

FY2019 First Quarter Consolidated Financial Results

(April 1, 2019 through June 30, 2019)

August 8, 2019

Company name: TOWA CORPORATION
Stock exchange listings: First Section of Tokyo Stock Exchange
Code number: 6315
URL: <http://www.towajapan.co.jp>
Representative: Hirokazu Okada, President and CEO
Contact person: Nobutaka Shibahara, Executive Officer and Corporate Planning
Div. Manager Tel. +81 75-692-0251
Scheduled filing date of Quarterly Report: August 9, 2019
Scheduled dividend payment date: —
Presentation meeting on Quarterly Results: None

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

1. Consolidated Financial Results for the First Quarter of FY2019 (April 1, 2019 through June 30, 2019)

(1) Consolidated Financial Results for the three months period

(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 | % |
| 1Q FY2019 | 4,731 | -37.8 | -575 | — | -655 | — | -498 | — |
| 1Q FY2018 | 7,612 | 7.7 | 636 | -37.2 | 694 | -30.9 | 481 | -27.7 |

[Note] Comprehensive income: Three months ended June 30, 2019; -984 million yen (—%)
Three months ended June 30, 2018; 254 million yen (-68.3%)

| | Net income per share | | Diluted net income per share | |
|-----------|----------------------|--|------------------------------|--|
| | Yen | | Yen | |
| 1Q FY2019 | -19.92 | | — | |
| 1Q FY2018 | 19.26 | | — | |

(2) Consolidated Financial Position

| | Total assets | | Net assets | | Equity ratio | |
|----------------------|--------------|--|-------------|--|--------------|--|
| | Million yen | | Million yen | | % | |
| As of June 30, 2019 | 43,389 | | 26,478 | | 60.8 | |
| As of March 31, 2019 | 43,968 | | 27,722 | | 62.8 | |

[Reference] Equity: As of June 30, 2019; 26,380 million yen
As of March 31, 2019; 27,616 million yen

2. Cash Dividends

| | Cash Dividends per share | | | | |
|-----------|--------------------------|-------------|-------------|----------|--------|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| FY2018 | — | 0.00 | — | 16.00 | 16.00 |
| FY2019 | — | | | | |
| FY2019(E) | | 0.00 | — | 16.00 | 16.00 |

[Note] Revisions to the latest forecast of cash dividends: None

3. Forecast of Consolidated Financial Results for FY2019 (April 1, 2019 through March 31, 2020)

(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 | 14,000 | -8.5 | 400 | -54.2 | 420 | -56.0 | 320 | -63.7 | 12.80 |
| Year-end | 30,000 | 6.1 | 1,600 | 70.8 | 1,620 | 72.4 | 1,165 | 32.7 | 46.58 |

[Note] Revisions to the latest forecast of financial results: None

※ Notes

- (1) Changes in significant subsidiaries during the first quarter of FY2019
(Changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes of accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes of accounting policies accompanied by revision of accounting standard etc.: Yes
 - 2) Changes of accounting policies other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None

[Note] The Company has adopted IFRS 16 “Leases” for several overseas subsidiaries from this quarter.
- (4) Number of shares outstanding (common shares)
 - 1) Number of shares outstanding (including treasury stock) as of June 30, 2019: 25,021,832 shares
as of March 31, 2019: 25,021,832 shares
 - 2) Number of treasury stock as of June 30, 2019: 12,560 shares
as of March 31, 2019: 12,526 shares
 - 3) Average number of shares outstanding during the three months ended June 30, 2019: 25,009,280 shares
during the three months ended June 30, 2018: 25,009,523 shares

*** This financial results report is not subject to audit by a certified public accountant or an audit corporation.**

*** 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 therefore are not guarantees of future performance. Actual results may differ substantially from the forecasts for various reasons.