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Difference between the latest earning forecast for the Fiscal Year Ended March 31, 2018 and the results

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TOWA CORPORATION ("the Company") hereby announces the difference between the consolidated and non-consolidated earnings forecast for the fiscal year ended March 31, 2018 announced on November 6, 2017 ("the Latest Forecast") and the results announced today.

1. Difference between the Latest Forecast and the results
(From April 1, 2017 to March 31, 2018)

(1) Consolidated

	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
The Latest Forecast (A)	30,605	4,491	4,521	3,057	122.23
Results (B)	31,010	3,682	3,540	3,026	121.02
Change (B－A)	405	-808	-980	-30	
Rate of change (%)	1.3	-18.0	-21.7	-1.0	
(Ref.) Results for the year ended March 31, 2017	27,632	3,831	4,131	3,867	154.64

(2) Non-Consolidated

	Net sales	Ordinary income	Net income	Net income per share
	Million Yen	Million Yen	Million Yen	Yen
The Latest Forecast (A)	28,131	2,713	2,011	80.41
Results (B)	28,475	1,741	2,082	83.25
Change (B－A)	344	-971	71	
Rate of change (%)	1.2	-35.8	3.5	
(Ref.) Results for the year ended March 31, 2017	25,591	2,383	2,862	114.44

2. Reasons of the difference
As to the sales amount of the fiscal year ended March 31, 2018, it excessed the amount announced in the Latest Forecast mainly due to (i) strong demands for DRAM and NAND flash memories led by increase in capacities of smartphones for memory chips and increase in the number of data centers, and (ii) increase in demands for high function semiconductors that can process huge amount of data rapidly along with the expansion of cryptocurrency market.

On the other hand, as to the income, though the Company improved productivity by auto-designing, direct shipping form overseas manufacturing subsidiaries and so on, it did not reach the amount announced in the Latest Forecast due to (i) product mix factor such as decrease in the percentage of compression equipment sales because the evaluation of WLP (Wafer Level Package) and PLP (Panel Level Package) prototype by customers takes more time the Company expected, and (ii) increase of expenditure for outside contractors to deal with the orders and sales amount increase and short time delivery.