

## FY2012 Consolidated Financial Results

(April 1, 2012 through March 31, 2013)

May 13, 2013

|   |   |
|---|---|
| Company Name:                             | TOWA CORPORATION  |
| Stock Listings:                           | First Section of Tokyo Stock Exchange<br>First Section of Osaka Securities Exchange |
| Code Number:                              | 6315  |
| URL:                                      | <a href="http://www.towajapan.co.jp">http://www.towajapan.co.jp</a>                 |
| Representative:                           | Hirokazu Okada, President and COO   |
| Inquiries:                                | Masatoshi Kishimoto, Executive Officer<br>Division Manager of Administration Div.   |
| Telephone Number:                         | (075)692-0251   |
| Date of general shareholders' meeting:    | June 27, 2013   |
| Payment date of cash dividends:           | June 28, 2013   |
| Filing date of financial statements       | June 26, 2013   |
| Financial Results Supplemental Materials: | Yes   |
| Financial Results Presentation Meeting:   | Yes   |

(Amounts are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the FY 2012 (April 1, 2012 through March 31, 2013)

#### (1) Consolidated Financial Results (%of change from previous year)

|        | Net sales   |       | Operating income |       | Ordinary income |       | Net income  |       |
|--------|-------------|-------|------------------|-------|-----------------|-------|-------------|-------|
|        | Million yen | %     | Million yen      | %     | Million yen     | %     | Million yen | %     |
| FY2012 | 16,454      | -4.0  | -439             | —     | 663             | -60.3 | 691         | -28.6 |
| FY2011 | 17,140      | -24.1 | 1,476            | -63.7 | 1,672           | -58.9 | 968         | -74.2 |

Note: Comprehensive income: 1,062 million yen(-24.4%) (For FY2012), 1,405 million yen(-61.8%) (For FY2011)

|        | Net income per share | Diluted net income per share | Return on equity | Ordinary income to total assets | Ordinary income to net sales |
|--------|----------------------|------------------------------|------------------|---------------------------------|------------------------------|
|        | Yen                  | Yen                          | %                | %                               | %                            |
| FY2012 | 27.64                | —                            | 4.2              | 2.5                             | -2.7                         |
| FY2011 | 38.71                | —                            | 6.3              | 6.2                             | 8.6                          |

Reference: Equity in earnings of affiliates: 22 million yen (For FY2012), 30 million yen (For FY2011)

#### (2) Consolidated Financial Position

|        | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|--------|--------------|----------------------|----------------------------|--------------------------------|
|        | Million yen  | Million yen          | %                          | Yen                            |
| FY2012 | 25,896       | 17,072               | 65.2                       | 674.56                         |
| FY2011 | 26,817       | 15,926               | 59.4                       | 636.74                         |

Reference: Equity at the end of FY2012: 16,871 million yen, Equity at the end of FY2011: 15,926 million yen

#### (3) Consolidated Situation of a Cash Flow

|        | Cash flow from sales activities | Cash flow from investing activities | Cash flow from financing activities | Cash and cash equivalents at the end of period |
|--------|---------------------------------|-------------------------------------|-------------------------------------|--|
|        | Million yen                     | Million yen                         | Million yen                         | Million yen                                    |
| FY2012 | 2,710                           | -1,083                              | -817                                | 5,266  |
| FY2011 | 1,897                           | -112                                | -2,280                              | 4,395  |

## 2. Cash Dividends

|           | Cash dividends per share |             |             |          |        | Total amount of cash dividends (annual) | Dividends payout ratio (Consolidated) | Ratio of total amount of dividends to shareholders' equity (consolidated) |
|-----------|--------------------------|-------------|-------------|----------|--------|---|---------------------------------------|---|
|           | 1st Quarter              | 2nd Quarter | 3rd Quarter | Year-end | Annual |   |                                       |   |
|           | Yen                      | Yen         | Yen         | Yen      | Yen    | Million yen                             | %                                     | %   |
| FY2011    | —                        | 0.00        | —           | 5.00     | 5.00   | 125                                     | 12.9                                  | 0.8   |
| FY2012    | —                        | 0.00        | —           | 10.00    | 10.00  | 250                                     | 36.2                                  | 1.5   |
| FY2013(E) | —                        | 0.00        | —           | 10.00    | 10.00  |   | 27.8                                  |   |

## 3. Forecast of Consolidated Results for FY2013 (April 1, 2013 through March 31, 2014)

(% of change from previous year)

|          | Net Sales   |       | Operating income |       | Ordinary income |       | Net income  |       | Net income per share |
|----------|-------------|-------|------------------|-------|-----------------|-------|-------------|-------|----------------------|
|          | Million Yen | %     | Million Yen      | %     | Million Yen     | %     | Million Yen | %     | Yen                  |
| Interim  | 8,000       | -25.3 | 200              | -87.4 | 190             | -87.5 | 120         | -91.8 | 4.80                 |
| Year-end | 18,500      | 12.4  | 1,100            | —     | 1,000           | 50.8  | 900         | 30.2  | 35.98                |

## 4. Others

### (1) Changes in significant subsidiaries during FY2012

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

### (2) Changes in Accounting Policies, Accounting estimation and Restatement

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

### (3) Number of shares issued and outstanding (common stock)

- ① Number of shares issued and outstanding at the end of each fiscal year (including treasury shares):  
FY2012 25,021,832 shares, FY2011 25,021,832 shares
- ② Number of treasury shares at the end of each fiscal year:  
FY2012 9,923 shares, FY2011 9,381 shares
- ③ Average number of outstanding stock for each fiscal year:  
FY2012 25,012,244 shares, FY2011 25,012,617 shares

(Preference) Outline of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the FY 2012 (April 1, 2012 through March 31, 2013)

(1) Non-Consolidated Financial Results

(%of change from previous year)

|        | Net sales   |       | Operating income |       | Ordinary income |       | Net income  |       |
|--------|-------------|-------|------------------|-------|-----------------|-------|-------------|-------|
|        | Million yen | %     | Million yen      | %     | Million yen     | %     | Million yen | %     |
| FY2012 | 15,680      | -4.4  | 56               | -94.6 | 344             | -79.4 | 395         | -82.3 |
| FY2011 | 16,396      | -24.4 | 1,034            | -66.3 | 1,674           | -43.8 | 2,233       | -25.3 |

|        | Net income per share | Diluted net income per share |
|--------|----------------------|------------------------------|
|        | Yen                  | Yen                          |
| FY2012 | 15.82                | —                            |
| FY2011 | 89.28                | —                            |

(2) Non-Consolidated Financial Position

|        | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|--------|--------------|----------------------|----------------------------|--------------------------------|
|        | Million yen  | Million yen          | %                          | Yen                            |
| FY2012 | 22,836       | 14,648               | 64.1                       | 585.67                         |
| FY2011 | 24,722       | 14,483               | 58.6                       | 579.05                         |

Reference: Equity at the end of FY2012: 14,648 million yen, Equity at the end of FY2011: 14,483 million yen

2. Forecast of Non-Consolidated Results for FY2013 (April 1, 2013 through March 31, 2014)

(% of change from previous year)

|          | Net Sales   |       | Ordinary income |       | Net income  |       | Net income per share |
|----------|-------------|-------|-----------------|-------|-------------|-------|----------------------|
|          | Million Yen | %     | Million Yen     | %     | Million Yen | %     | Yen                  |
| Interim  | 7,700       | -25.9 | 10              | -99.1 | 10          | -99.0 | 0.40                 |
| Year-end | 17,600      | 12.2  | 220             | -36.1 | 200         | -49.4 | 8.00                 |

**\* Implementation status of audit procedures**

This consolidated financial results report is not subject to audit procedures by independent auditors under Japan's Financial Instruments and Exchange Law. At the time of release of this report, audit procedures under the Financial Instruments and Exchange Law have not been completed.

**\* 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 the currently available information and actual results could differ from the forecast for various reasons.