

FOR IMMEDIATE RELEASE

November 11, 2016  
Toshiba Corporation

**Toshiba Announces Consolidated Results for the First Six Months  
and the Second Quarter for Fiscal Year 2016, Ending March 2017**

TOKYO--Toshiba Corporation (TOKYO: 6502) (the “Company”) today announced its consolidated results for the first six months (April-September) and the second quarter (July-September) of fiscal year (FY) 2016, ending March 31, 2017. All comparisons in the following are based on the same period a year earlier, unless otherwise stated.

**Overview of Consolidated Results for the First Six Months of FY2016  
(April-September, 2016)**

(Yen in billions)

	First six months of FY2016	Change from first six months of FY2015
Net sales	2,579.0	-114.7
Operating income (loss)	96.8	+185.9
Income (loss) from continuing operations, before income taxes and noncontrolling interests	67.5	+25.3
Net income (loss) attributable to shareholders of the Company	115.3	+78.0

During the first half of FY2016 (April-September), the US economy generally saw solid growth mainly with increased personal consumption, and the Eurozone economy saw moderate growth, primarily in Germany. The Chinese economy slowed, reflecting adjustments of production and investment in the coal and steel industries, though consumer consumption saw firm growth. High economic growth was seen in India. In the international financial market, there was a sharp decline in the UK pound and temporary surge in the yen, against the background of the result of the UK’s Brexit referendum in June.

In Japan, as employment prospects and personal income continued to improve, consumer

spending patterns generally remained firm, and capital investment trended toward recovery, and export remained at the same level.

In these circumstances, Toshiba Group's net sales decreased by 114.7 billion yen to 2,579.0 billion yen (US\$25,534.6 million). Although the Company recorded higher sales, primarily because of the consolidation of a nuclear power construction subsidiary, and increased HDD sales units, yen appreciation and the shrinking scale of the PC and TV businesses had an impact.

The Group recorded consolidated operating income of 96.8 billion yen (US\$958.4million), an improvement of 185.9 billion yen, reflecting a reduction of fixed costs through structural reform and continued emergency measures, including bonus reductions and others. The previous semester also included an asset impairment of the Retail & Printing Solutions business.

Income (loss) from continuing operations, before income taxes and noncontrolling interests, improved by 25.3 billion yen to 67.5 billion yen (US\$668.6 million), as the Group recorded a gain from sales of securities of 177.3 billion yen in the previous semester.

Net income (loss) attributable to shareholders of the Company improved by 78.0 billion yen on the inclusion of profit from the sales of the Home Appliances business in the first quarter, and stood at 115.3 billion yen (US\$1,141.7 million).

**Consolidated Results for the First Six Months of FY2016, by Segment**  
**(April-September, 2016)**

(Yen in billions)

	Net Sales			Operating Income (Loss)	
		Change*			Change*
Energy Systems & Solutions	760.6	+58.9	+8%	9.6	+10.4
Infrastructure Systems & Solutions	563.9	-28.6	-5%	11.2	+18.9
Retail & Printing Solutions	247.7	-22.9	-8%	6.5	+73.7
Storage & Electronic Devices Solutions	799.7	-6.8	-1%	78.3	+41.7
Industrial ICT Solutions	110.4	-6.5	-6%	5.4	+6.2
Others	260.0	-161.4	-38%	-15.5	+33.9
Eliminations	-163.3	+52.6	-	1.3	+1.1
<b>Total</b>	<b>2,579.0</b>	<b>-114.7</b>	<b>-4%</b>	<b>96.8</b>	<b>+185.9</b>

(\* Change from the year-earlier period)

**Energy Systems & Solutions: Higher Sales and Higher Operating Income**

The Energy Systems & Solutions segment saw higher sales. Although the Transmission & Distribution Systems business mainly such as Solar Photovoltaic Systems and Landis+Gyr saw lower sales, the Nuclear Power Systems business saw significantly higher sales and the Thermal & Hydro Power Systems business also recorded higher sales.

The segment as a whole saw significantly higher operating income as the Thermal & Hydro Power Systems and Transmission & Distribution Systems businesses recorded either higher or improved operating income, although Landis+Gyr saw lower operating income.

**Infrastructure Systems & Solutions: Lower Sales and Higher Operating Income**

The Infrastructure Systems & Solutions segment saw lower sales. While the Public Infrastructure business recorded higher sales, the Buildings and Facilities and the Industrial Systems businesses saw lower sales.

The segment as a whole saw significant higher operating income as all businesses recorded either higher or improved operating income.

**Retail & Printing Solutions: Lower Sales and Higher Operating Income**

The Retail & Printing Solutions segment saw lower sales on the impact of currency exchange, although the Retail business itself performed favorably.

The segment as a whole saw significant higher operating income, as the domestic Retail business increased sales and overseas Retail business turned to surplus by improving its profitability. The previous term included an asset impairment in the overseas Retail business turning operating income to a loss.

**Storage & Electronic Devices Solutions: Lower Sales and Higher Operating Income**

The Storage & Electronic Devices Solutions segment saw lower sales. Although the HDDs recorded higher sales, the Memories and the Devices & Others saw lower sales.

The segment as a whole saw significant higher operating income. Although Memories saw lower profit, there was a significant improvement in HDDs and Devices & Others.

**Industrial ICT Solutions: Lower Sales and Higher Operating Income**

The Industrial ICT Solutions segment saw lower sales, as system sales to manufacturers declined.

Operating income for the segment as a whole turned to surplus, due to the implementation of emergency measures.

**Others:** Lower Sales and Improved Operating Income

**Overview of Consolidated Results for the Second Quarter of FY2016**  
**(July-September, 2016)**

(Yen in billions)

	2Q of FY2016	Change from 2Q of FY2015
Net sales	1,371.6	-91.8
Operating income (loss)	76.7	+159.3
Income (loss) from continuing operations, before income taxes and noncontrolling interests	60.3	+5.7
Net income (loss) attributable to shareholders of the Company	35.5	-14.1

In the second quarter of FY2016 (July-September), consolidated net sales decreased by 91.8 billion yen to 1,371.6 billion yen (US\$13,580.1 million). Although the Company recorded higher sales, due to consolidation of a nuclear power construction subsidiary, and increased sales due to HDD sales units, yen appreciation and the shrinking scale of the PC and TV businesses had an impact.

Consolidated operating income improved by 159.3 billion yen to 76.7 billion yen (US\$759.7 million), reflecting a reduction of fixed costs through structural reform and emergency measures such as reduction of bonuses and others, and the fact that the previous semester included an impairment of assets in the Retail & Printing Solutions.

Income (loss) from continuing operations, before income taxes and noncontrolling interests improved by 5.7 billion yen to 60.3 billion yen (US\$597.4 million) as the Group gained from sales of securities in the previous semester. Net income attributable to shareholders of the Company decreased by 14.1 billion yen to 35.5 billion yen (US\$351.5 million).

**Consolidated Results for the Second Quarter of FY2016 by Segment**  
**(July-September, 2016)**

(Yen in billions)

	Net Sales			Operating Income (Loss)	
		Change*			Change*
Energy System & Solutions	411.1	+9.3	+2%	11.4	+4.8
Infrastructure Systems & Solutions	305.2	-20.4	-6%	8.9	+5.9
Retail & Printing Solutions	125.2	-15.4	-11%	4.7	+71.9
Storage & Electronic Devices Solutions	428.1	-1.0	0%	54.2	+51.9
Industrial ICT Solutions	61.7	-5.2	-8%	6.3	+5.3
Others	125.2	-91.2	-42%	-9.5	+17.8
Eliminations	-84.9	+32.1	-	0.7	+1.7
<b>Total</b>	<b>1,371.6</b>	<b>-91.8</b>	<b>-6%</b>	<b>76.7</b>	<b>+159.3</b>

(\* Change from the year-earlier period)

**Energy Systems & Solutions: Increased Sales and Higher Operating Income**

The Energy Systems & Solutions segment saw increased sales. Though the Transmission & Distribution Systems business, mainly such as Solar Photovoltaic Systems, and Landis+Gyr recorded lower sales, Nuclear Power Systems business saw significant growth which led to an overall increase in the segment.

The segment as a whole saw a significant increased operating income, as Thermal & Hydro Power Systems, Transmission & Distribution Systems businesses recorded higher operating income, although the Nuclear Power Systems business and Landis+Gyr recorded lower operating income.

**Infrastructure Systems & Solutions: Lower Sales and Higher Operating Income**

The Infrastructure Systems & Solutions segment saw significant lower sales, reflecting lower sales in the Public Infrastructure, Building & Facilities, and the Industrial System businesses.

The segment as a whole saw significant higher operating income in all businesses.

**Retail & Printing Solutions: Lower Sales and Higher Operating Income**

The Retail & Printing Solutions segment saw overall sales decrease, on the impact of currency exchanges, although the Retail business itself performed favorably.

The segment as a whole saw significant higher operating income, as the domestic Retail business saw increased sales and turned to profit on improved profitability in the overseas Retail business. The previous term included an asset impairment in the overseas Retail

business turning operating income to a loss.

**Storage & Electronic Devices Solutions:** Same Level of Sales and Higher Operating Income

The Storage & Electronic Devices segment reported the same level of sales. Although the HDDs recorded higher sales, Memories saw lower sales.

The segment as a whole saw a significant increase in operating income. HDDs and Devices & Others improved significantly, though the Memories saw lower operating income.

**Industrial ICT Solutions:** Lower Sales and Higher Operating Income

The Industrial ICT Solutions segment saw lower sales, as system sales to manufacturers declined.

The segment as a whole turned to surplus, due to the implementation of emergency measures.

**Others:** Lower Sales and Improved Operating Income

**Notes:**

Toshiba Group's Quarterly Consolidated Financial Statements are based on U.S. generally accepted accounting principles ("GAAP").

Operating income (loss) is derived by deducting the cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges, litigation settlement and other costs are not included in it.

The Healthcare Systems & Services segment and Home Appliances business are classified as discontinued operations in accordance with ASC 205-20 "Presentation of Financial Statements – Discontinued Operations". The results of these 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 results of these businesses to income (loss) from continuing operations, before income taxes and noncontrolling interests. In addition, these businesses are also classified as discontinued operations for the Group's consolidated balance sheets and are indicated separately. Results of the previous fiscal year have been revised to reflect these changes.

The data relating to the consolidated segment information is presented in conformity with the classification from April 1, 2016.

From this fiscal year, expenses such as basic R&D expenses previously allocated to "Corporate and Eliminations," and partial profit and loss previously allocated to each segment, are now included in the "Others" segment.

Qualitative data herein are compared with the same period of the previous year, unless otherwise noted.

### **Financial Position and Cash Flows for the First Six Months of FY2016**

Total assets decreased by 600.5 billion yen from the end of March 2016 to 4,832.8 billion yen (US\$47,849.3 million).

Shareholders' equity, or equity attributable to the shareholders of the Company, was 363.2 billion yen (US\$3,596.4 million), an increase of 34.3 billion yen from the end of March 2016.

Total interest-bearing debt decreased by 270.8 billion yen from the end of March 2016 to 1,180.1 billion yen (US\$11,683.9 million).

As a result of the foregoing, the shareholders' equity ratio at the end of September 2016 was 7.5%, a 1.4-point increase from the end of March 2016, and the debt-to-equity ratio was 180%, a 34-point deterioration from the end of March 2016.

Free cash flow decreased by 144.0 billion yen to -148.5 billion yen (-US\$1,470.5million).

### **Trend in Main Indices**

	Sept./E 2014	Mar./E 2015	Sept./E 2015	Mar./E 2016	Sept./E 2016
Shareholder's equity ratio (%)	17.2	17.1	16.5	6.1	7.5
Equity ratio based on market value (%)	33.3	33.7	20.5	17.1	29.3
Cash flow to interest-bearing debt ratio	—	4.1	—	—	—
Interest coverage ratio (multiples)	—	11.7	—	—	—

Notes:

Shareholders' equity ratio: Shareholders' equity divided by total assets

Equity ratio based on market value: Market capitalization divided by total assets

Market capitalization is calculated by multiplying the closing stock price at the end of the relevant period by the number of shares issued, excluding shares owned by the Company.

Cash flow to interest-bearing debt ratio: Debt (average of the beginning and end of the term) divided by net cash provided by operating activities

Interest coverage ratio: Cash flow from operating activities divided by interest payments

### **Performance Forecast for FY2016**

The consolidated forecast for FY2016 of the Company is as announced on November 8, 2016, "Notice Regarding Revision of Business Results Forecast".

## **Others**

(1) Changes in significant subsidiaries during the period (changes in Specified Subsidiaries (“Tokutei Kogaisha”) involving changes in the scope of consolidation):  
None

(2) Use of simplified accounting procedures, and particular accounting procedures in preparation of quarterly consolidated financial statements:

### Income taxes

Interim income tax expense (benefit) is computed by multiplying income (loss) before income taxes and noncontrolling interests for the six months ending September 30, 2016 by a reasonably estimated annual effective tax rate after applying the effect of deferred taxes for FY2016, ending March 31, 2017.

(3) Change in accounting policies:  
None

## **Disclaimer:**

This report of business results contains forward-looking statements concerning future plans, strategies and forecasts of Toshiba Group business results. These statements are based on management’s assumptions and beliefs in light of the economic, financial and other data currently available. Since Toshiba Group is promoting business under various market environments in many countries and regions, they are subject to a number of their risks and uncertainties. Toshiba therefore wishes to caution readers that actual results might differ materially from our expectations. Major risk factors that may have a material influence on results are indicated below, though this list is not necessarily exhaustive.

- Major disasters, including earthquakes and typhoons;
- Disputes, including lawsuits, in Japan and other countries;
- Success or failure of alliances or joint ventures promoted in collaboration with other companies;
- Success or failure of new businesses or R&D investment;
- Changes in political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Rapid changes in the supply and demand situation in major markets and intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.



**Note:**

For convenience only, all dollar figures used in reporting the first six months and second quarter of fiscal year 2016 results are valued at 101 yen to the dollar.

###

Toshiba Group  
**Consolidated Financial Statements**

For the First Six Months and the Second Quarter of Fiscal Year Ending March 2017

**1. First Six Months Results**

(¥ in billions, US\$ in millions, except for earnings per share)

	<b>Six Months ended September 30</b>				
	<b>2016(A)</b>	2015(B)	(A)-(B)	(A)/(B)	<b>2016</b>
Net sales	<b>¥2,579.0</b>	¥2,693.7	¥(114.7)	96%	<b>\$25,534.6</b>
Operating income (loss)	<b>96.8</b>	(89.1)	185.9	—	<b>958.4</b>
Income from continuing operations, before income taxes and noncontrolling interests	<b>67.5</b>	42.2	25.3	160%	<b>668.6</b>
Net income attributable to shareholders of the Company	<b>115.3</b>	37.3	78.0	309%	<b>1,141.7</b>
Basic earnings per share attributable to shareholders of the Company	<b>¥27.23</b>	¥8.81	¥18.42	/	<b>\$0.27</b>

**2. Second Quarter Results**

(¥ in billions, US\$ in millions, except for earnings per share)

	<b>Three months ended September 30</b>				
	<b>2016(A)</b>	2015(B)	(A)-(B)	(A)/(B)	<b>2016</b>
Net sales	<b>¥1,371.6</b>	¥1,463.4	¥(91.8)	94%	<b>\$13,580.1</b>
Operating income (loss)	<b>76.7</b>	(82.6)	159.3	—	<b>759.7</b>
Income from continuing operations, before income taxes and noncontrolling interests	<b>60.3</b>	54.6	5.7	111%	<b>597.4</b>
Net income attributable to shareholders of the Company	<b>35.5</b>	49.6	(14.1)	72%	<b>351.5</b>
Basic earnings per share attributable to shareholders of the Company	<b>¥8.39</b>	¥11.71	¥(3.32)	/	<b>\$0.08</b>

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The U.S. dollar is valued at ¥101 throughout this statement for convenience only.

## Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Sep. 30, 2016	Mar. 31, 2016	(A)-(B)	Sep. 30, 2016
	(A)	(B)		
<b>Assets</b>				
Current assets	¥2,960,744	¥3,458,585	¥(497,841)	\$29,314,297
Cash and cash equivalents	524,493	969,715	(445,222)	5,193,000
Notes and accounts receivable, trade	1,120,548	1,156,559	(36,011)	11,094,535
Inventories	724,654	729,123	(4,469)	7,174,792
Prepaid expenses and other current assets	588,906	534,818	54,088	5,830,752
Assets of discontinued operations - current	2,143	68,370	(66,227)	21,218
Long-term receivables	12,303	10,039	2,264	121,812
Investments	366,255	353,507	12,748	3,626,287
Property, plant and equipment	768,261	794,304	(26,043)	7,606,545
Other assets	725,219	816,906	(91,687)	7,180,386
Total assets	¥4,832,782	¥5,433,341	¥(600,559)	\$47,849,327
<b>Liabilities and equity</b>				
Current liabilities	¥2,491,054	¥3,072,009	¥(580,955)	\$24,663,901
Short-term borrowings and current portion of long-term debt	397,719	619,612	(221,893)	3,937,812
Notes and accounts payable, trade	778,248	877,061	(98,813)	7,705,426
Other current liabilities	1,313,725	1,480,030	(166,305)	13,007,178
Liabilities of discontinued operations - current	1,362	95,306	(93,944)	13,485
Accrued pension and severance costs	622,915	629,402	(6,487)	6,167,475
Long-term debt and other liabilities	1,020,697	1,059,672	(38,975)	10,105,911
Equity	698,116	672,258	25,858	6,912,040
Equity attributable to shareholders of the Company	363,239	328,874	34,365	3,596,426
Common stock	200,000	439,901	(239,901)	1,980,198
Additional paid-in capital	175,241	399,470	(224,229)	1,735,060
Retained earnings	500,576	(76,782)	577,358	4,956,198
Accumulated other comprehensive loss	(510,677)	(431,828)	(78,849)	(5,056,208)
Treasury stock	(1,901)	(1,887)	(14)	(18,822)
Equity attributable to noncontrolling interests	334,877	343,384	(8,507)	3,315,614
Total liabilities and equity	¥4,832,782	¥5,433,341	¥(600,559)	\$47,849,327

### Breakdown of accumulated other comprehensive loss

Unrealized gains on securities	¥17,942	¥23,655	¥(5,713)	\$177,643
Foreign currency translation adjustments	(186,676)	(91,906)	(94,770)	(1,848,277)
Pension liability adjustments	(333,644)	(357,962)	24,318	(3,303,406)
Unrealized losses on derivative instruments	(8,299)	(5,615)	(2,684)	(82,168)
Total interest-bearing debt	¥1,180,073	¥1,450,912	¥(270,839)	\$11,683,891

## Comparative Consolidated Statements of Operations

### 1. First Six Months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
<b>Sales and other income</b>					
Net sales	¥2,578,997	¥2,693,689	¥(114,692)	96%	\$25,534,624
Interest	2,369	2,036	333	116%	23,455
Dividends	1,227	2,226	(999)	55%	12,149
Other income	22,392	199,271	(176,879)	11%	221,703
<b>Costs and expenses</b>					
Cost of sales	1,954,411	2,175,349	(220,938)	90%	19,350,604
Selling, general and administrative	527,790	607,486	(79,696)	87%	5,225,644
Interest	8,666	10,502	(1,836)	83%	85,802
Other expense	46,594	61,708	(15,114)	76%	461,327
<b>Income from continuing operations, before income taxes and noncontrolling interests</b>	<b>67,524</b>	42,177	25,347	160%	<b>668,554</b>
<b>Income taxes</b>	<b>24,815</b>	19,722	5,093	126%	<b>245,693</b>
<b>Income from continuing operations, before noncontrolling interests</b>	<b>42,709</b>	22,455	20,254	190%	<b>422,861</b>
<b>Income (Loss) from discontinued operations, before noncontrolling interests</b>	<b>81,286</b>	(5,078)	86,364	—	<b>804,812</b>
<b>Net income before noncontrolling interests</b>	<b>123,995</b>	17,377	106,618	714%	<b>1,227,673</b>
<b>Less: Net income (loss) attributable to noncontrolling interests</b>	<b>8,686</b>	(19,916)	28,602	—	<b>86,000</b>
<b>Net income attributable to shareholders of the Company</b>	<b>¥115,309</b>	¥37,293	¥78,016	309%	<b>\$1,141,673</b>

## 2. Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
<b>Sales and other income</b>					
Net sales	¥1,371,585	¥1,463,428	¥(91,843)	94%	\$13,580,050
Interest	1,123	850	273	132%	11,119
Dividends	669	1,308	(639)	51%	6,624
Other income	10,518	178,175	(167,657)	6%	104,138
<b>Costs and expenses</b>					
Cost of sales	1,024,745	1,237,225	(212,480)	83%	10,145,990
Selling, general and administrative	270,106	308,804	(38,698)	87%	2,674,317
Interest	4,091	5,173	(1,082)	79%	40,505
Other expense	24,611	37,976	(13,365)	65%	243,673
<b>Income from continuing operations, before income taxes and noncontrolling interests</b>	<b>60,342</b>	54,583	5,759	111%	<b>597,446</b>
<b>Income taxes</b>	<b>23,867</b>	23,766	101	100%	<b>236,307</b>
<b>Income from continuing operations, before noncontrolling interests</b>	<b>36,475</b>	30,817	5,658	118%	<b>361,139</b>
<b>Income (Loss) from discontinued operations, before noncontrolling interests</b>	<b>4,533</b>	(1,909)	6,442	—	<b>44,881</b>
<b>Net income before noncontrolling interests</b>	<b>41,008</b>	28,908	12,100	142%	<b>406,020</b>
<b>Less: Net income (loss) attributable to noncontrolling interests</b>	<b>5,502</b>	(20,656)	26,158	—	<b>54,475</b>
<b>Net income attributable to shareholders of the Company</b>	<b>¥35,506</b>	¥49,564	¥(14,058)	72%	<b>\$351,545</b>

## Comparative Consolidated Statements of Comprehensive Income

### 1. First Six Months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30				2016
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	
<b>Net income before noncontrolling interests</b>	<b>¥123,995</b>	¥17,377	¥106,618	714%	<b>\$1,227,673</b>
<b>Other comprehensive income (loss), net of tax</b>					
Unrealized losses on securities	(5,718)	(101,944)	96,226	—	(56,614)
Foreign currency translation adjustments	(121,863)	(17,203)	(104,660)	—	(1,206,564)
Pension liability adjustments	24,631	4,845	19,786	508%	243,871
Unrealized losses on derivative instruments	(3,233)	(3,779)	546	—	(32,010)
<b>Total other comprehensive loss</b>	<b>(106,183)</b>	(118,081)	11,898	—	<b>(1,051,317)</b>
<b>Comprehensive income (loss)</b>	<b>17,812</b>	(100,704)	118,516	—	<b>176,356</b>
<b>Less: Comprehensive loss attributable to noncontrolling interests</b>	<b>(18,648)</b>	(40,638)	21,990	—	<b>(184,634)</b>
<b>Comprehensive income (loss) attributable to shareholders of the Company</b>	<b>¥36,460</b>	¥(60,066)	¥96,526	—	<b>\$360,990</b>

### 2. Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

	Three months ended September 30				2016
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	
<b>Net income before noncontrolling interests</b>	<b>¥41,008</b>	¥28,908	¥12,100	142%	<b>\$406,020</b>
<b>Other comprehensive income (loss), net of tax</b>					
Unrealized losses on securities	(2,317)	(91,499)	89,182	—	(22,941)
Foreign currency translation adjustments	(17,360)	(60,984)	43,624	—	(171,881)
Pension liability adjustments	7,770	2,965	4,805	262%	76,931
Unrealized losses on derivative instruments	(811)	(3,780)	2,969	—	(8,030)
<b>Total other comprehensive loss</b>	<b>(12,718)</b>	(153,298)	140,580	—	<b>(125,921)</b>
<b>Comprehensive income (loss)</b>	<b>28,290</b>	(124,390)	152,680	—	<b>280,099</b>
<b>Less: Comprehensive income (loss) attributable to noncontrolling interests</b>	<b>1,044</b>	(48,826)	49,870	—	<b>10,337</b>
<b>Comprehensive income (loss) attributable to shareholders of the Company</b>	<b>¥27,246</b>	¥(75,564)	¥102,810	—	<b>\$269,762</b>

## Comparative Consolidated Statements of Cash Flows

**First Six Months ended September 30**

(¥ in millions, US\$ in thousands)

	<b>Six months ended September 30</b>			
	<b>2016(A)</b>	<b>2015(B)</b>	<b>(A)-(B)</b>	<b>2016</b>
<b>Cash flows from operating activities</b>				
Net income before noncontrolling interests	<b>¥123,995</b>	¥17,377	¥106,618	<b>\$1,227,673</b>
Depreciation and amortization	<b>77,951</b>	96,823	(18,872)	<b>771,792</b>
Equity in (earnings) losses of affiliates, net of dividends	<b>47</b>	(3,351)	3,398	<b>465</b>
Decrease in notes and accounts receivable, trade	<b>49,268</b>	210,984	(161,716)	<b>487,802</b>
Increase in inventories	<b>(22,264)</b>	(69,989)	47,725	<b>(220,436)</b>
Decrease in notes and accounts payable, trade	<b>(66,099)</b>	(181,327)	115,228	<b>(654,445)</b>
Others	<b>(229,911)</b>	(154,130)	(75,781)	<b>(2,276,346)</b>
Adjustments to reconcile net income before noncontrolling interests to net cash used in operating activities	<b>(191,008)</b>	(100,990)	(90,018)	<b>(1,891,168)</b>
Net cash used in operating activities	<b>(67,013)</b>	(83,613)	16,600	<b>(663,495)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment, intangible assets and securities	<b>18,578</b>	141,019	(122,441)	<b>183,941</b>
Acquisition of property, plant and equipment	<b>(86,617)</b>	(112,045)	25,428	<b>(857,594)</b>
Acquisition of intangible assets	<b>(11,955)</b>	(28,870)	16,915	<b>(118,366)</b>
Purchase of securities	<b>(753)</b>	(1,257)	504	<b>(7,456)</b>
(Increase) decrease in investments in affiliates	<b>(22,121)</b>	85,099	(107,220)	<b>(219,020)</b>
Others	<b>21,359</b>	(4,811)	26,170	<b>211,475</b>
Net cash provided by (used in) investing activities	<b>(81,509)</b>	79,135	(160,644)	<b>(807,020)</b>
<b>Cash flows from financing activities</b>				
Proceeds from long-term debt	<b>38,361</b>	1,848	36,513	<b>379,812</b>
Repayment of long-term debt	<b>(55,430)</b>	(14,646)	(40,784)	<b>(548,812)</b>
Increase (decrease) in short-term borrowings, net	<b>(275,794)</b>	207,818	(483,612)	<b>(2,730,634)</b>
Dividends paid	<b>(7,327)</b>	(10,799)	3,472	<b>(72,544)</b>
Others	<b>17,684</b>	7,727	9,957	<b>175,089</b>
Net cash provided by (used in) financing activities	<b>(282,506)</b>	191,948	(474,454)	<b>(2,797,089)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(20,008)</b>	(3,723)	(16,285)	<b>(198,099)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(451,036)</b>	183,747	(634,783)	<b>(4,465,703)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>975,529</b>	199,366	776,163	<b>9,658,703</b>
<b>Cash and cash equivalents at end of the period</b>	<b>524,493</b>	383,113	141,380	<b>5,193,000</b>
<b>Less: Cash and cash equivalents of discontinued operations at end of the period</b>	<b>-</b>	8,257	(8,257)	<b>-</b>
<b>Cash and cash equivalents of continuing operations at end of the period</b>	<b>¥524,493</b>	¥374,856	¥149,637	<b>\$5,193,000</b>

## Industry Segment Information

### 1. First Six Months ended September 30

(¥ in millions, US\$ in thousands)

		Six months ended September 30				
		2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Net sales (Share of total sales)	Energy Systems & Solutions	<b>¥760,631</b> (28%)	¥701,652 (24%)	¥58,979 (4%)	108%	<b>\$7,531,000</b>
	Infrastructure Systems & Solutions	<b>563,877</b> (21%)	592,454 (20%)	(28,577) (1%)	95%	<b>5,582,941</b>
	Retail & Printing Solutions	<b>247,724</b> (9%)	270,568 (9%)	(22,844) (-)	92%	<b>2,452,713</b>
	Storage & Electronic Devices Solutions	<b>799,692</b> (29%)	806,513 (28%)	(6,821) (1%)	99%	<b>7,917,742</b>
	Industrial ICT Solutions	<b>110,406</b> (4%)	116,922 (4%)	(6,516) (-)	94%	<b>1,093,129</b>
	Others	<b>259,923</b> (9%)	421,527 (15%)	(161,604) (-6%)	62%	<b>2,573,495</b>
	Total	<b>2,742,253</b> (100%)	2,909,636 (100%)	(167,383)	94%	<b>27,151,020</b>
	Eliminations	<b>(163,256)</b>	(215,947)	52,691	—	<b>(1,616,396)</b>
Consolidated		<b>¥2,578,997</b>	¥2,693,689	¥(114,692)	96%	<b>\$25,534,624</b>
Segment operating income (loss)	Energy Systems & Solutions	<b>¥9,605</b>	¥(842)	¥10,447	—	<b>\$95,099</b>
	Infrastructure Systems & Solutions	<b>11,160</b>	(7,657)	18,817	—	<b>110,495</b>
	Retail & Printing Solutions	<b>6,485</b>	(67,172)	73,657	—	<b>64,208</b>
	Storage & Electronic Devices Solutions	<b>78,310</b>	36,580	41,730	214%	<b>775,346</b>
	Industrial ICT Solutions	<b>5,375</b>	(821)	6,196	—	<b>53,218</b>
	Others	<b>(15,433)</b>	(49,339)	33,906	—	<b>(152,802)</b>
	Total	<b>95,502</b>	(89,251)	184,753	—	<b>945,564</b>
	Eliminations	<b>1,294</b>	105	1,189	—	<b>12,812</b>
Consolidated		<b>¥96,796</b>	¥(89,146)	¥185,942	—	<b>\$958,376</b>



## 2.Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Net sales (Share of total sales)	Energy Systems & Solutions	<b>¥411,086</b> (28%)	¥401,739 (25%)	¥9,347 (3%)	102%	<b>\$4,070,158</b>
	Infrastructure Systems & Solutions	<b>305,156</b> (21%)	325,550 (21%)	(20,394) (-)	94%	<b>3,021,347</b>
	Retail & Printing Solutions	<b>125,228</b> (9%)	140,533 (9%)	(15,305) (-)	89%	<b>1,239,881</b>
	Storage & Electronic Devices Solutions	<b>428,122</b> (29%)	429,102 (27%)	(980) (2%)	100%	<b>4,238,832</b>
	Industrial ICT Solutions	<b>61,669</b> (4%)	66,874 (4%)	(5,205) (-)	92%	<b>610,584</b>
	Others	<b>125,237</b> (9%)	216,622 (14%)	(91,385) (-5%)	58%	<b>1,239,970</b>
	Total	<b>1,456,498</b> (100%)	1,580,420 (100%)	(123,922)	92%	<b>14,420,772</b>
	Eliminations	<b>(84,913)</b>	(116,992)	32,079	—	<b>(840,722)</b>
Consolidated		<b>¥1,371,585</b>	¥1,463,428	¥(91,843)	94%	<b>\$13,580,050</b>
Segment operating income (loss)	Energy Systems & Solutions	<b>¥11,393</b>	¥6,606	¥4,787	172%	<b>\$112,802</b>
	Infrastructure Systems & Solutions	<b>8,855</b>	3,031	5,824	292%	<b>87,673</b>
	Retail & Printing Solutions	<b>4,714</b>	(67,126)	71,840	—	<b>46,673</b>
	Storage & Electronic Devices Solutions	<b>54,197</b>	2,282	51,915	—	<b>536,604</b>
	Industrial ICT Solutions	<b>6,250</b>	1,012	5,238	618%	<b>61,881</b>
	Others	<b>(9,385)</b>	(27,343)	17,958	—	<b>(92,920)</b>
	Total	<b>76,024</b>	(81,538)	157,562	—	<b>752,713</b>
	Eliminations	<b>710</b>	(1,063)	1,773	—	<b>7,030</b>
Consolidated		<b>¥76,734</b>	¥(82,601)	¥159,335	—	<b>\$759,743</b>

### Notes:

- 1) Segment sales total includes intersegment transactions.
- 2) Segment operating income (loss) is derived by deducting the segment's cost of sales and selling, general and administrative expenses from net sales. This result is regularly reviewed to support decision-making in allocations of resources and to assess performance. Certain operating expenses such as restructuring charges and legal settlement costs have been excluded from segment operating income (loss) presentation herein.
- 3) Prior-period data relating to the discontinued operation has been deducted.
- 4) The data relating to the consolidated segment information is presented in conformity with the classification from April 1, 2016.
- 5) From this fiscal year, expenses such as basic R&D expenses previously allocated to "Corporate and Eliminations," and partial profit and loss previously allocated to each segment, are now included in the "Others" segment.

## Net Sales by Region

### 1. First Six months ended September 30

(¥ in millions, US\$ in thousands)

	Six months ended September 30				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Japan	<b>¥1,022,348</b> (40%)	¥1,022,751 (38%)	¥(403) (2%)	100%	<b>\$10,122,258</b>
Overseas	<b>1,556,649</b> (60%)	1,670,938 (62%)	(114,289) (-2%)	93%	<b>15,412,366</b>
Asia	<b>760,424</b> (29%)	773,660 (29%)	(13,236) (-)	98%	<b>7,528,951</b>
North America	<b>485,767</b> (19%)	450,681 (17%)	35,086 (2%)	108%	<b>4,809,574</b>
Europe	<b>219,560</b> (9%)	284,680 (10%)	(65,120) (-1%)	77%	<b>2,173,861</b>
Others	<b>90,898</b> (3%)	161,917 (6%)	(71,019) (-3%)	56%	<b>899,980</b>
Net Sales	<b>¥2,578,997</b> (100%)	¥2,693,689 (100%)	¥(114,692)	96%	<b>\$25,534,624</b>

### 2. Second Quarter ended September 30

(¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2016(A)	2015(B)	(A)-(B)	(A)/(B)	2016
Japan	<b>¥576,729</b> (42%)	¥574,337 (39%)	¥2,392 (3%)	100%	<b>\$5,710,189</b>
Overseas	<b>794,856</b> (58%)	889,091 (61%)	(94,235) (-3%)	89%	<b>7,869,861</b>
Asia	<b>398,566</b> (29%)	422,865 (29%)	(24,299) (-)	94%	<b>3,946,198</b>
North America	<b>234,346</b> (17%)	215,415 (15%)	18,931 (2%)	109%	<b>2,320,257</b>
Europe	<b>111,263</b> (8%)	154,122 (10%)	(42,859) (-2%)	72%	<b>1,101,614</b>
Others	<b>50,681</b> (4%)	96,689 (7%)	(46,008) (-3%)	52%	<b>501,792</b>
Net Sales	<b>¥1,371,585</b> (100%)	¥1,463,428 (100%)	¥(91,843)	94%	<b>\$13,580,050</b>

Notes:

- 1) Net sales by region is determined based upon the locations of the customers.
- 2) Prior-period data relating to the discontinued operation has been deducted.