

FY2018 Consolidated Financial Results

(April 1, 2018 through March 31, 2019)

May 13, 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
 Telephone number: +81 75-692-0251
 Scheduled date of annual shareholders' meeting: June 27, 2019
 Scheduled dividend payment date: June 28, 2019
 Scheduled filing date of financial statements: June 26, 2019
 Presentation meeting on financial results: Yes (targeted at analysts)

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

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

(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	%
FY2018	28,272	-8.8	937	-74.6	939	-73.5	877	-71.0
FY2017	31,010	12.2	3,682	-3.9	3,540	-14.3	3,026	-21.7

[Note] Comprehensive income: FY2018; 105 million yen (-97.1%)
 FY2017; 3,629 million yen (-16.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2018	35.09	—	3.2	2.2	3.3
FY2017	121.02	—	11.5	9.4	11.9

[Reference] Equity in earnings of affiliates: FY2018; - million yen
 FY2017; - million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	43,968	27,722	62.8	1,104.23
As of March 31, 2018	39,842	27,905	70.0	1,115.78

[Reference] Equity: March 31, 2019; 27,616 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 FY2018. For comparison, the Company modified the figures in "FY2017" and "As of March 31, 2018" 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
FY2018	-2,600	-2,520	6,580	7,626
FY2017	2,923	-1,699	-843	6,146

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	%	%
FY2017	—	0.00	—	16.00	16.00	400	13.2	1.5
FY2018	—	0.00	—	16.00	16.00	400	45.6	1.4
FY2019(E)	—	0.00	—	16.00	16.00		34.3	

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

4. Other information

(1) Changes in significant subsidiaries during FY2018

(Changes in specified subsidiaries resulting in changes in scope of consolidation) : Yes

Newly added: One company

TOWA (Nantong) Co., Ltd.

Excluded: None

(2) 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

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding (including treasury stock) at the end of each fiscal year:

FY2018 25,021,832 shares, FY2017 25,021,832 shares

2) Number of treasury stock at the end of each fiscal year:

FY2018 12,526 shares, FY2017 12,266 shares

3) Average number of shares outstanding during each fiscal year:

FY2018 25,009,450 shares, FY2017 25,009,817 shares

(Reference) Outline of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2018 (April 1, 2018 through March 31, 2019)

(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	%
FY2018	23,188	-18.6	-827	—	-737	—	-467	—
FY2017	28,475	11.3	1,869	-17.0	1,741	-27.0	2,082	-27.3

	Net income per share	Diluted net income per share
	Yen	Yen
FY2018	-18.71	—
FY2017	83.25	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	36,530	21,699	59.4	867.67
As of March 31, 2018	34,098	23,168	67.9	926.38

[Reference] Equity: March 31, 2019; 21,699 million yen
March 31, 2018; 23,168 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 FY2018. For comparison, the Company modified the figures in "FY2017" and "As of March 31, 2018" retroactively.

2. Forecast of Non-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		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Interim	11,000	-17.2	80	55.2	55	41.1	2.20
Year-end	24,000	3.5	680	—	470	—	18.79

* 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 considerably for various reasons.