

FY2016 Consolidated Financial Results

(April 1, 2016 through March 31, 2017)

May 11, 2017

Company name: TOWA CORPORATION
 Stock listings: First Section of Tokyo Stock Exchange
 Code number: 6315
 URL: <http://www.towajapan.co.jp>
 Representative: Hirokazu Okada, President and CEO
 Contact person: Kiyoshige Gamo, Executive Officer
 Division Manager of Corporate Planning Div.
 Telephone number: (075) 692-0251
 Scheduled date of annual shareholders' meeting: June 29, 2017
 Scheduled dividend payment date: June 30, 2017
 Scheduled filing date of financial statements: June 28, 2017
 Financial results presentation meeting: Yes (targeted at analysts)

(Monetary amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for FY2016 (April 1, 2016 through March 31, 2017)

(1) Consolidated Financial Results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	27,632	24.1	3,831	96.1	4,131	97.4	3,867	111.8
FY2015	22,270	—	1,954	—	2,092	—	1,825	—

[Note] Comprehensive income: FY2016; 4,357 million yen (266.7%) FY2015; 1,188 million yen (— %)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2016	154.64	—	17.1	12.2	13.9
FY2015	73.00	—	9.0	6.7	8.8

[Reference] Equity in earnings of affiliates: FY2016; 2 million yen FY2015; 38 million yen

[Note] The Company has changed its accounting policies from this consolidated fiscal year (change of revenue recognition standard). To conform to this change, figures for FY2015 have been applied retroactively.

Year-on-year increases/decreases for FY2015 are not stated as changes in accounting policies have been applied retroactively.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	36,036	25,100	68.5	987.38
As of March 31, 2016	31,664	21,006	65.2	825.68

[Reference] Equity: March 31, 2017; 24,694 million yen March 31, 2016; 20,650 million yen

[Note] The Company has changed its accounting policies from this consolidated fiscal year (change of revenue recognition standard). To conform to this change, figures for FY2015 have been applied retroactively.

(3) Consolidated Situation of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of FY
	Million yen	Million yen	Million yen	Million yen
FY2016	2,054	-1,194	-1,020	5,757
FY2015	3,254	-1,806	-868	6,027

2. Cash Dividends

	Cash Dividends per share					Total dividend payment (annual)	Pay-out ratio (consolidated)	Dividend to net assets (consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2015	—	0.00	—	10.00	10.00	250	13.7	1.2
FY2016	—	0.00	—	16.00	16.00	400	10.3	1.8
FY2017(E)	—	0.00	—	16.00	16.00		14.0	

[Note] The Company has changed its accounting policies from this consolidated fiscal year (change of revenue recognition standard). To conform to this change, figures for FY2015 have been applied retroactively.

3. Forecast of Consolidated Financial Results for FY2017 (April 1, 2017 through March 31, 2018)

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Interim	14,500	2.4	2,000	1.6	2,100	2.8	1,450	-9.9	57.98
Year-end	29,500	6.8	4,000	4.4	4,150	0.4	2,850	-26.3	113.95

4. Other information

(1) Changes in significant subsidiaries during FY2016

(Changes in specified subsidiaries resulting in changes in scope of consolidation) : None

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

- ① Changes in accounting policies along with changes in accounting standards: Yes
- ② Other changes in accounting policies besides ① above: Yes
- ③ Changes in accounting estimates: None
- ④ Restatement: None

(3) Number of shares outstanding (common shares)

- ① Number of shares outstanding at the end of each fiscal year (including treasury shares):
FY2016 25,021,832 shares, FY2015 25,021,832 shares
- ② Number of treasury shares at the end of each fiscal year:
FY2016 11,698 shares, FY2015 11,253 shares
- ③ Average number of shares outstanding during each fiscal year:
FY2016 25,010,404 shares, FY2015 25,010,659 shares

(Reference) Outline of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2016 (April 1, 2016 through March 31, 2017)

(1) Non-Consolidated Financial Results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	25,591	23.6	2,253	112.6	2,383	122.8	2,862	64.9
FY2015	20,700	—	1,059	—	1,070	—	1,735	—

	Net income per share	Diluted net income per share
	Yen	Yen
FY2016	114.44	—
FY2015	69.41	—

[Note] The Company has changed its accounting policies from this consolidated fiscal year (change of revenue recognition standard). To conform to this change, figures for FY2015 have been applied retroactively.

Year-on-year increases/decreases for FY2015 are not stated as changes in accounting policies have been applied retroactively.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	31,018	20,921	67.4	836.51
As of March 31, 2016	27,816	17,798	64.0	711.63

[Reference] Equity: March 31, 2017; 20,921 million yen March 31, 2016; 17,798 million yen

[Note] The Company has changed its accounting policies from this consolidated fiscal year (change of revenue recognition standard). To conform to this change, figures for FY2015 have been applied retroactively.

2. Forecast of Non-Consolidated Financial Results for FY2017 (April 1, 2017 through March 31, 2018)

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net Sales		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Interim	13,300	0.5	1,080	13.1	740	-33.4	29.59
Year-end	27,100	5.9	2,420	1.5	1,650	-42.4	65.97

* This financial results report is not subject to audit.

* Explanation on the appropriate use of future earnings projections and other special instructions

The above forecasts reflect the Company's judgments and assumptions based on available information as of the announcement date and actual results could differ from the forecasts for various reasons.