

FY2018 Second Quarter Consolidated Financial Results

(April 1, 2018 through September 30, 2018)

November 7, 2018

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
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Scheduled filing date of Quarterly Report: November 8, 2018
Scheduled dividend payment date: —
Presentation meeting on Quarterly Results: Yes (for analysts)

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

1. Consolidated Financial Results for the Second Quarter of FY2018 (April 1, 2018 through September 30, 2018)

(1) Consolidated Financial Results for the six 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	%
2Q FY2018	15,298	- 2.0	873	- 64.9	954	- 61.4	881	- 46.8
2Q FY2017	15,605	10.3	2,491	26.6	2,471	21.0	1,657	3.0

[Note] Comprehensive income: Six months ended on September 30, 2018; 487 million yen (-75.2%)
Six months ended on September 30, 2017; 1,963 million yen (60.7%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
2Q FY2018	35.26		—	
2Q FY2017	66.27		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Sept. 30, 2018	42,508		27,992		65.9	
As of March 31, 2018	39,842		27,905		70.0	

[Reference] Equity: September 30, 2018; 27,992 million yen
March 31, 2018; 27,905 million yen

[Note] The Company applies revised accounting standard relating to tax effect accounting (the standard was set by ASBJ [Accounting Standards Board of Japan, an organization of Financial Accounting Standards Foundation] and the relevant revision was made on February 16, 2018) etc. from the beginning of the first quarter of FY2018. For comparison, the Company modified the figures in "As of March 31, 2018" retroactively.

2. Cash Dividends

	Cash Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2017	—	0.00	—	16.00	16.00
FY2018	—	0.00			
FY2018(E)			—	16.00	16.00

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

3. Forecast of Consolidated Financial Results for FY2018 (April 1, 2018 through March 31, 2019)

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

Year-end	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
	31,300	0.9	1,900	- 48.4	2,000	- 43.5	1,600	- 47.1	63.98

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

4. Other information

- (1) Changes in significant subsidiaries during the six months ended Sept. 30, 2018
(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.: None
 - 2) Changes of accounting policies other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Number of shares outstanding (common shares)
 - 1) Number of shares outstanding (including treasury stock) as of Sept. 30, 2018: 25,021,832 shares
as of March 31, 2018: 25,021,832 shares
 - 2) Number of treasury stock as of Sept. 30, 2018: 12,362 shares
as of March 31, 2018: 12,266 shares
 - 3) Average number of shares outstanding during the six months ended Sept. 30, 2018: 25,009,499 shares
during the six months ended Sept. 30, 2017: 25,010,002 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 actual results could differ from the forecasts for various reasons.