

TOWA to Liquidate US Subsidiary (TOWA AMERICA, Inc.)

At the board of directors meeting held on May 28, 2004, TOWA Corporation reached the decision to liquidate TOWA AMERICA, Inc., a subsidiary company located in the United States.

1. Overview

TOWA AMERICA, Inc. was originally established as a holding company for TOWA-Intercon Technology, Inc. (located in the United States), and to promote the sales of TOWA products to clients in the United States. As part of the current restructuring of the global sales organization of the TOWA Group, we have decided to centralize all of our United States sales activities and resources within TOWA-Intercon Technology, Inc. Accordingly, we plan to liquidate TOWA AMERICA, Inc. during June 2004. As a result of this change, TOWA-Intercon Technology, Inc. will become a direct subsidiary of TOWA Corporation (formerly an indirect subsidiary).

2. Details of Subsidiary Company to be Liquidated

- 1) Name of company: TOWA AMERICA, Inc.
- 2) Address: 1013 Centre Road, Wilmington, Delaware 19805-1265, U.S.A.
- 3) Paid-in Capital: US\$630,000 (100% owned by TOWA Corporation)
- 4) Representative: President: T. Banjo (President, CEO & COO of TOWA Corp.)

3. Affect on the Financial Results of TOWA Corporation

The liquidation of TOWA AMERICA, Inc. is expected to generate an extraordinary profit, although the amount will not have a significant affect on the non-consolidated or consolidated financial results of TOWA Corporation.