

TOWA Announces Revised Forecast for the Fiscal Year 2012

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TOWA CORPORATION announced today a revision of its financial forecast for the fiscal year from those issued on February 12, 2013.

1. Revision of Consolidated forecast for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(In millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	16,300	220	800	780	31.18
Revised forecast (B)	16,454	-424	678	698	27.91
Difference (B-A)	154	-644	-122	-82	
Percentage change (%)	0.9	-292.7	-15.3	-10.5	
FY2011 (ended March 31, 2012)	17,140	1,476	1,672	968	38.71

2. Revision of Non-Consolidated forecast for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(In millions of yen)

	Net Sales	Ordinary Income	Net Income	Net Income per share
	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	15,600	670	700	27.99
Revised forecast (B)	15,680	344	395	15.79
Difference (B-A)	80	-326	-305	
Percentage change (%)	0.5	-48.7	-43.6	
FY2011 (ended March 31, 2012)	16,396	1,674	2,233	89.28

3. Reason for Revision

The massive change in the foreign exchange rate (depreciation of the yen) during this fourth quarter of the consolidated fiscal year has resulted, in terms of our consolidated settlement of accounts, in an increase of unrealized transactions related to sales and purchases between TOWA and our subsidiaries, as well as a reduction in the gross margin of consolidated financial results (896 million yen). However, the corresponding unrealized transactions have been reincorporated as non-operating income (foreign exchange profit of 896 million yen) so that they do not affect ordinary income (for details, refer to the "TOWA Announces Causes of Decreased Gross Profit Margin and of Recording of Operating Losses").

Due to these and related factors, such as that TOWA has devaluated a portion of our inventory (200 million yen), we are revising our financial forecast.