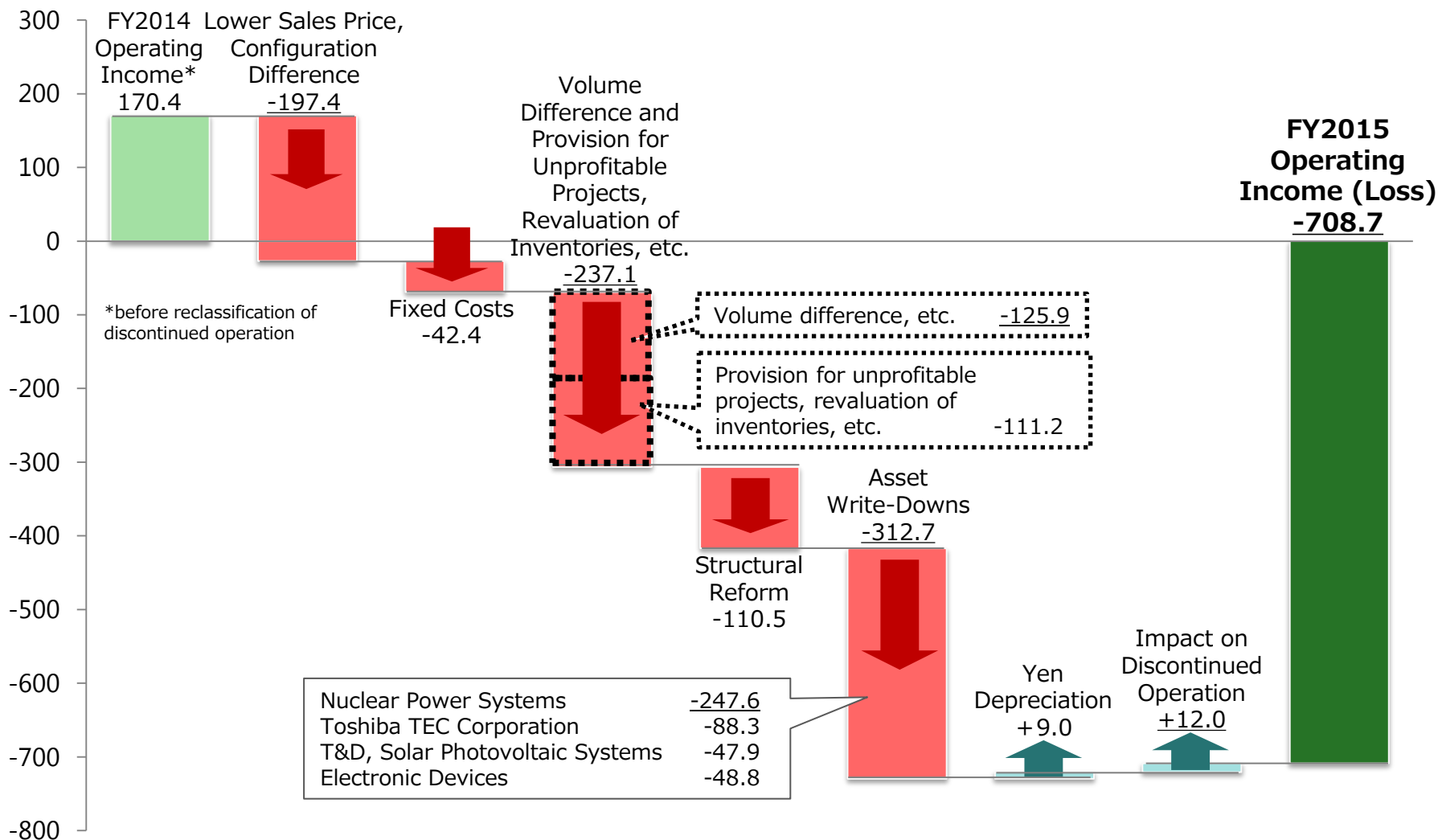
(Yen in billions)



# Operating Income (Loss) (YoY Analysis)

Operating Income (Loss) significantly deteriorated  
on asset write-downs, structural reform cost and lower sales prices

(Yen in billions)



# Structural Reform Costs and One-time Expenses

Strictly reviewed profitability of percentage-of-completion projects  
and revaluation of inventories

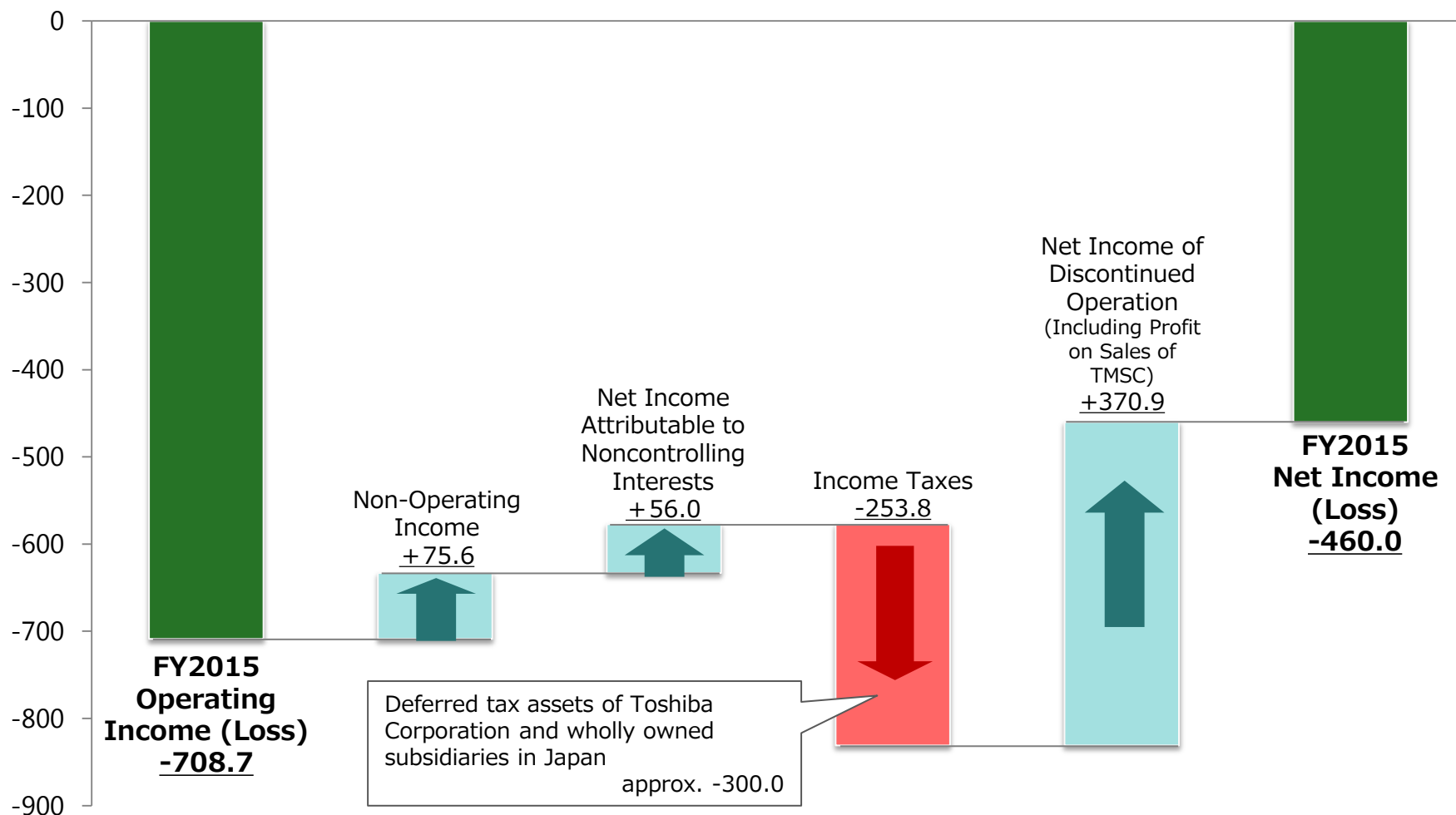
(Yen in billions)

	Operating Income (Loss) (Before reclassification of discontinued operation)	One-time Expenses				
			Structural Reform Cost	Major Impairment of Goodwill and Fixed Assets	Major Revaluation of Inventories, Provision for Unprofitable Projects	Total
Energy & Infrastructure	<b><u>-367.5</u></b>	Nuclear Power	-4.0	<u>-247.6</u>	-9.0	<u>-260.6</u>
		Thermal & Hydro Power			-21.1	-21.1
		Transmission & Distribution	-0.7	-47.9	-39.3	-87.9
		Industry, Transportation			-14.4	-14.4
		<b>Segment Total</b>	<b>-5.6</b>	<b><u>-296.5</u></b>	<b>-86.9</b>	<b><u>-389.0</u></b>
Community Solutions	<b><u>-78.8</u></b>	Lighting	-5.7	-18.5	-1.9	-26.1
		Toshiba TEC Corporation	-2.3	-88.3		-90.6
		<b>Segment Total</b>	<b>-8.0</b>	<b>-106.8</b>	<b>-3.0</b>	<b>-117.8</b>
Electronic Devices & Components	<b><u>-101.6</u></b>	Discretes	-32.7	-18.1	-13.9	-64.7
		System LSIs	-20.7	-11.6	-17.5	-49.8
		Memories	-1.5		-9.0	-10.5
		HDDs	-3.5	-19.1	-2.5	-25.1
		<b>Segment Total</b>	<b>-63.0</b>	<b>-48.8</b>	<b>-46.2</b>	<b>-158.0</b>
Lifestyle Products & Services	<b><u>-150.6</u></b>	PC	-44.2			-44.2
		Visual Products	-7.8			-7.8
		Home Appliances	-4.8			-4.8
		<b>Segment Total</b>	<b>-58.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-58.8</b>
Others	<b><u>-22.2</u></b>		<b>-10.7</b>		<b>-5.3</b>	<b>-16.0</b>
Total	<b><u>-720.7</u></b>		<b>-146.1</b>	<b>-452.1</b>	<b>-141.4</b>	<b>-739.6</b>

# Net Income (Loss)

Net Income (Loss) recorded a significant deficit on the reversal of deferred tax assets and operating loss, although profit was recorded from the sale of TMSC

(Yen in billions)



# Non-Operating Income (Loss) and Expenses

Significant YoY improvement due to gains from sales of securities

(Yen in billions)

	FY2015	FY2014	Difference
Net financial Income (Loss)	-15.2	-14.1	-1.1
Foreign exchange Income (Loss)	<u>-18.5</u>	20.0	<u>-38.5</u>
Income (Loss) on sales or disposal of fixed assets	<u>-5.3</u>	-14.7	<u>9.4</u>
Income (Loss) on sales of securities	<sup>*1</sup> 781.8	25.1	756.7
Equity in earnings of affiliates	<u>2.3</u>	20.8	<u>-18.5</u>
Structural reform costs	-31.4	-48.2	16.8
Settlement costs of lawsuits	<sup>*2</sup> -34.4	-26.2	-8.2
Others	<u>1.8</u>	<sup>*3</sup> 3.5	<u>-1.7</u>
Total before deducting discontinued operation	<u>681.1</u>	-33.8	<u>714.9</u>
Deduction of discontinued operation	<u>-605.5</u>	2.0	<u>-607.5</u>
Total	<u>75.6</u>	-31.8	<u>107.4</u>

\*1 KONE Corporation (Finland), Topcon Corporation (Japan), NREG Toshiba Building Co., Ltd. (Japan) and others

\*2 Including lawsuits of GIS case and power transformers case in Europe

\*3 Including income from a legal settlement with Korea's SK Hynix in FY2014

# Income Taxes and Net Income (Loss) Attributable to Noncontrolling Interests

Significant deterioration due to reversal of deferred tax assets

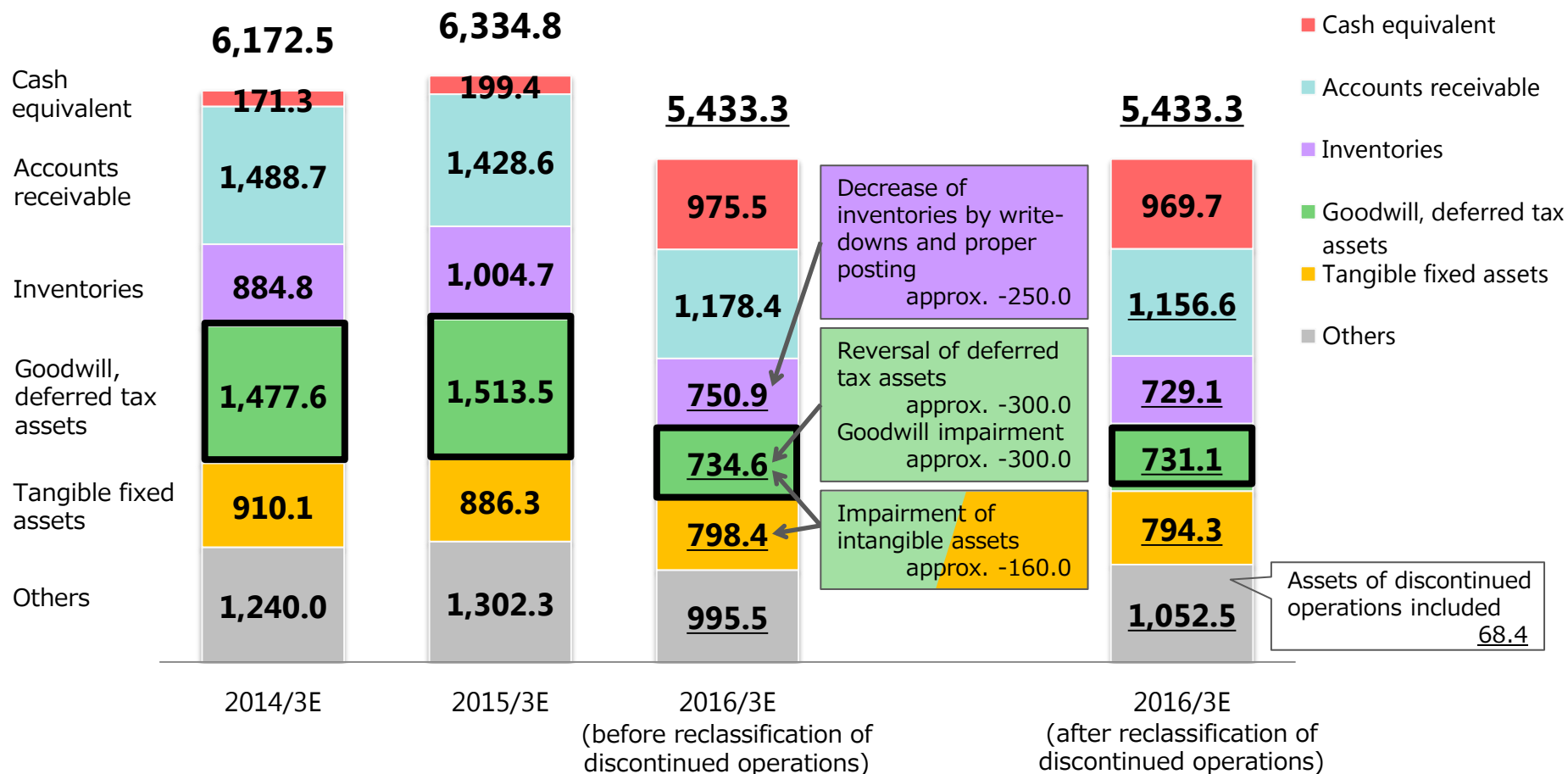
(Yen in billions)

	FY2015	FY2014	Difference
Income (Loss) before income taxes and noncontrolling interests	<u>-633.1</u>	156.6	<u>-789.7</u>
Income Taxes	<u>-253.8</u>	<u>-143.0</u>	<u>-110.8</u>
Net Income (Loss) from discontinued operation	<u>370.9</u>	<u>-32.6</u>	<u>403.5</u>
Net Income (Loss) attributable to noncontrolling interests	<u>56.0</u>	-18.8	<u>74.8</u>
Net Income (Loss)	<u>-460.0</u>	-37.8	<u>-422.2</u>

# Consolidated Balance Sheets Assets

Significant decrease on assets at risk  
Streamlining assets by optimization of inventory assets

(Yen in billions)



# Financial Structure

## Equity attributable to shareholders of the company

Equity attributable to shareholders of the company decreased on deteriorated net income (loss), pension liability adjustments and currency transaction adjustments

(Yen in billions)

### FY2014 Equity attributable to shareholders of the company

Common stock	439.9
Additional paid-in capital	402.0
Retained earnings	383.2
Accumulated other comprehensive loss	-139.3
Unrealized securities gains and losses	113.6
Currency translation adjustments	-14.8
Pension liability adjustments	-240.2
Unrealized derivative gains and losses	2.1

**FY2014 Equity attributable to shareholders of the company** **1,084.0**

### FY2015 Equity attributable to shareholders of the company

		Difference
Common stock	439.9	+0.0
Additional paid-in capital	399.5	-2.5
Retained earnings	-76.8	-460.0
Accumulated other comprehensive loss	-431.8	-292.5
Unrealized securities gains and losses	23.7	-89.9
Currency translation adjustments	-91.9	-77.1
Pension liability adjustments	-358.0	-117.8
Unrealized derivative gains and losses	-5.6	-7.7

**FY2015 Equity attributable to shareholders of the company** **328.9** **-755.1**

**\*Discount rate used to calculate retirement benefit obligations** (End of FY2014: 1.5% → End of FY2015: 1.1%)  
→ Used the retirement benefit obligations and discount rate calculated by outside expert (actuaries)



# Financial Structure

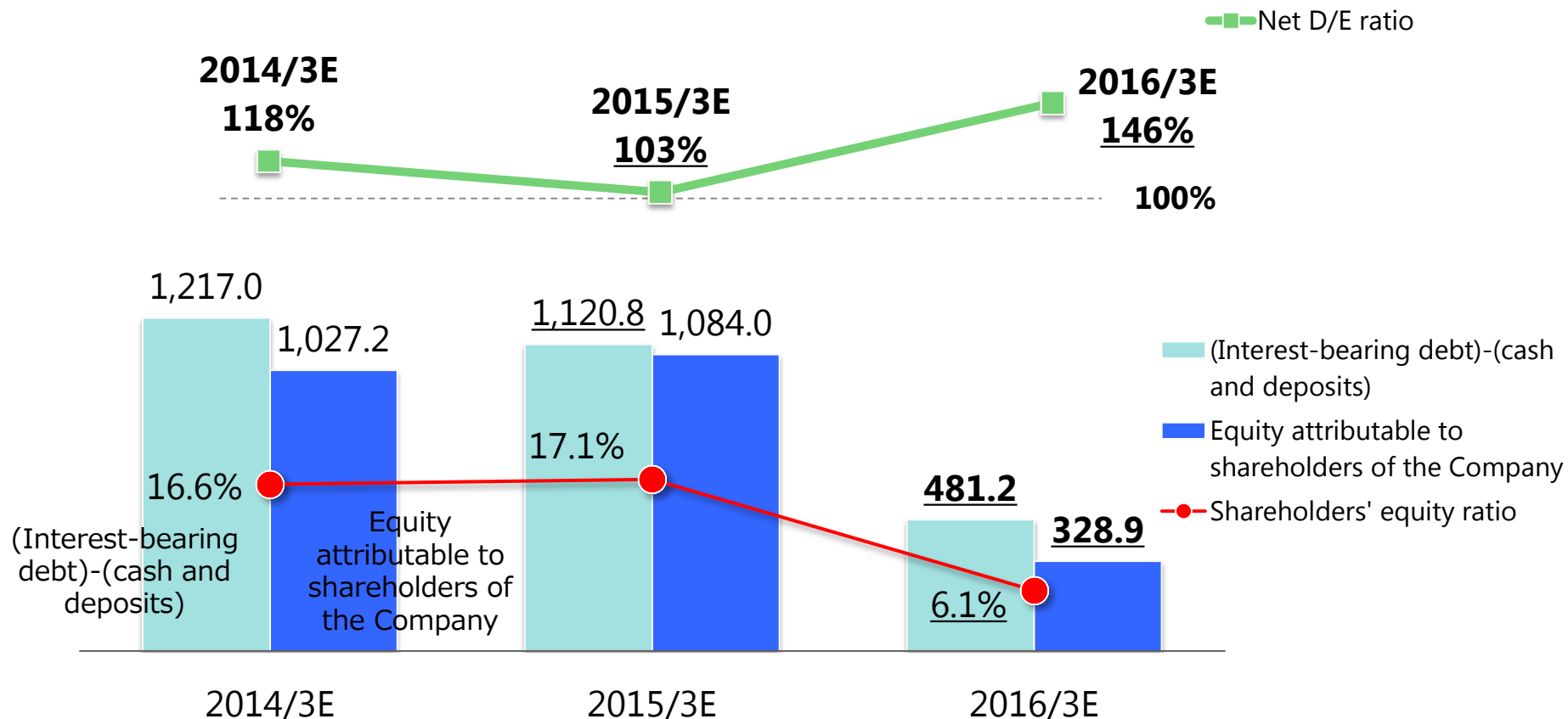
## Net D/E Ratio

The net D/E ratio was 146%, due to a significant decrease in equity attributable to shareholders of the company, although net interest-bearing debt also decreased.

(Yen in billions)

\*Net D/E Ratio:  $\frac{[(\text{interest-bearing debt}) - (\text{cash and deposits})]}{\text{Equity attributable to shareholders of the Company}}$

\*The numbers of 2014/3E is before reclassification of discontinued operation for business assets and liabilities.



# Goodwill and Fixed Assets

- Impairment was recorded for the Nuclear Power Systems business (including Westinghouse) in the FY2015 consolidated business results.
- Impairment was recorded for the Transmission & Distribution Systems and Solar Photovoltaic Systems businesses in the FY2015/3Q consolidated business results.
- Impairment was recorded for TGCS in the 2Q and the full year FY2015 consolidated business results.
- Landis+Gyr AG found no signs of impairment in its annual impairment test (STEP 1).

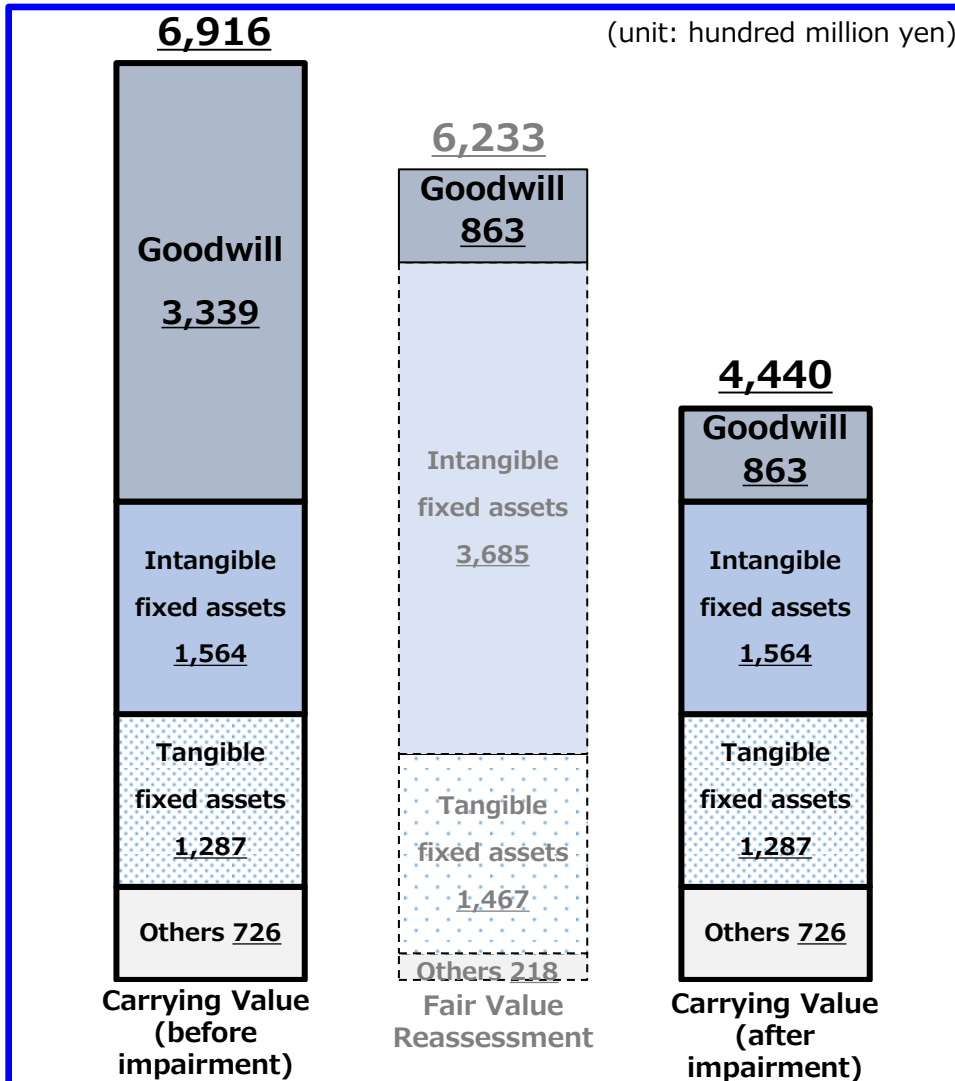
(Major Balances)	2016/3E Balance	Fixed Assets, etc.	Goodwill	(Yen in billions)
Nuclear Power Systems (including Westinghouse)	<u>448.9</u>	361.1	<u>87.8</u>	
Landis+Gyr AG	240.9	81.0	159.9	
Transmission & Distribution Systems Solar Photovoltaic Systems	<u>16.4</u>	<u>16.4</u>	0.0	
Lighting	7.0	7.0	0.0	
TGCS *	0.5	0.5	0.0	
Memories	221.7	221.7	0.0	
Discretes	9.4	9.4	0.0	
System LSIs	7.1	7.1	0.0	
Storage Products	10.6	10.6	0.0	
<b>Total</b>	<u><b>1,542.9</b></u>	<u><b>1,205.6</b></u>	<u><b>337.3</b></u>	

\*TGCS: Toshiba Global Commerce Solutions (a company in the POS business, acquired from IBM (US))

# Nuclear Power Business

## Goodwill Impairment Test Result (STEP 2)

247.6 billion yen goodwill impairment:  
 Carrying value (333.9 billion yen) → Fair value (86.3 billion yen)



### Process for confirming goodwill impairment loss amount

Reassess the fair value of the business' assets and liabilities\* on the base date

→ [Reevaluate the value of goodwill](#)

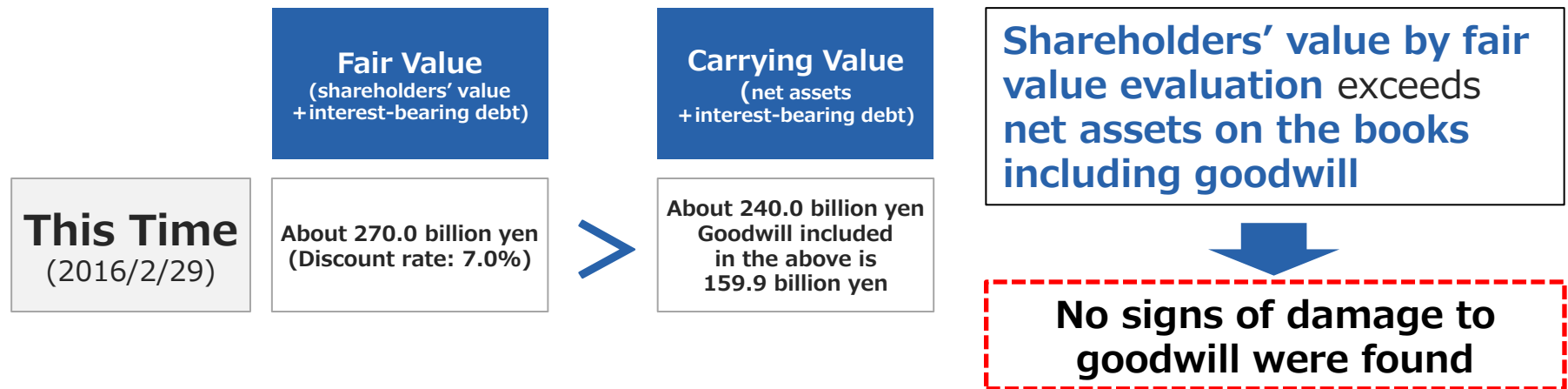
\* Major reevaluation items: tangible and intangible fixed assets, inventory

1. Due to business progress and growth after the acquisition, value of intangible fixed asset increased, mainly for technical assets  
 ⇒ [According to accounting standards, reassessment of intangible fixed assets is not reflected in financial statements](#)
2. As a consequence of reevaluation, the value of goodwill showed a relative decrease  
 ⇒ [Only fluctuations in value of goodwill are reflected to financial statements](#)

## Goodwill Impairment Test Result (STEP 1)

No signs of impairment were found in annual impairment test, with the end of February as the base date

### ■ Consolidated impairment testing on the goodwill of Landis+Gyr AG (Base date: February 29, 2016<sup>\*1</sup>)



<sup>\*1</sup> Base date: February 29, 2016 is the closest monthly closing date to the end of March (yearly closing date).

 **Toshiba will disclose the results in a timely manner.**

# Toshiba Corporation (non-consolidated) Net Assets

Measures including capital reduction are under consideration  
for non-consolidated capital deficit

(Yen in billions)

Toshiba Corporation (non-consolidated)	2016/3E	2015/3E	Difference
Common stock	439.9	439.9	0.0
Additional paid-in capital	380.8	380.8	0.0
Legal retained earnings	13.9	13.9	0.0
Other capital surplus	<u>-476.0</u>	-145.7	<u>-330.3</u>
Treasury stock	<u>-1.9</u>	-1.8	<u>-0.1</u>
Accumulated other comprehensive income (loss)	14.8	30.2	-15.4
Total net asset	<u>371.5</u>	717.3	<u>-345.8</u>

(Capital Deficit)

(-97.1)

Capital Deficit:

Additional paid-in capital + Other capital surplus + Treasury stock  
= 380.8 + (-476.0) + (-1.9) = -97.1

Capital deficit recorded for non-consolidated closing, due to net income (loss) deterioration in non-consolidated FY2015 performance

• Income (loss) before tax: -81.9 billion yen

Although profit was booked from the sale of TMSC, write-downs of stock (including Westinghouse), allowance for doubtful accounts, structural reform cost etc. led to an overall deficit

• Corporate tax etc.: -248.1 billion yen

Major decline as a result of negative reversal of deferred tax asset

• Decrease of evaluation income (loss) due to sales of securities



## 2. Business Results by Segment

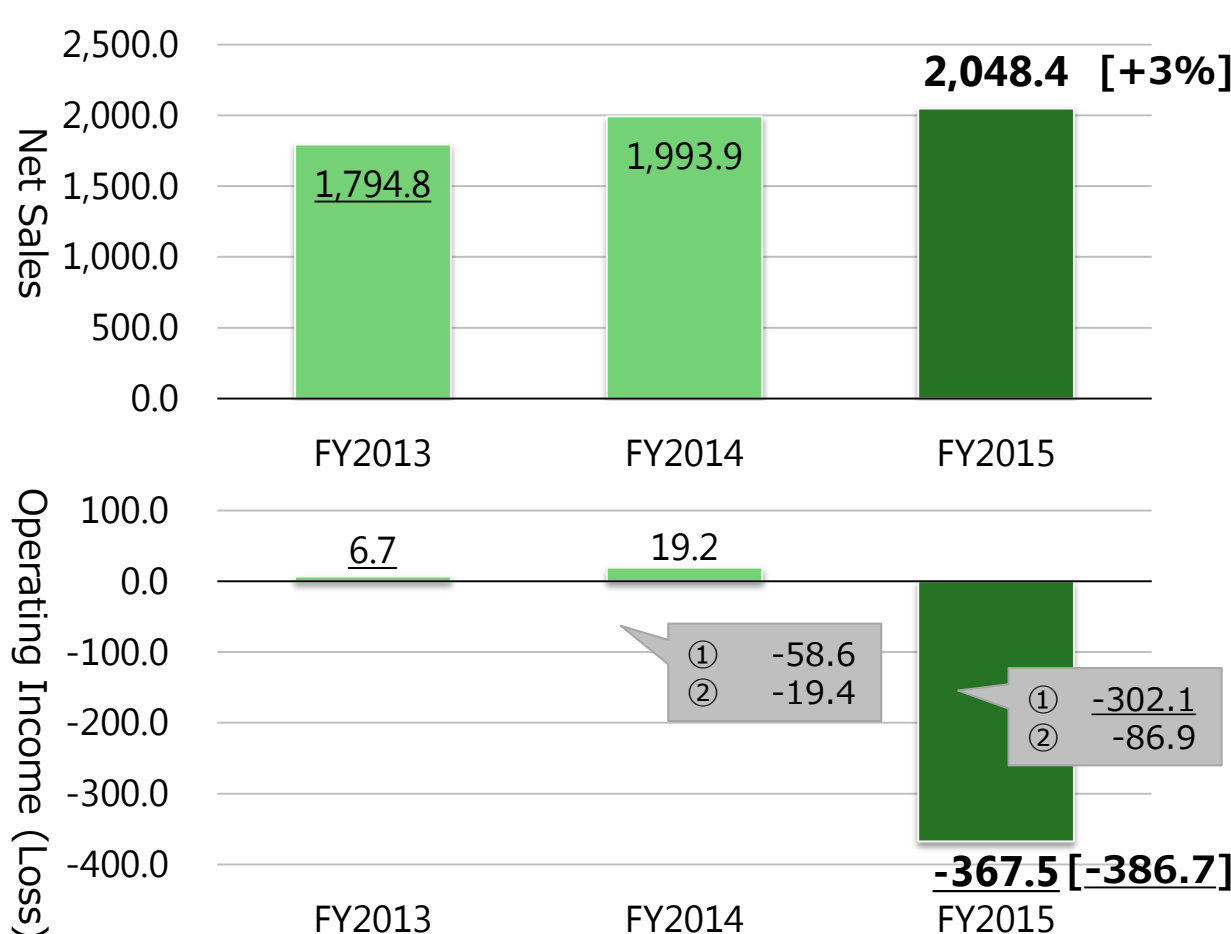
# FY2015 Consolidated Business Results by Segment

(Yen in billions)

		FY2015	FY2014	Difference (growth ratio)
Energy & Infrastructure	Net Sales	2,048.4	1,993.9	54.5 (+3%)
	Operating Income (Loss)	<u>-367.5</u>	19.2	<u>-386.7</u>
Community Solutions	Net Sales	<u>1,425.2</u>	1,410.7	<u>14.5</u> (+1%)
	Operating Income (Loss)	<u>-78.8</u>	53.9	<u>-132.7</u>
Healthcare Systems & Services *	Net Sales	436.8	428.0	8.8 (+2%)
	Operating Income (Loss)	2.5	25.7	-23.2
Electronic Devices & Components	Net Sales	1,605.0	1,768.8	-163.8 (-9%)
	Operating Income (Loss)	<u>-101.6</u>	216.6	<u>-318.2</u>
Lifestyle Products & Services *	Net Sales	<u>802.0</u>	1,163.7	<u>-361.7</u> (-31%)
	Operating Income (Loss)	<u>-150.6</u>	-109.7	<u>-40.9</u>
Others	Net Sales	477.8	523.4	-45.6 (-9%)
	Operating Income (Loss)	<u>12.8</u>	6.0	<u>6.8</u>
Corporate and Eliminations	Net Sales	-548.7	-632.6	83.9
	Operating Income (Loss)	<u>-37.5</u>	-41.3	<u>3.8</u>
Before deduction of discontinued operation Total	Net Sales	<u>6,246.5</u>	6,655.9	<u>-409.4</u> (-6%)
	Operating Income (Loss)	<u>-720.7</u>	170.4	<u>-891.1</u>
Deduction of discontinued operation (TMSC and Home Appliances)	Net Sales	-577.8	-541.2	-36.6
	Operating Income (Loss)	<u>12.0</u>	18.0	<u>-6.0</u>
Total	Net Sales	<u>5,668.7</u>	6,114.7	<u>-446.0</u> (-7%)
	Operating Income (Loss)	<u>-708.7</u>	188.4	<u>-897.1</u>

\*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.

# Energy & Infrastructure



- The Nuclear Power Systems business and Landis+Gyr AG recorded higher sales.
- The Transmission & Distribution Systems, Solar Photovoltaic Systems and Railway Systems businesses saw lower sales.
- The Nuclear Power Systems, Transmission & Distribution Systems and Solar Photovoltaic Systems businesses saw significant deterioration on impairment.
- The Thermal & Hydro Power Systems and Railway Systems businesses deteriorated due to provision for unprofitable projects.

## FY2014 Breakdown of major expenses

① Nuclear power (STP) asset write-downs	-41.0
① Automotive and batteries asset write-downs	-5.1
② Provision for T&D and solar projects	-14.5

## FY2015 Breakdown of major expenses

① Nuclear power asset write-downs (goodwill)	-247.6
① T&D and solar asset write-downs	-47.9
② Provision for nuclear power projects	-9.0
② Provision for thermal & hydro power projects	-21.1
② Provision for T&D and solar projects	-39.3
② Provision for railway projects	-14.4

\*① : Asset write-downs

+ structural reform costs

\*② : Provision for unprofitable projects

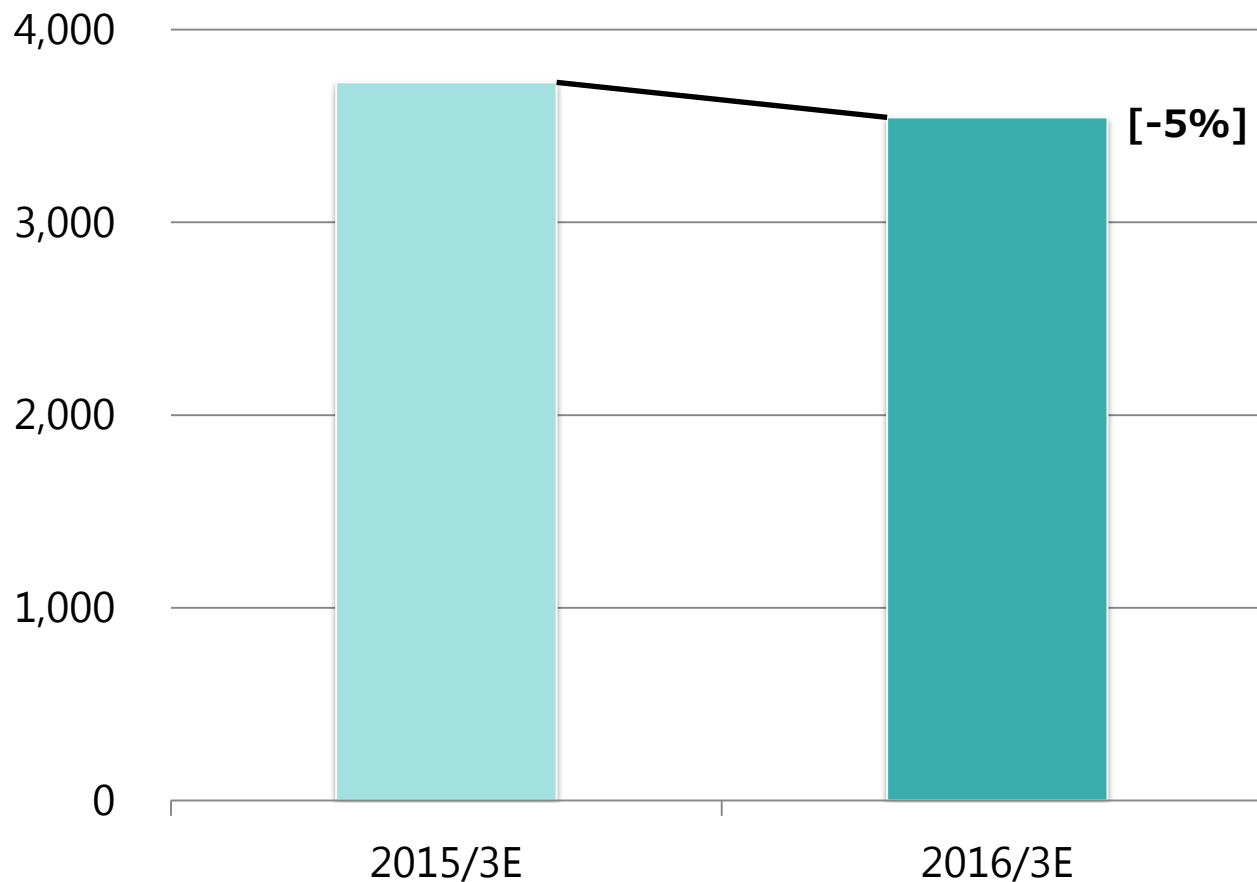
+ revaluation of inventories



# Energy & Infrastructure Order Backlog

(Yen in billions)

\*Power Generation and Transmission & Distribution Systems businesses  
(The Solar Photovoltaic Systems business is excluded.)



- The Power Generation business backlog decreased due to yen depreciation and unexpected delays in some orders for overseas thermal projects.

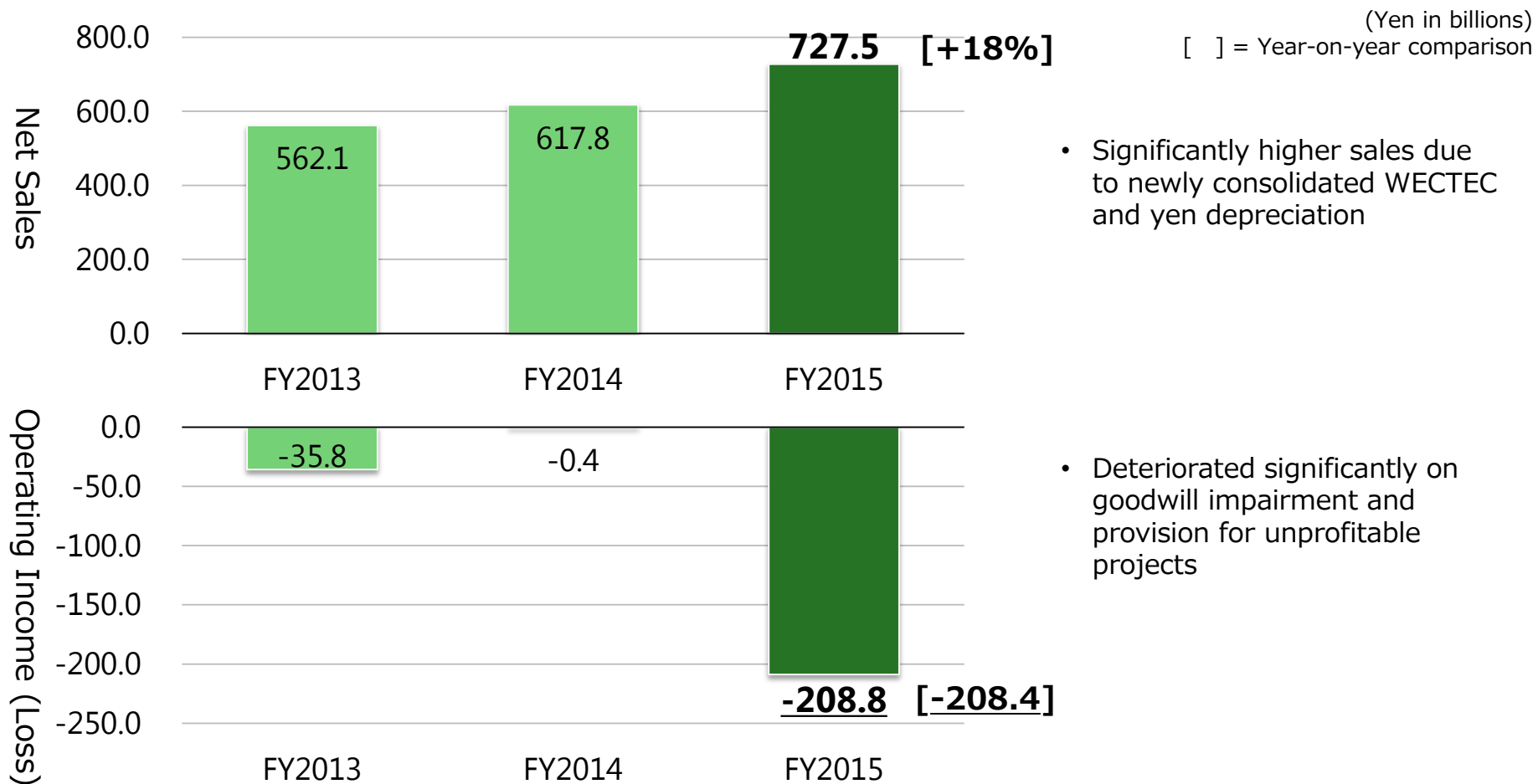
\*Orders of WECTEC (the former CB&I Stone & Webster) are not included.

# Energy & Infrastructure Results Breakdown

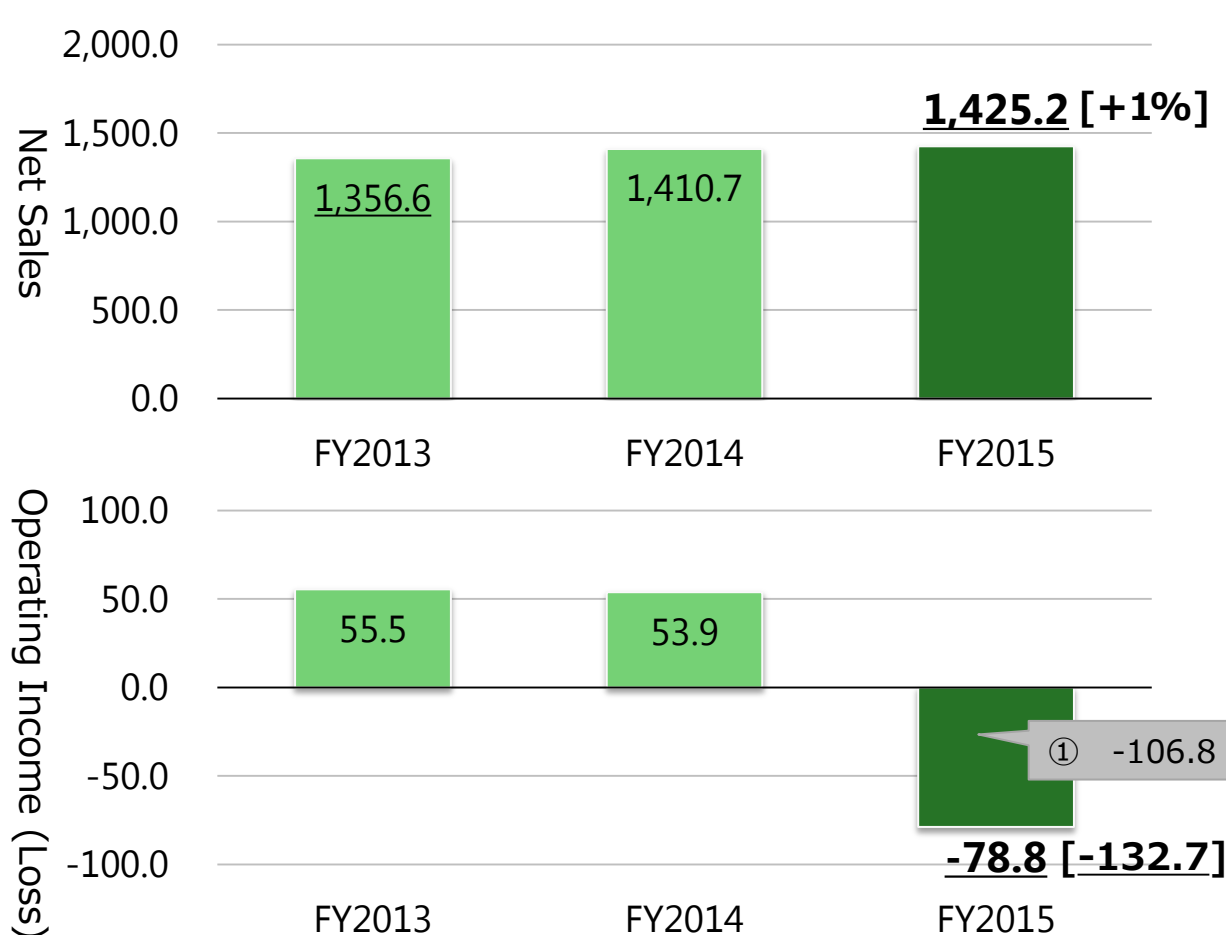
(Yen in billions)

		FY2015	FY2014	Difference (growth ratio)	
Power Systems Company	Net Sales	1,068.6	955.7	112.9	(+12%)
	Operating Income (Loss)	<u>-247.3</u>	18.5	<u>-265.8</u>	
Nuclear Power Systems	Net Sales	727.5	617.8	109.7	(+18%)
Significantly higher sales due to newly consolidated WECTEC and yen depreciation					
Thermal & Hydro Power Systems	Net Sales	334.2	320.8	13.4	(+4%)
Higher sales, mainly overseas					
Social Infrastructure Systems Company	Net Sales	1,005.0	1,067.8	-62.8	(-6%)
	Operating Income (Loss)	<u>-116.3</u>	1.5	<u>-117.8</u>	
Transmission & Distribution Systems, Solar Photovoltaic Systems	Net Sales	342.7	383.2	-40.5	(-11%)
Lower sales in Solar Photovoltaic Systems, due to deteriorating conditions in market					
Industrial and Transportation Systems	Net Sales	343.0	355.8	-12.8	(-4%)
Lower sales on lower volume sales in China of electrical equipment for locomotives					
Landis+Gyr AG	Net Sales	190.0	167.4	22.6	(+14%)
Higher sales, mainly in North America, on yen depreciation					

# Nuclear Power Systems Business



# Community Solutions



## FY2015 Breakdown of major expenses

① Toshiba TEC Corporation asset write-downs	-88.3
① Lighting asset write-downs	-18.5

- Community Infrastructure & Building Facilities, Elevators and Commercial Air-Conditioners recorded higher sales.
- The Lighting business saw lower sales.
- Community Infrastructure & Building Facilities and Commercial Air-Conditioners recorded increased operating income.
- Toshiba TEC Corporation and the Lighting business operating income deteriorated significantly due to impairment.

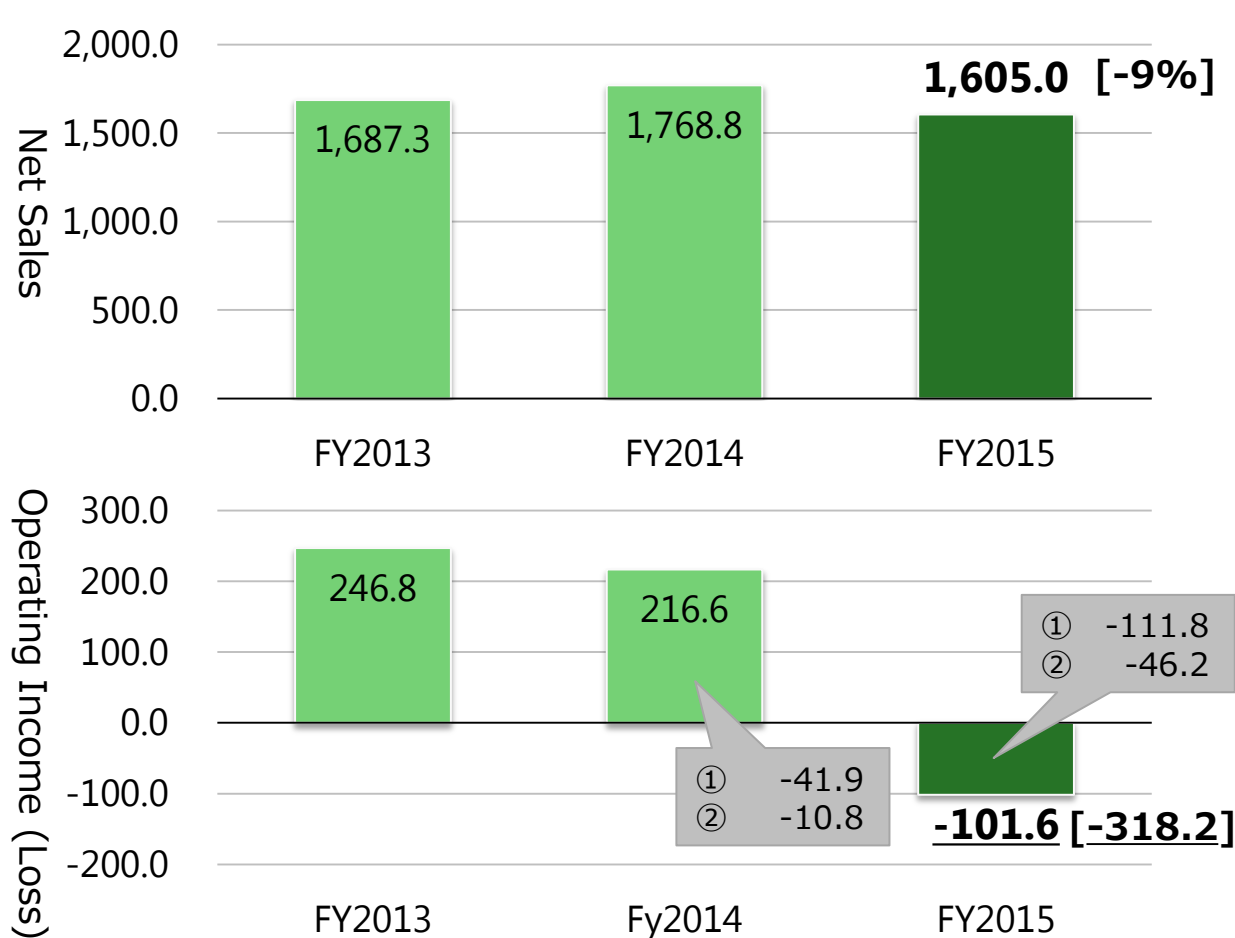
- \*① : Asset write-downs  
+ structural reform costs
- \*② : Provision for unprofitable projects  
+ revaluation of inventories

# Community Solutions Results Breakdown

(Yen in billions)

		FY2015	FY2014	Difference (growth ratio)	
Community Solutions Company	Net Sales	883.0	872.2	10.8	(+1%)
	Operating Income (Loss)	<u>7.2</u>	29.0	<u>-21.8</u>	
Community Infrastructure & Building Facilities	Net Sales	289.3	266.9	22.4	(+8%)
Higher sales due to steady demand for public works in Japan					
Elevators	Net Sales	241.3	234.1	7.2	(+3%)
Higher sales on new and renewal demand in the domestic market and yen depreciation					
Lighting	Net Sales	195.2	214.7	-19.5	(-9%)
Lower sales on shrinkage in the solar business, due to FIT price reduction, and decrease in conventional lighting					
Commercial Air-Conditioners	Net Sales	177.8	173.2	4.6	(+3%)
Higher sales on market expansion in China and Asia					

# Electronic Devices & Components



- The Storage Product business saw significantly lower sales.
- Discretes, Systems LSIs and Memories also saw lower sales.

- Discretes, System LSIs and the Storage Product business declined significantly.
- Memories also saw lower operating income.

- \*① : Asset write-downs  
+ structural reform costs
- \*② : Provision for unprofitable projects  
+ revaluation of inventories

# Semiconductor & Storage Products

## Results Breakdown

(Yen in billions)

		FY2015	FY2014	Difference (growth ratio)	
Semiconductor & Storage Products Company	Net Sales	1,575.9	1,738.9	-163.0	(-9%)
	Operating Income (Loss)	<u>-101.0</u>	219.4	<u>-320.4</u>	
Discretes	Net Sales	138.8	154.8	-16.0	(-10%) Lower sales due to a falloff in sales volume of power semiconductors for consumer products
System LSIs	Net Sales	155.3	177.9	-22.6	(-13%) Lower sales on reduced sales volumes of system LSIs for consumer products
Memories	Net Sales	816.6	860.6	-44.0	(-5%) Lower sales reflecting lower sales price
Storage Products	Net Sales	414.6	507.9	-93.3	(-18%) Lower sales on a downturn in the PC market

# Semiconductor & Storage Products

## Quarterly Trend in Operating Income (Loss)

Significant deficit recorded in 4Q for cost of structural reform,  
asset write-downs and revaluation of inventories

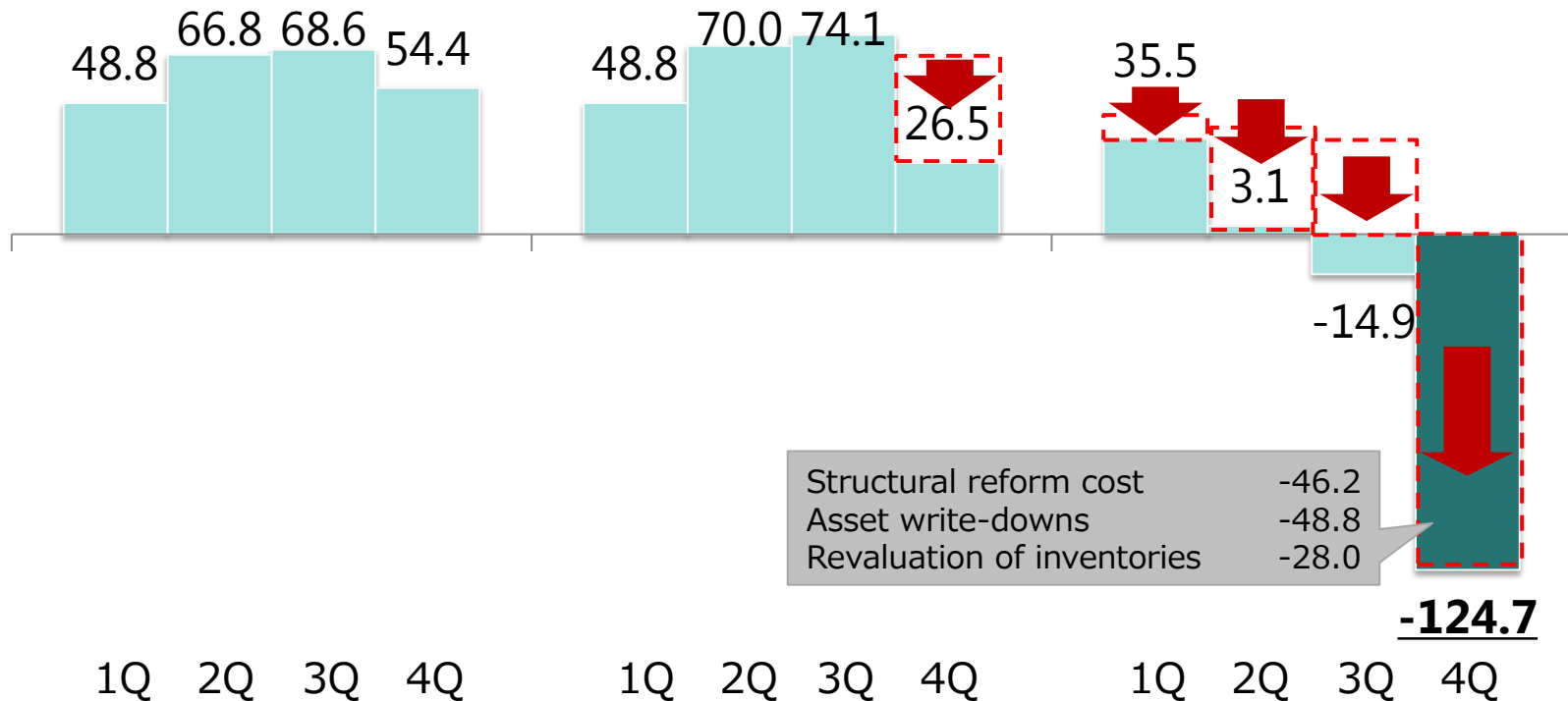
(Yen in billions)



Amount of operating loss on deficit businesses

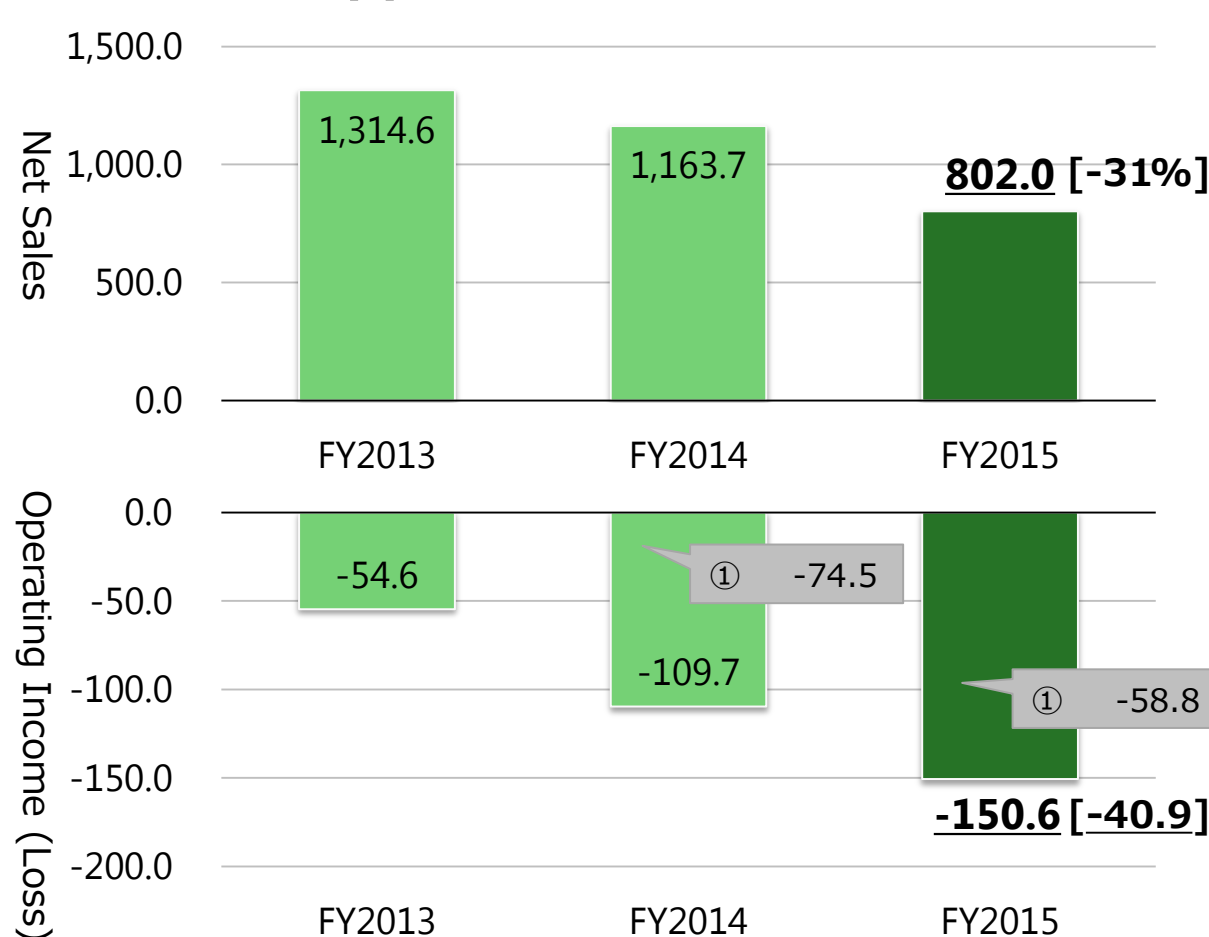
•2014/4Q: Discretes

•2015/1-4Q: Discretes, System LSIs and the Storage Product business





# Lifestyle Products & Services (before reclassification of the Home Appliances business as discontinued operation)



- The PC and TV businesses reduced business volumes through structural reform, including a shift in focus to redefined sales territories.

- The PC and TV businesses saw deterioration.

## FY2014 Breakdown

① Structural reform on PC business	-12.6
① Structural reform on visual products business	-23.0
① Home Appliances asset write-downs	-38.9

## FY2015 Breakdown

① Structural reform on PC business	-44.2
① Structural reform on visual products business	-7.8
① Structural reform on home appliances business	-4.8

- \*① : Asset write-downs  
+ structural reform costs  
\*② : Provision for unprofitable projects  
+ revaluation of inventories

# Lifestyle Products & Services Results Breakdown

(Yen in billions)

		FY2015	FY2014	Difference (growth ratio)	
Personal & Client Solutions Company	Net Sales	<u>447.1</u>	670.9	<u>-223.8</u>	(-33%)
	Operating Income (Loss)	-84.9	-27.6	-57.3	
PC	Net Sales	<u>443.6</u>	666.3	<u>-222.7</u>	(-33%)
Lower sales on withdrawal from unprofitable regions in the B2C business					
Toshiba Lifestyle Products & Services Corp.	Net Sales	<u>360.3</u>	498.9	-138.6	(-28%)
	Operating Income (Loss)	-67.2	-82.1	14.9	
TV	Net Sales	<u>74.5</u>	191.7	-117.2	(-61%)
Lower sales from cessation of development and sales operations, and migrating to brand licensing in overseas markets					
Home Appliances	Net Sales	<u>213.4</u>	225.4	-12.0	(-5%)
Lower sales on a decrease in domestic sales					



## 3. FY2016 Forecast

# FY2016 Operation Policy

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- **Organize financial platform**
  - Concentrate investments in cash generating fields, based on the business portfolio
  - Strict consolidated-base control of interest-bearing debt of the in-house companies
- **Business operations grounded in cash flow**
- **Strengthen independent autonomous management of in-house companies**

# FY2016 Forecast Overall

Change from the forecast announced on March 18: includes gain from sale of the Home Appliances business → Net Income: +60.0 billion yen, Free Cash Flow: +70.0 billion yen

	FY2016 Forecast	FY2015 Actual	Difference
Net Sales	5,100.0	<u>5,668.7</u>	<u>-568.7</u>
Operating Income (Loss)	120.0	<u>-708.7</u>	<u>828.7</u>
%	2.4%	<u>-12.5%</u>	
Income (Loss) before income taxes and noncontrolling interests	85.0	<u>-633.1</u>	<u>718.1</u>
%	1.7%	<u>-11.2%</u>	
Net Income (Loss)	100.0	<u>-460.0</u>	<u>560.0</u>
%	2.0%	<u>-8.1%</u>	
Earnings (Losses) per share attributable to shareholders of the Company	¥23.62	<u>-¥108.64</u>	<u>¥132.26</u>

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

Including the PC business  
Net Sales: 200 billion yen  
Operating Income: 0 billion yen

Restructuring with third parties for the PC business is still under consideration.

Free cash flow	110.0	652.2	-542.2
Equity attributable to shareholders of the Company	<u>390.0</u>	<u>328.9</u>	<u>61.1</u>
Shareholders' equity ratio	8%	<u>6.1%</u>	<u>1.9%</u>
Net interest-bearing debt	380.0	<u>481.2</u>	<u>-101.2</u>
Net debt-to-equity ratio	<u>97%</u>	<u>146%</u>	<u>-49%</u>

# Change in Disclosure

From FY 2016 on, the unit for disclosure will be individual companies, not business segments

## Old Disclosure, by Segment

Energy & Infrastructure	Power Systems Company
	Social Infrastructure Systems Company
Community Solutions	Community Solutions Company
	Toshiba TEC Corporation
Healthcare Systems & Services	Healthcare Company
Electronic Devices & Components	Semiconductor & Storage Products Company
Lifestyle Products & Services	Personal & Client Solutions Company
	Toshiba Lifestyle Products & Services Corporation
Others	Industrial ICT Solutions Company

## New Disclosure, by Company

Energy Systems & Solutions	Energy Systems & Solutions Company
Infrastructure Systems & Solutions	Infrastructure Systems & Solutions Company
Retail & Printing Solutions	Toshiba TEC Corporation
Storage & Electronic Devices Solutions	Storage & Electronic Devices Solutions Company
Industrial ICT Solutions	Industrial ICT Solutions Company
Others	Toshiba Client Solutions Co., Ltd., Visual products business operating company*, etc.



\*The Visual Products business will be separated from Toshiba Lifestyle Products & Services by a company split on the closing date of the Home Appliances business transfer.

# Disclosure of Results (Net Sales, Operating Income ) by Each Business

Toshiba will announce net sales and operating income (loss)  
by each business from FY2016/1Q

(Yen in billions)

		FY2016 Forecast	FY2015 Actual	Difference (growth ratio)	
Energy Systems & Solutions	Net Sales	1,700.0	1,584.2	115.8	(+7%)
	Operating Income (Loss)	51.0	<u>-346.3</u>	<u>397.3</u>	
	Nuclear Power Systems	Net Sales	870.0	727.5	142.5 (+20%)
		Operating Income (Loss)	40.0	<u>-208.8</u>	<u>248.8</u>
	Thermal & Hydro Power Systems	Net Sales	340.0	334.2	5.8 (+2%)
		Operating Income (Loss)	9.0	<u>-25.0</u>	<u>34.0</u>
	Transmission & Distribution Solution and Services	Net Sales	348.0	331.3	16.7 (+5%)
		Operating Income (Loss)	6.3	-101.6	107.9
	Landis+Gyr (AG) Consolidated	Net Sales	170.2	190.0	-19.8 (-10%)
		Operating Income (Loss)	5.6	5.4	0.2

# Disclosure of Results (Net Sales, Operating Income ) by Each Business

Toshiba will announce net sales and operating income (loss)  
by each business from FY2016/1Q

(Yen in billions)

		FY2016 Forecast	FY2015 Actual	Difference (growth ratio)	
Infrastructure Systems & Solutions	Net Sales	1,340.0	1,354.6	-14.6	(-1%)
	Operating Income (Loss)	51.0	-7.4	58.4	
Public Infrastructure	Net Sales	362.3	374.6	-12.3	(-3%)
	Operating Income (Loss)	20.8	10.3	10.5	
Buildings and Facilities	Net Sales	679.9	686.8	-6.9	(-1%)
	Operating Income (Loss)	25.2	-2.7	27.9	
Industrial Systems	Net Sales	340.3	343.7	-3.4	(-1%)
	Operating Income (Loss)	5.0	-15.0	20.0	

Systems for Highways, Disaster Prevention, Broadcasting, Water Treatment, Environment, Security and Automation					
Elevators, Air-Conditioning, Lighting, Power Systems for Buildings					
Railway Systems, Rechargeable Batteries, Motor Drives					



# Disclosure of Results (Net Sales, Operating Income ) by Each Business

Toshiba will announce net sales and operating income (loss)  
by each business from FY2016/1Q

(Yen in billions)

			FY2016 Forecast	FY2015 Actual	Difference (growth ratio)	
Storage & Electronic Devices Solutions		Net Sales	1,430.0	1,575.9	-145.9	(-9%)
		Operating Income (Loss)	32.0	<u>-100.0</u>	<u>132.0</u>	
Storage	Memories	Net Sales	746.6	845.6	-99.0	(-12%)
		Operating Income (Loss)	24.4	110.0	-85.6	Flash Memories, SSDs
	HDDs	Net Sales	351.9	385.6	-33.7	(-9%)
		Operating Income (Loss)	2.2	-40.2	42.4	
	Other Devices	Net Sales	331.5	344.7	-13.2	(-4%)
		Operating Income (Loss)	5.4	<u>-169.8</u>	<u>175.2</u>	Discretes, System LSIs, NuFlare Technology, Inc.

# Disclosure of Results (Net Sales, Operating Income ) by Each Business

Toshiba will announce net sales and operating income (loss)  
by each business from FY2016/1Q

(Yen in billions)

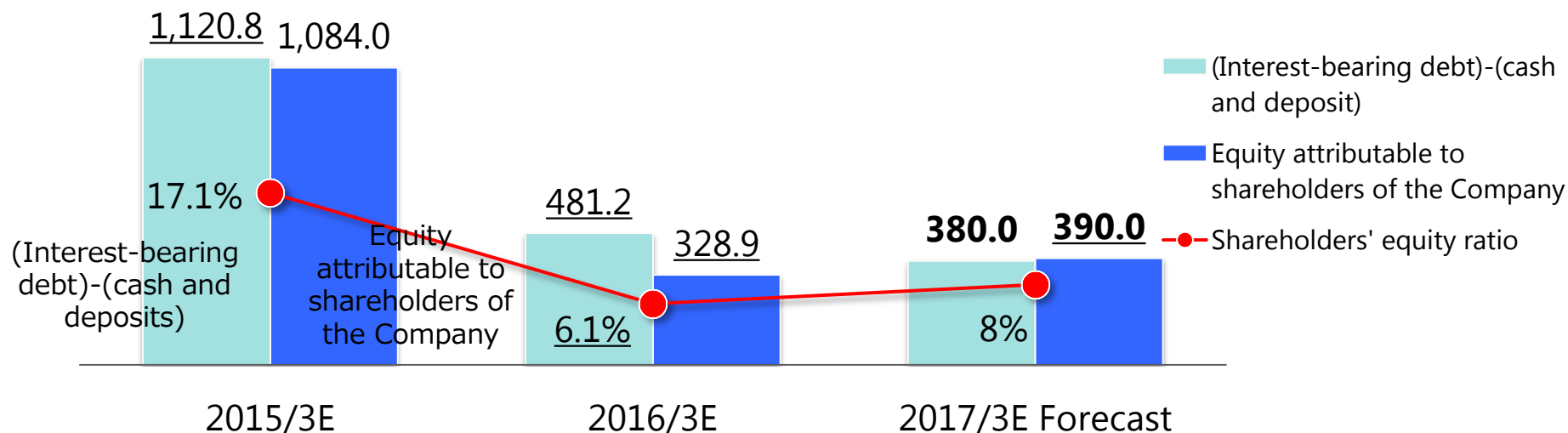
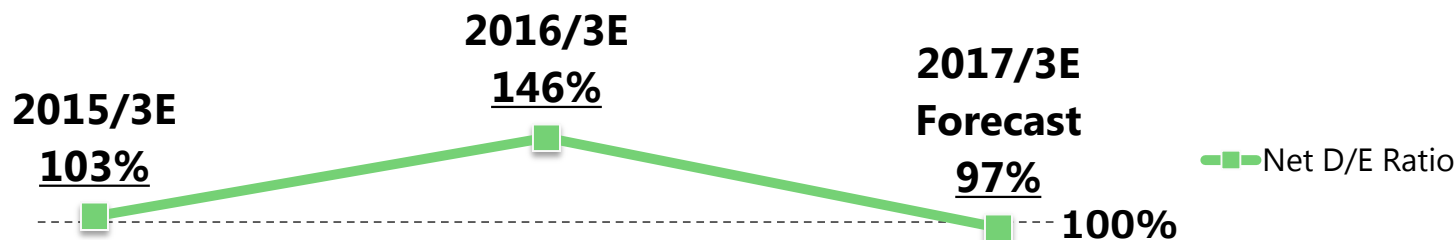
		FY2016 Forecast	FY2015 Actual	Difference (growth ratio)	
PC	Net Sales	226.0	<u>443.6</u>	<u>-217.6</u>	(-49%)
	Operating Income (Loss)	0.0	-87.1	87.1	
Visual Products	Net Sales	65.0	94.7	-29.7	(-31%)
	Operating Income (Loss)	1.5	-48.3	49.8	

# Financial Structure Forecast

**Aim to achieve a D/E ratio of 100% by 2017/3E**

\*Net D/E Ratio:  $\frac{[(\text{interest-bearing debt}) - (\text{cash and deposits})]}{\text{Equity attributable to shareholders of the Company}}$

(Yen in billions)



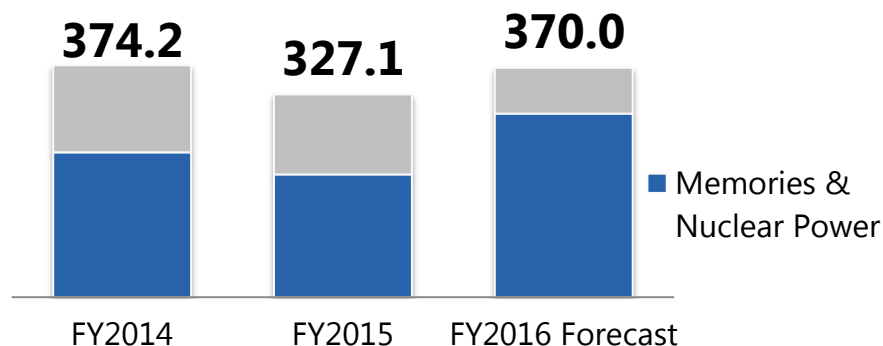
# Investments

## Capital Expenditures & Investments and Loans, R&D

Continue to invest in the Storage and Energy businesses

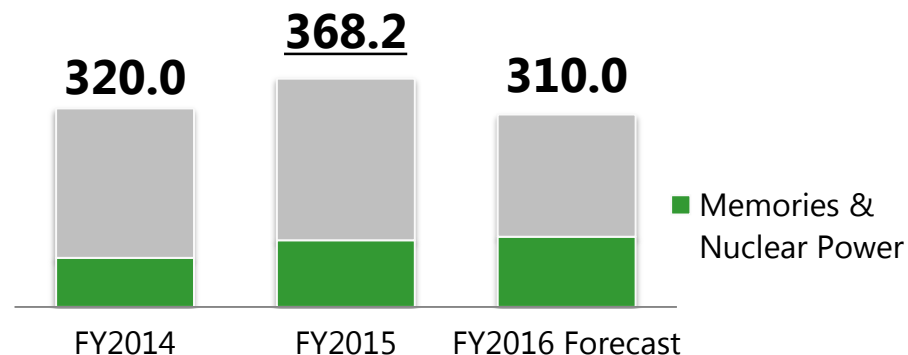
(Yen in billions)

### Capital Expenditures Investments and Loans



- **Focus on the Memory business**
  - BiCS mass production facility
  - Construct new production facility
- **Limit investments in other areas to refurbishment**

### R&D



- **Focus on R&D in technologies that generate cash flows**
- **Create new growth businesses**
  - Batteries (SCiB)
  - Power electronics
  - IoT for energy business (smart meter + services)
  - Media intelligence (RECAIUS)

# Human Resources

**Result: -14,450 people (+3,610 against target)**

**\*Includes 3,100 people reallocated within Toshiba Group**

Unit: people		Plan	Result	Japan	Overseas	vs Plan
<b>Semiconductor</b>	Discretes, System LSIs	<b>2,800</b>	<b>4,080</b>	3,880	200	<b>+1,280</b>
	PC	1,300	1,600	700	900	+300
	Visual Products	3,700	3,880	680	3,200	+180
	Home Appliances	1,800	2,130	1,430	700	+330
	<b>Lifestyle Total</b>	<b>6,800</b>	<b>7,610</b>	2,810	4,800	<b>+810</b>
	<b>Corporate</b>	<b>1,000</b>	<b>1,530</b>	1,030	500	<b>+530</b>
	<b>Healthcare</b>	<b>90</b>	<b>160</b>	160	0	<b>+70</b>
	<b>HDD</b>	<b>150</b>	<b>510</b>	390	120	<b>+360</b>
	<b>T&amp;D</b>	<b>-</b>	<b>560</b>	160	400	<b>+560</b>
<b>Grand Total</b>		<b>10,840</b>	<b>14,450</b>	8,430	6,020	<b>+3,610</b>

## Change in Number of Toshiba Group Employees \*1

**FY2014 end: 217,000**

**FY2015 end: 203,100\*2**

**FY2016 end: 185,900\*3**



**Structural reform (-9,400), Sale of TMSC (-10,000)  
New hires and consolidated (+5,500), etc.**



**Structural reform\*4 (-2,000),  
Sale of Home Appliances business (-15,200), etc.**

\*1 Including emergency workers

\*2 Not including retirees as of the end of March, 2016

\*3 Including employees engaged in the PC business as the future direction of the PC business has not yet been determined.

\*4 Personnel reduction of overseas subsidiaries in FY2016/1H (included in -14,450 (result) above)

**TOSHIBA**

**Leading Innovation >>>**