TOWA

ANNUAL REPORT

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A MESSAGE TO OUR SHAREHOLDERS

Greetings

Since its founding in Japan's ancient capital, Kyoto, in April 1979, TOWA CORPORATION has consistently developed proprietary technologies and created numerous de facto standards. Our primary operations are composed of development, manufacturing and sales of resin encapsulation systems for semiconductors sealed devices, singulation systems and precision molds for manufacturing semiconductors, as well as the manufacture and sales of fine plastic molded products. We maintain a leading share of the global market for our mainstay semiconductor resin encapsulation systems, which enjoy an excellent reputation with users.

Economic Overview

The Japan's economy has shown a bright outlook in this consolidated fiscal year as seen among corporations, mainly, export companies that achieved an increase in earnings owing to the improvements in employment and income environments and a gradual recovery trend in the global economy. Meanwhile, outlook of the world economy remains unclear due to the increase in uncertainty, especially with the economic slowdown in Asian emerging economies including, primarily, China, the policy trend of the new U.S. government, UK's decision to withdraw from EU and other factors.

Performance

In the semiconductor industry, amid the situation where aggressive investments in advanced packaging fields have progressed, there has been a movement where a market is dominated by a small number of large companies, and this "survival of the fittest" situation has become obvious. In addition, the industry reorganization movements have surfaced, as seen in the mergers and alliances among companies from different industries for the purpose to utilize IoT (Internet of Things) or semiconductor technology, which is the core of automatic driving technology. Demand for semiconductors for various applications has increased, especially for the semiconductors for the application of servers in data centers due to the sophistication of the functions of China-made smartphones and an increase in communication data volume. Further, demand for semiconductors for IoT, automobile and other applications also has increased steadily and continuously.

Under these circumstances, the Group has thrived to expand capital investment under the China’s national strategy to develop semiconductor industry in a collected effort by our sales and production bases in China and has steadily linked such effort to orders and sales by incorporating the needs of the market into our products. In addition, for packages advancing reduction in size and thickness and increase in layers, we have thrived to penetrate the market by understanding the customers’ needs and taking advantage of the superiority of our compression equipment that use our unique technology.

As a result of our efforts as mentioned above, our performances in the last consolidated fiscal year are recorded as follows: orders received 27.975 billion yen (increased by 21.6%, which is 4.978 billion yen against that of the previous consolidated fiscal year), net sales 27.632 billion yen (increased by 24.1%, which is 5.361 billion yen against that of the previous consolidated fiscal year), operating income 3.831 billion yen (increased by 96.1%, which is 1.877 billion yen against that of the previous consolidated fiscal year), ordinary income 4.131 billion yen (increased by 97.4%, which is 2.038 billion yen against that of the previous consolidate fiscal year), and net income attributable to owners of parent 3.867 billion yen (increased 2.1 times that of the previous consolidated fiscal year, which is 2.041 billion yen). As shown above, we achieved the record-high results in ordinary income and net income attributable to owners of parent.

Looking Ahead

Raising “Pursuing true value as a manufacture” as the theme, we announced the long-term management vision "TOWA 10 Year Vision" in 2014 aiming to achieve sales of 50 billion yen and business profit ratio of 16% 10 years later through the efforts of "expansion of existing businesses and market share" and "creation of New Market by way of developing applied core technology".

Our performance in the last consolidated fiscal year, which was the final year of our First Mid-Term Management Plan, significantly exceeded the plan. Our great achievement can be served as a solid foundation for the Second Mid-Term Management Plan.

Regarding the next 3 years in the Second Mid-Term Management Plan, which has begun this fiscal year, as the most important period for achieving "TOWA 10 Year Vision", we set measures to be taken to gain greater superiority in the semiconductor market, the growth of which is expected in various applications such as IoT, automatic driving technology, AI (Artificial intelligence) and others and also to maintain a high market share. We also set important activities to create a new market by developing applied core technology taking advantage of our creative capabilities, while raising slogans "Challenge" and "Leap”.

<Mid-term business plan Ⅱ>

(1) Theme

「Challenge and Leap with Empowerment」

Empowerment in TOWA means, Urge employees to act independently and autonomously, then maximize the performance of the organization.

(2) Business Plans

① Acquire superior position in cutting-edge packaging market. Dig up potential needs in existing packaging market.

② Create new markets in fine plastic business and expand results.

③ Invest more resources into total solution service (TSS) business and new businesses to expand business chances.

④ Reinforce corporate governance and enhance corporate value more.

(3) Performance plan

(millions of yen)

		FY2017	FY2018	FY2019
Net sales		29,500	32,500	35,500
Net sales (breakdown)	Semiconductor manufacturing equipment business	24,200	26,000	27,700
	Fine plastic molding business	1,300	1,500	1,600
	New business	4,000	5,000	6,200
Operating income		3,800	4,200	4,600
Ordinary income		3,800	4,200	4,600
Net income attributable to owners of parent		2,600	2,900	3,200

The above-mentioned matters concerning the future were determined by our Group at the end of the last consolidated fiscal year.

We look forward to your continuing support and assistance in the future.
We would like to express our heartfelt appreciation for your support.

August 2017

Hirokazu Okada
President & CEO

Consolidated Balance Sheets

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES
March 31, 2016 and 2017

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	2016	***2017***	***2017***
ASSETS			
Current assets:	¥	¥	$
Cash on hand and at banks	6,257	**5,853**	**52,170**
Notes and accounts receivable :			
Trade	5,195	**8,126**	**72,431**
Less: Allowance for doubtful accounts	(5)	**(7)**	**(62)**
	5,190	**8,119**	**72,369**
Inventories	4,859	**5,739**	**51,154**
Deferred tax assets (Note 10)	52	**446**	**3,975**
Other current assets	492	**610**	**5,438**
Total current assets	16,850	**20,767**	**185,106**
Property, plant and equipment, at cost :			
Land	4,476	**4,489**	**40,012**
Buildings and structures	13,663	**14,265**	**127,150**
Machinery and equipment	13,032	**12,789**	**113,994**
Construction in progress	148	**148**	**1,319**
Less: Accumulated depreciation	(19,821)	**(20,249)**	**(180,488)**
Total property, plant and equipment	11,498	**11,442**	**101,987**
Other assets:			
Investment securities (Note 4)	2,292	**2,759**	**24,592**
Deferred income taxes (Note 10)	103	**68**	**606**
Asset for retirement benefits(Notes 2(13) and 7)	-	**105**	**936**
Other	921	**896**	**7,987**
Total other assets	3,316	**3,828**	**34,121**
Total assets	31,664	**36,037**	**321,214**

The accompanying notes are an integral part of these financial statements.

Consolidated Balance Sheets

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES
March 31, 2016 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	***2017***	***2017***
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities:	¥	**¥**	**$**
Short-term borrowings (Note 6)	270	**1,000**	**8,913**
Current portion of long-term debt (Note 6)	1,487	**1,275**	**11,365**
Notes and accounts payable	2,848	**3,474**	**30,965**
Accrued expenses(Note 2(12))	417	**510**	**4,546**
Accrued income taxes	263	**570**	**5,081**
Deferred tax liabilities(Note 10)	67	**-**	**-**
Other current liabilities(Notes 2(11) and 6)	1,664	**1,746**	**15,562**
Total current liabilities	7,016	**8,575**	**76,432**
Long-term liabilities:			
Long-term debt (Note 6)	2,901	**1,626**	**14,493**
Liability for retirement benefits(Notes 2(13) and 7)	377	**247**	**2,202**
Deferred tax liabilities (Note 10)	359	**486**	**4,332**
Other long-term liabilities	4	**3**	**27**
Total long-term liabilities	3,641	**2,362**	**21,054**
Total liabilities	10,657	**10,937**	**97,486**
Contingent liabilities (Note 13)			
NET ASSETS			
Shareholders' equity (Note 8)			
Common stock			
Authorized: 80,000,000 shares			
Issued :			
25,021,832 shares at 31st March, 2017	8,933	**8,933**	**79,624**
Additional paid-in capital	462	**462**	**4,118**
Retained earnings	10,050	**13,667**	**121,820**
Less: Treasury stock at cost	(9)	**(10)**	**(89)**
Total shareholders' equity	19,436	**23,052**	**205,473**
Accumulated Other Comprehensive Income			
Unrealized gain (loss) on other securities	939	**1,451**	**12,933**
Translation adjustments	287	**13**	**116**
Retirement benefit adjustments	(11)	**178**	**1,587**
Total accumulated other comprehensive income	1,215	**1,642**	**14,636**
Non-controlling interests	356	**406**	**3,619**
Total net assets	21,007	**25,100**	**223,728**
Total liabilities and net assets	31,664	**36,037**	**321,214**

The accompanying notes are an integral part of these financial statements

Consolidated Statements of Income

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Two years ended March 31, 2017

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	2016	***2017***	***2017***
	¥	¥	$
Net sales……	22,270	**27,632**	**246,296**
Cost of sales……	15,162	**17,947**	**159,970**
Gross profit……	7,108	**9,685**	**86,326**
Selling, general and administrative expenses (Notes 2(14) and 9)……	5,153	**5,853**	**52,170**
Operating Income……	1,955	**3,832**	**34,156**
Other income (expenses)			
Interest and dividend income……	67	**59**	**526**
Interest expenses……	(55)	**(45)**	**(401)**
Foreign exchange gains (losses) ……	44	**190**	**1,694**
Equity in earnings (losses) of affiliates……	38	**3**	**27**
Gain(losses) on sales of investment securities ……	109	**-**	**-**
Gain(losses) on sales of investment in stocks of affiliated company……	-	**(4)**	**(36)**
Insurance income ……	52	**-**	**-**
Other, net……	45	**102**	**909**
Total other income (expenses) ……	300	**305**	**2,719**
Income before income taxes and non-controlling interests ……	2,255	**4,137**	**36,875**
Income taxes (Note 10)			
Current ……	312	**731**	**6,516**
Deferred ……	18	**(515)**	**(4,590)**
Net Income ……	1,925	**3,921**	**34,949**
Net Income attributable to non-controlling interests ……	99	**54**	**481**
Net Income attributable to owners of parent ……	1,826	**3,867**	**34,468**

			U.S. dollars (Note 1)
Amount per share of common stock (Note 2 (17)):	¥	¥	$
Net Income……	73.00	154.64	1.38
Diluted net income ……	73.00	154.64	1.38
Cash dividends ……	10.00	16.00	0.14

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Comprehensive Income

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Two years ended March 31, 2017

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	2016	***2017***	***2017***
	¥	¥	$
Net Income ……………………………………………………………	1,925	**3,921**	**34,949**
Other Comprehensive Income			
Unrealized gain on other securities……………………………………	(84)	**512**	**4,563**
Translation adjustment…………………………………………………	(507)	**(265)**	**(2,362)**
Remeasurements of defined benefit plans……………………………	(145)	**189**	**1,685**
Total other comprehensive income	(736)	**436**	**3,886**
Comprehensive Income	1,189	**4,357**	**38,835**
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent……………	1,124	**4,295**	**38,283**
Comprehensive income attributable to minority interests………………	65	**62**	**552**

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Shareholders' Equity

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Two years ended March 31, 2017

	Millions of yen									
	Shareholders' equity					*Accumulated other comprehensive income*			*Non-controlling interests*	
	Number of shares of common stock	*Common stock*	*Additional paid-in capital*	*Retained earnings*	*Treasury stock*	*Unrealized gain on other securities*	*Translation adjustments*	*Retirement benefit adjustments*	*Non-controlling interests*	*Total net assets*
		¥	¥	¥	¥	¥	¥	¥	¥	¥
Balance at March 31, 2015	25,021,832	8,933	462	9,438	(9)	1,024	760	134	319	21,061
Cumulative effects of changes in accounting policies				(964)					(12)	(976)
Restated balance at March 31, 2015	25,021,832	8,933	462	8,474	(9)	1,024	760	134	307	20,085
Net Income	-	-	-	1,826	-	-	-	-	-	1,826
Cash dividends	-	-	-	(250)	-	-	-	-	-	(250)
Net increase of treasury stock	-	-	-	-	0	-	-	-	-	0
Net changes of items other than shareholders' equity	-	-	-	-	-	(85)	(473)	(145)	49	(654)
Balance at March 31, 2016	25,021,832	8,933	462	10,050	(9)	939	287	(11)	356	21,007
Net Income	-	-	-	3,867	-	-	-	-	-	3,867
Cash dividends	-	-	-	(250)	-	-	-	-	-	(250)
Net increase of treasury stock	-	-	-	-	(1)	-	-	-	-	(1)
Net changes of items other than shareholders' equity	-	-	-	-	-	512	(274)	189	50	477
Balance at March 31, 2017	25,021,832	8,933	462	13,667	(10)	1,451	13	178	406	25,100

	Thousands of U.S.dollars (Note 1)									
	Shareholders' equity					*Accumulated other comprehensive income*			*Non-controlling interests*	
	Number of shares of common stock	*Common stock*	*Additional paid-in capital*	*Retained earnings*	*Treasury stock*	*Unrealized gain on other securities*	*Translation adjustments*	*Retirement benefit adjustments*	*Non-controlling interests*	*Total net assets*
		$	$	$	$	$	$	$	$	$
Balance at March 31, 2016	25,021,832	79,624	4,118	89,580	(80)	8,370	2,558	(98)	3,173	187,245
Net Income	-	-	-	34,468	-	-	-	-	-	34,468
Cash dividends	-	-	-	(2,228)	-	-	-	-	-	(2,228)
Net increase of treasury stock	-	-	-	-	(9)	-	-	-	-	(9)
Net changes of items other than shareholders' equity	-	-	-	-	-	4,563	(2,442)	1,685	446	4,252
Balance at March 31, 2017	25,021,832	79,624	4,118	121,820	(89)	12,933	116	1,587	3,619	223,728

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Two years ended March 31, 2017

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	2016	***2017***	***2017***
Cash Flows from Operating Activities:	¥	¥	$
Net Income before income taxes and non-controlling interests	2,255	**4,137**	**36,875**
Adjustments for:			
Depreciation	1,311	**1,251**	**11,151**
Equity in earnings of affiliates	(38)	**(3)**	**(27)**
Amortization of goodwill	42	**55**	**490**
Interest and dividends income	(67)	**(59)**	**(526)**
Interest expenses	55	**45**	**401**
Foreign exchange losses (gains)	20	**(17)**	**(152)**
Increase (decrease) in provision for founder merit bonus	(300)	**-**	**-**
Loss (gain) on sales of investment securities	(109)	**-**	**-**
Loss (gain) on sales of investment in stocks of affiliated companysecurities	-	**4**	**36**
(Increase) decrease in trade notes and accounts receivable	(371)	**(3,142)**	**(28,006)**
(Increase) decrease in inventories	125	**(980)**	**(8,735)**
(Increase) decrease in other current assets	109	**(68)**	**(606)**
Increase (decrease) in notes and accounts payable	398	**980**	**8,735**
Increase(decrease) in accrued and other current liabilities	147	**305**	**2,719**
Other, net	(161)	**42**	**374**
Sub-total	3,416	**2,550**	**22,729**
Interest and dividends received	71	**61**	**544**
Interest paid	(57)	**(46)**	**(410)**
Income taxes paid	(175)	**(511)**	**(4,555)**
Net cash provided by (used in) operating activities	3,255	**2,054**	**18,308**
Cash Flows from Investing Activities:			
Purchase of investment securities	(7)	**(8)**	**(71)**
Sale of investment securities	309	**257**	**2,291**
Purchase of property, plant and equipment	(2,061)	**(1,572)**	**(14,012)**
Sale of property, plant and equipment	4	**8**	**71**
Payments for transfer of business	(282)	**-**	**-**
Other, net	230	**120**	**1,070**
Net cash provided by (used in) investing activities	(1,807)	**(1,195)**	**(10,651)**
Cash Flows from Financing Activities:			
Increase (decrease) in short-term borrowings	(562)	**730**	**6,507**
Proceeds from issuance of long-term debt	1,552	**-**	**-**
Repayments of long-term debt	(1,491)	**(1,385)**	**(12,345)**
Redemption of bonds	(100)	**(100)**	**(891)**
Purchase of treasury stock	(0)	**(1)**	**(9)**
Cash dividends	(250)	**(250)**	**(2,228)**
Cash dividends paid to non-controlling interests	(16)	**(12)**	**(107)**
Other,net	(2)	**(2)**	**(18)**
Net cash provided by (used in) financing activities	(869)	**(1,020)**	**(9,091)**
Effect of exchange rate changes on Cash and Cash Equivalents	(169)	**(109)**	**(972)**
Net increase(decrease) in Cash and Cash Equivalents	410	**(270)**	**(2,406)**
Cash and Cash Equivalents at Beginning of Period	5,617	**6,027**	**53,721**
Cash and Cash Equivalents at End of Period (Note2(3))	6,027	**5,757**	**51,315**

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES

1. Basis of presenting Consolidated Financial Statements

TOWA CORPORATION (the ”Company”) and its domestic subsidiaries maintain their accounts and records in conformity with accounting principles and practices generally accepted in Japan (“JPGAAP”), which are different, in certain respects from the application and disclosures and disclosure requirements of International Financial Reporting Standards (“IFRS”).

The Company’s overseas subsidiaries maintain their accounts and records in conformity with generally accepted accounting principles and practices prevailing in their respective countries of domicile, and the Company makes necessary adjustments to its consolidated accounting process in case there are considerable differences as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements of the Company are prepared on the basis of accounting principles generally accepted in Japan, as required by the Financial Instruments and Exchange Act of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the approximate exchange rate at March 31, 2017, which was ¥112.19 to US$1.00. These convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(1) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and affiliates. All significant inter-company transactions, account balances and unrealized profits have been eliminated in consolidation. Fiscal year end of some subsidiaries is December 31, which differs from that of the Company, March 31, and the Company consolidate such subsidiaries using their provisional settlements as of March 31. Shown below are the significant subsidiaries and affiliates of the Company.

Subsidiaries

(All subsidiaries have been consolidated)

Name	Ownership	Country of Incorporation
BANDICK Corporation	100％	Japan
TOWATEC Co., Ltd.	100	Japan
TOWAM Sdn. Bhd.	100	Malaysia
TOWA (Suzhou) Co., Ltd.	100	China
TONGJIN Corporation	50	Korea
TOWA Asia-Pacific Pte. Ltd.	100	Singapore
TOWA (Shanghai) Co., Ltd.	100	China
TOWA TAIWAN Co., Ltd.	100	Taiwan
TOWA Jipal Technologies Co., Ltd.	60	Taiwan
TOWA Semiconductor Equipment Philippines Corp.	100	Philippines
TOWA KOREA CO., LTD	100	Korea
TOWA USA Corporation	100	The United States of America
TOWA Europe B.V.	100	Kingdom of the Netherlands

Affiliates

(All affiliates are accounted for by the equity method)

Name	Ownership	Country of Incorporation
Scientific and Semiconductor Manufacturing Equipment Recycling Co., Ltd ※	20％	Japan

※ All the stock that the Company held in Scientific and Semiconductor Manufacturing Equipment Recycling Co., Ltd, have been transferred to the third party in the fiscal year ended March 31, 2017 and its financial statement isn’t included in the accompanying consolidated financial statements for 2017.

(2) Translation of Foreign Currency Items

In accordance with the Japanese accounting standard, every monetary assets and liabilities denominated in foreign currencies are principally translated into Japanese yen at the exchange rate in effect at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income.

With respect to financial statements of overseas subsidiaries, the balance sheet accounts are translated into Japanese yen at the exchange rates in effect at the balance sheet date except for shareholders’ equity, which are translated at the historical rates. And revenue and expenses are translated at the average exchange rates. The differences resulting from translation in this manner are included in “Translation adjustments” which is listed in Accumulated Other Comprehensive Income in the accompanying consolidated balance sheets.

(3) Cash and Cash Equivalents

For the purposes of cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of overdrafts and all highly liquid investments with maturities of three months or less.

Components of cash and cash equivalents as of March 31, 2016 and 2017 are as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Cash on hand and at banks	¥ 6,257	¥5,853	$52,170
Less: Time deposits with deposit term of over three months	¥ 230	¥96	$855
Cash and cash equivalent at end of year	¥ 6,027	¥5,757	$51,315

(4) Securities

Securities are classified into four categories.

Categorization and valuation for investments in securities are as follows:-

1) Trading Securities

- Such securities held for the purpose of generating profits from short-term price movements.
- Unrealized gain/loss at the end of period resulting from the valuation by applying the fair value at such date is directly debited/credited to income.
- Such securities are treated in current assets in the balance sheet.

2) Held-to-maturity Debt Securities

- Debt securities whose maturity dates are predetermined and are to be redeemed at par, acquired with intention to hold to their maturity dates.
- The difference between the acquisition cost and the amount expected to gain at maturity is amortized or appreciated over the remaining period to maturity date. The amount amortized or appreciated is charged/credited to income for the respective period as interest expense or interest income, as the case may be.
- Unrealized loss will be required to be charged to income as impairment unless unrealized loss is expected to recover within a reasonable period.

3) Shares in equity of Subsidiaries and Affiliates

- Those securities are carried at cost unless such investment is regarded impaired.

4) Other Securities

- Such securities other than those categorized in 1 to 3 above.
- Other Securities with market quotation are valued at such market price at the end of period, and those without market quotation are valued at cost.
- Unrealized gain/loss at the end of period resulting from such valuation is charged to Accumulated Other Comprehensive Income as “Unrealized gain/ (loss) on Other Securities” after netting off the deferred income taxes thereto.
- Unrealized loss which it incurred as the fair value is less than 50% of its acquisition cost will be required to be charged to income.

- Unrealized loss which it incurred as the fair value is 30% ~50% of its acquisition cost will be required to be charged to income unless the unrealized loss is expected to recover within a reasonable period.

The moving average method is applied for calculation of the costs of securities.

(5) Inventories

Inventories are mainly stated at the lower of cost or net selling value, the cost being determined by mainly specific identification method for finished products and work-in-process, by mainly moving-average method for raw materials and by the last purchase cost method for supplies.

(6) Allowance for Doubtful Accounts

The Company and its subsidiaries have provided the allowance based on the past uncollectible receivable experience for a certain reference period. Furthermore, for receivables which are from the debtors with financial difficulty, the allowance is provided for estimated uncollectible amounts individually.

(7) Property, Plant and Equipment

Property, plant and equipment are stated at cost.

Depreciation for property, plant and equipment of the Company and its domestic subsidiaries is calculated by the declining-balance method, except for buildings acquired on and after April 1, 1998 and structure acquired on and after April 1, 2016 which are applied the straight-line method, over the estimated useful lives of the assets.

The principal estimated useful lives are as follows:

Buildings and structures	3	～	50	years
Machinery and equipment	2	～	10	years

Depreciation for those of overseas subsidiaries is computed by the straight-line method.

(8) Leased Assets

Leased assets are depreciated to a residual value of zero by the straight-line method using the contract term as the useful life.

(9) Derivatives

The Company has entered into interest rate agreements to hedge the fluctuation of interest rate exposures, and not for speculative purposes. The instruments include interest rate swap agreements.

These instruments were accounted by the deferral hedge accounting. The Company has accounted for interest rate swap agreements by the exception accounting.

(10) Goodwill

Goodwill is amortized over a period of 3～5 years by the straight-line method.

(11) Product Warranties

The Company has accounted for the estimate amounts of maintenance expenses as the product warranties, which corresponded to the sales based on the prior track record for the outcome of maintenance expenses of the sold products during the period of warranty.

As of March 31, 2017, the liability for expected warranty costs was ¥105 million ($936thousand).

(12) Accrued Bonus

The Company and its subsidiaries provide for accrued bonuses to directors and employees for the expected payment of their bonuses for the current fiscal year to those directors and employees serving at the end of the fiscal year.

(13) Accounting for retirement Benefits

1) Allocation of expected retirement benefit payments

When calculating retirement benefit obligations, the benefit formula basis is used to allocate expected retirement benefit payments to the period as of the fiscal year-end.

2) Amortization of actuarial gains and losses and past service cost

Actuarial gains and losses are amortized by the declining-balance method over a period, which is within the estimated average remaining service period of the eligible employees at the time they arise (mainly 10 years) and charged to income from the fiscal year following each respective incurrence.

Past service cost is amortized by the straight-line method over a period of 10 years, which is within the estimated average remaining service period of the eligible employees at the time they arise.

3) Method for treating unrecognized actuarial gains or losses

Unrecognized actuarial gains or losses are recorded in remeasurements of defined benefit plans of accumulated other comprehensive income under net assets, after tax effects have been adjusted.

(14) Research and Development Costs

Research and development expenditure is charged to income when incurred.

(15) Income Taxes

Income taxes of the Company and its domestic subsidiaries consist of corporate income taxes, local taxes and enterprise taxes. Enterprise taxes are deductible when paid for the computation of other taxes.

Deferred income taxes are recognized using the asset and liability approach, whereby deferred tax assets and liabilities were recognized in respect of temporary differences between the tax basis of assets and liabilities and those as reported in the financial statements.

(16) Appropriation of Retained Earnings

Under the Japanese Companies Act and the Articles of Incorporation of the Company, the appropriation of retained earnings or disposition of accumulated deficit could be adopted by the Board of Directors. The appropriations of retained earnings reflected in the accompanying consolidated financial statements include the results of such appropriations applicable to the immediately preceding financial year as approved by the Board of Directors, and effected, during the relevant year. Dividends are paid to shareholders on the shareholders' register as at the end of each financial year.

(17) Per Share Information

Net income per share and diluted net income per share are computed based on the weighted-average number of shares of common stock outstanding during each year and stock splits are reflected in the calculation of the weighted-average number of shares of common stock.

Cash dividend per share is the total of the per-share amounts of interim cash distribution and the year-end cash dividends for the income of the respective financial periods.

3. Changes in Accounting Policies

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

Following the revision to the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No.32; issued on June 17, 2016) from the fiscal year under review, and changed the depreciation method for structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

The impact of this change on the accompanying consolidated financial statements is immaterial.

(Change in revenue recognition method)

Prior to the fiscal year ended March 31, 2017, the Company and its consolidated subsidiaries had used the revenue recognition method on a shipment basis. From the fiscal year ended March 31, 2017, we changed to the revenue recognition method for semiconductor equipment on completion of installation. The period from shipment to completion of installation has become longer due to the increasing overseas sales ratio, and the system to collect data on completion of installation has been developed by reviewing the operation process from shipment to completion of installation. Against such a background and in accordance with the trend of recent international accounting practice, we have adopted this change to better reflect earnings.

This change of accounting policies have been applied retroactively and the consolidated financial statements for the year ended March 31, 2016 were adjusted to reflect the retrospective application.

As a result, compared with those prior to retrospective application, net sales, operating income, and income before income taxes and non-controlling interests for the fiscal year ended March 31, 2016 increased by ¥84 million, ¥14 million and ¥35 million respectively. On the other hand, in the consolidated balance sheets of 2016, accounts receivable for trade decreased by ¥2,241 million and inventories increased by ¥1,580 million.

Reflecting the cumulative impact on the amount of net assets at the beginning of the fiscal year ended March 31, 2016, the earned surplus at the beginning of that year decreased by ¥964 million.

4. **Securities**

(1) The following is a summary of investments in affiliates and other securities at March 31, 2016:

Other securities:

	Millions of yen			
	2016			
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	¥ 754	¥ 1,297	¥ 22	¥ 2,029
	¥ 754	¥ 1,297	¥ 22	¥ 2,029
Market value not available:				
Equity securities	3	-	-	3
Other securities total	¥ 757	¥ 1,297	¥ 22	¥ 2,032

Investments in affiliates:

	Millions of yen
	2016
	Book Value
Market value not available:	
Equity securities	¥ 260
	¥ 260
Total	¥ 2,292

(2) The following is a summary of investments in affiliates and other securities at March 31, 2017

Other securities:

	Millions of yen			
	2017			
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	¥ 762	¥ 1,999	¥ 5	¥ 2,756
	¥ 762	¥ 1,999	¥ 5	¥ 2,756
Market value not available:				
Equity securities	3	-	-	3
Other securities total	¥ 765	¥ 1,999	¥ 5	¥ 2,759

Other securities:

	Thousands of U.S. dollars (Note 1)			
	2017			
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	$ 6,792	$ 17,818	$ 45	$ 24,565
	$ 6,792	$ 17,818	$ 45	$ 24,565
Market value not available:				
Equity securities	27	-	-	27
Other securities total	$ 6,819	$ 17,818	$ 45	$ 24,592

5. Estimated Fair Value of Financial Instruments

As of March 31, 2016 and 2017, the book value and fair value of financial instruments and the differences between these figures are set forth in the table below. The table does not include financial instruments for which it is extremely difficult to determine the fair value.

	Millions of yen		
	2016		
	Book Value	Fair Value	Difference
Cash and deposits	¥ 6,257	¥ 6,257	¥ -
Notes and accounts receivable	5,195		
Less:Allowance for Doubtful Accounts	(5)		
	¥ 5,190	¥ 5,190	¥ -
Investment securities	2,029	2,029	-
Total assets	¥ 13,476	¥ 13,476	¥ -
Notes and accounts payable	2,848	2,848	-
Short-term borrowings	270	270	-
Accrued Income taxes	263	263	-
Bonds	140	141	1
Long-term borrowings	4,248	4,247	(1)
Total liabilities	¥ 7,769	¥ 7,769	¥ (0)
Derivative financial instruments	¥ -	¥ (21)	¥ (21)

	Millions of yen		
	2017		
	Book Value	Fair Value	Difference
Cash and deposits	¥ 5,853	¥ 5,853	¥ -
Notes and accounts receivable	8,126		
Less:Allowance for Doubtful Accounts	(7)		
	¥ 8,119	¥ 8,119	¥ -
Investment securities	2,756	2,756	-
Total assets	¥ 16,728	¥ 16,728	¥ -
Notes and accounts payable	3,474	3,474	-
Short-term borrowings	1,000	1,000	-
Accrued income taxes	570	570	-
Bonds	40	40	0
Long-term borrowings	2,861	2,861	(0)
Total liabilities	¥ 7,945	¥ 7,945	¥ (0)
Derivative financial instruments	¥ -	¥ (9)	¥ (9)

	Thousands of U.S. dollars (Note 1)		
	2017		
	Book Value	Fair Value	Difference
Cash and deposits	$ 52,170	$ 52,170	$ -
Notes and accounts receivable	72,431		
Less:Allowance for Doubtful Accounts	(62)		
	$ 72,369	$ 72,369	$ -
Investment securities	24,565	24,565	-
Total assets	$ 149,104	$ 149,104	$ -
Notes and accounts payable	30,965	30,965	-
Short-term borrowings	8,913	8,913	-
Accrued income taxes	5,081	5,081	-
Bonds	357	357	0
Long-term borrowings	25,501	25,501	(0)
Total liabilities	$ 70,817	$ 70,817	$ (0)
Derivative financial instruments	$ -	$ (80)	$ (80)

Financial instruments for which it is extremely difficult to determine the fair value as of March 31, 2016 and 2017 were as follows, respectively.

	Millions of Yen		Thousands of U.S. dollars (Note 1)
	2016	2017	2017
Unlisted equity securities	¥ 263	¥ 3	$ 27

Because no quoted market prices are available and it is extremely difficult to determine the fair value, the above financial instruments are not included in “Investment securities” in the preceding table.

The redemption schedule for bonds and long-term borrowings is disclosed in Note6.

6. Short-term Borrowings and Long-term Debt

Short-term borrowings represent loans from banks. The annual average interest rates applicable to short-term borrowings at March 31, 2016 are 0.9% and 2017 are 0.4%, respectively.

Long-term debt as of March 31, 2016 and 2017 consisted of the following:

	Millions of Yen		Thousands of U.S. dollars (Note 1)
	2016	2017	2017
Borrowings from financial institutions	¥ 4,248	¥ 2,861	$ 25,501
0.6% Yen Bonds due 2016	60	-	-
0.5% Yen Bonds due 2017	80	40	357
Other Long term liabilities	7	5	45
Less: Portion due within one year	(1,490)	(1,277)	(11,383)
	¥ 2,905	¥ 1,629	$ 14,520

The aggregate annual maturity of long-term debt after March 31, 2017 is summarized as follows:

Years ending March 31,	*Millions of Yen*	*Thousands of U.S. dollars (Note 1)*
2018	¥ 1,277	$ 11,383
2019	822	7,327
2020	510	4,546
2021 and thereafter	297	2,647
	¥ 2,906	$ 25,903

At March 31, 2016 and 2017, the following assets were pledged as collateral for short-term borrowings and long-term debt:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Principal of debt:			
Short-term borrowings	¥ -	¥ -	$ -
Portion due within one year	5	50	446
Long-term borrowings	50	1	9
	¥ 55	¥ 51	$ 455
Assets pledged as collateral:			
Buildings and structures	¥ 162	¥ 159	$ 1,417
Machinery and equipment	0	0	0
Land	108	110	980
	¥ 270	¥ 269	$ 2,397

Regarding loan payables, the syndicate loan contract with limit of ¥75 million ($669 thousand), commitment line contracts with limits of ¥2,500 million ($22,284 thousand), and convertible term loan contract with limit of ¥25 million ($223 thousand) respectively include financial covenant terms. The contractor triggers acceleration and is enforced to repay the full principal and interest if the contractor breaches either of the following terms.

(Financial covenant terms included in the syndicate loan contract)

(1) The amount of Net Assets on the consolidated balance sheets at the end of each fiscal year and each semiannual period must be maintained ¥10,710 million ($95,463thousand) or more.

(2) The ordinary losses before depreciation in both consolidated statements of income for each fiscal year must not be existed in two successive periods on and after the fiscal year ended March 31, 2013.

(Financial covenant terms included in the commitment line contracts)

(1) The amount of Net Assets on the consolidated balance sheets at the end of each fiscal year and each semiannual period must be maintained ¥14,750 million ($131,473 thousand) or more.

(2) The ordinary losses in both consolidated statements of income for each fiscal year must not be existed in two successive periods on and after the fiscal year ended March 31, 2016.

(Financial covenant terms included in the convertible term loan contract)

(1) The amount of Net Assets on the consolidated balance sheets at the end of each fiscal year and each semiannual period must be maintained ¥10,710 million ($95,463 thousand) or more.

(2) The ordinary losses before depreciation in both consolidated statements of income for each fiscal year must not be existed on and after the fiscal year ended March 31, 2013.

7. Retirement Benefits

The Company and its consolidated subsidiaries have set up funded and unfunded defined benefit plans and defined contribution plans to provide for employees' retirement benefits. Under the defined benefit pension plans, which are funded, lump-sum or pensions are paid based on accumulated points according to a qualification grade. Under the lump-sum payment plans, which are unfunded, lump-sum payments are provided mainly based on the salary amount and service periods.

Certain consolidated subsidiaries have adopted a simplified method of calculation with liability for retirement benefits and retirement benefits expense.

As of February 27, 2017, the company revised its retirement benefit plans from the previous final-salary proportional system to a point system. As a result of this change, prior service costs (decrease in retirement benefit obligations) of ¥170million ($1,515thousand) were incurred.

(1) Defined benefit plans

1) The changes in defined benefit obligation for the year ended March 31, 2016 and 2017 were as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Retirement benefit obligations at beginning of year	¥ 1,745	¥1,885	$ 16,802
Service cost	149	158	1,408
Interest cost	13	6	53
Actuarial (gain) loss	42	11	98
Retirement benefits paid	(44)	(52)	(463)
Past service cost	-	(170)	(1,515)
Others	(19)	(18)	(160)
Retirement benefit obligations at end of year	¥ 1,886	1,820	$ 16,223

2) The changes in plan assets for the year ended March 31, 2016 and 2017 were as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Plan assets at beginning of year	¥ 1,458	¥1,509	$ 13,450
Expected return on plan assets	29	30	267
Actuarial gain (loss)	(72)	33	294
Contributions from the employer	137	141	1,257
Retirement benefits paid	(43)	(35)	(311)
Plan assets at end of year	¥ 1,509	1,678	$ 14,957

3) The balance of retirement benefit obligations and plan assets at fair value as of March 31, 2016 and 2017, liabilities and assets recognized in the consolidated balance sheet were as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Funded retirement benefit obligations	¥ 1,630	¥ 1,573	$ 14,021
Plan assets at fair value	(1,509)	(1,678)	(14,957)
	121	(105)	(936)
Unfunded retirement benefit obligations	256	247	2,202
Net liability recognized in the consolidated balance sheet	¥ 377	¥ 142	$ 1,266
Liability for retirement benefits	377	142	1,266
Net liability recognized in the consolidated balance sheet	¥ 377	¥ 142	$ 1,266

4) The components of retirement benefit expenses for the year ended March 31, 2016 and 2017 were as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Service cost	¥ 149	¥ 158	$ 1,408
Interest cost	13	5	45
Expected return on plan assets	(29)	(30)	(267)
Amortization of actuarial (gain) loss	(31)	(1)	(9)
Amortization of past service cost	-	(1)	(9)
Retirement benefit expenses	¥ 102	¥ 131	$ 1,168

5) Remeasurements of defined benefit plans in other comprehensive income (before tax effect) for the year ended March 31, 2016 and 2017 are as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Past service cost	¥ -	¥ (169)	$ (1,506)
Actuarial gain (loss)	142	(20)	$ (179)
Total	¥ 142	¥ (189)	$ (1,685)

6) Remeasurements of defined benefit plans in accumulated other comprehensive income (before tax effect) as of March 31, 2016 and 2017 are as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2016
Unrecognized past service cost	¥ -	¥ 169	$ 1,506
Unrecognized actuarial gain (loss)	(17)	4	36
Total	¥ (17)	¥ 173	$ 1,542

7) Plan assets, by major category, as a percentage of total plan assets as of March 31, 2016 and 2017 were as follows:

	2016	2017
Debt securities	38%	41%
Equity securities	38%	37%
General accounts at life insurance companies	19%	19%
Others	5%	3%
Total	100%	100%

The expected rate of return on plan assets is determined considering the allocation of the plan assets expected currently and in the future and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

8) The major assumptions used in accounting for the above plans as follows:

	2016	2017
Discount rate	(0.14)%	(0.05%)
Expected long-term rates of return on plan assets	2.00%	2.00%
Expected pay raise rate ※	2.0%	7.1%

※Expected pay raise rate for 2017 is an expected rate of the increase of the retirement benefit points.

(2) Defined Contribution plans

Certain consolidated subsidiaries have defined contribution plans and amount of the contribution for the year ended March 31, 2016 and 2017 were ¥33million and ¥56million ($499thousand).

8. Shareholders' Equity

Under the Japanese Companies Act the appropriation of retained earnings or disposition of accumulated deficit could be adopted by the Board of Directors.

The Japanese Companies Act requires that an amount equal to 10% or more of cash dividends and other appropriations of retained earnings paid out with respect to each financial period be set aside in the legal reserve until an aggregate amount of additional paid-in capital and the legal reserve equals 25% of the amount of stated capital. The amount of total additional paid-in capital and legal reserve which exceeding 25% of stated capital can be transferred to retained earnings by a resolution of the shareholders, which may be available for dividends.

Under the Japanese Companies Act, although the entire amount of the issue price of new shares is required to be accounted for as common stock a company may, by resolutions of its Board of Directors, account for an amount not exceeding one-half of the issue price of such new shares as additional paid-in capital.

9. Research and Development Costs

Research and development costs charged to income for the years ended March 31, 2016 and 2017 were ¥473million and ¥724million ($6,453 thousand), respectively.

10. Income Taxes

The company is subject to a number of different income taxes, which in the aggregate, result in a statutory tax rate in Japan of approximately 33.0% and 30.8% for the year ended of March 31, 2016 and 2017.

The deferred tax assets and deferred tax liabilities at March 31, 2016 and 2017 are as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Deferred tax assets:			
Inventory write down	¥ 110	¥ 171	$ 1,524
Impairment loss of fixed assets	378	353	3,146
Retirement and severance benefits	109	91	811
Trial product for development	350	397	3,539
Net operating loss carried forward	447	24	214
Other, net	528	642	5,722
Valuation Allowance	(1,753)	(935)	(8,334)
	169	743	6,622
Deferred tax liabilities:			
Other, net	(439)	(715)	(6,373)
	(439)	(715)	(6,373)
Net deferred tax assets/(liabilities)	¥ (270)	¥ 28	$ 249

11. Other Comprehensive Income(Loss)

The reclassification adjustments and tax effects for components of other comprehensive income (loss) for the year ended March 31, 2016 and 2017 are as follows:

	Millions of Yen		*Thousands of U.S. dollars (Note 1)*
	2016	2017	2017
Unrealized gain on other securities:			
Amount arising during the year	¥ (19)	¥ 719	$ 6,409
Reclassification adjustments for losses (gains) realized in net income	(109)	-	-
Before Tax effect	(128)	719	6,409
Tax effect	44	(207)	(1,846)
Total unrealized gain on other securities	(84)	512	4,563
Translation adjustments:			
Amount arising during the year	(507)	(265)	(2,362)
Reclassification adjustments for losses (gains) realized in net income	-	-	-
Total translation adjustments	(507)	(265)	(2,362)
Remeasurements of defined benefit plans:			
Amount arising during the year	(111)	192	1,711
Reclassification adjustments for losses (gains) realized in net income	(31)	(3)	(26)
Before Tax effect	(142)	189	1,685
Tax effect	(3)	0	0
Total remeasurements of defined benefit plans	(145)	189	1,685
Total other comprehensive income (loss)	¥ (736)	¥ 436	$ 3,886

12. Leases

The Company and its consolidated subsidiaries and equity method affiliates have been utilizing finance lease arrangements other than those deemed to transfer the ownership of the leased property to the lessee to employ certain machinery and equipment.

13. Contingent Liabilities

The Company and its consolidated subsidiaries have no significant contingent liabilities.

14. Segment Information

(1) Segment by products

Year ended March 31, 2016 *Millions of Yen*	Semiconductor equipment	Fine plastic mold	Elimination/ Unallocated Assets	Consolidated
Ⅰ.**Sales and operating income**				
Net sales to customers	¥ 21,044	¥1,226	¥ -	¥ 22,270
Inter-segment sales	-	-	-	-
	21,044	1,226	-	22,270
Cost of sales and Operating expenses	19,196	1,119	-	20,315
Operating income (loss)	¥ 1,848	¥ 107	¥ -	¥ 1,955
Ⅱ.**Assets**				
Total assets	¥ 30,043	¥ 1,621	¥ -	¥ 31,664
Depreciation and amortization	¥ 1,205	¥ 106	¥ -	¥ 1,311
Amortization of goodwill	¥ 42	¥ -	¥ -	¥ 42
Investments in associates accounted for using equity method	¥ 260	¥ -	¥ -	¥ 260
Capital expenditure	¥ 1,961	¥ 35	¥ -	¥ 1,996

Year ended March 31, 2017 *Millions of Yen*	Semiconductor equipment	Fine plastic mold	Elimination/ Unallocated Assets	Consolidated
Ⅰ.**Sales and operating income**				
Net sales to customers	¥ 26,382	¥1,250	¥ -	¥ 27,632
Inter-segment sales	-	-	-	-
	26,382	1,250	-	27,632
Cost of sales and Operating expenses	22,683	1,117	-	23,800
Operating income	¥ 3,699	¥ 133	¥ -	¥ 3,832
Ⅱ.**Assets**				
Total assets	¥ 34,483	¥ 1,554	¥ -	¥ 36,037
Depreciation and amortization	¥ 1,159	¥ 92	¥ -	¥ 1,251
Amortization of goodwill	¥ 55	¥ -	¥ -	¥ 55
Investments in associates accounted for using equity method	¥ -	¥ -	¥ -	¥ -
Capital expenditure	¥ 1,230	¥ 14	¥ -	¥ 1,244

Year ended March 31, 2017	Semiconductor equipment	Fine plastic mold	Elimination/ Unallocated Assets	Consolidated
	Thousands of U.S. dollars (Note 1)			
Ⅰ.Sales and operating income				
Net sales to customers	$ 235,154	$ 11,142	$ -	$ 246,296
Inter-segment sales	-	-	-	-
	235,154	11,142	-	246,296
Cost of sales and Operating expenses	202,184	9,956	-	212,140
Operating income	$ 32,970	$ 1,186	$ -	$ 34,156
Ⅱ.Assets				
Total assets	$ 307,362	$ 13,852	$ -	$ 321,214
Depreciation and amortization	$ 10,331	$ 820	$ -	$11,151
Amortization of goodwill	$ 490	$ -	$ -	$ 490
Investments in associates accounted for using equity method	$ -	$ -	$ -	$ -
Capital expenditure	$ 10,964	$ 125	$ -	$ 11,089

(2) Sales by region

Year ended March 31	*Millions of Yen* 2016	2017	*Thousands of U.S. dollars (Note 1)* 2017
Japan	¥ 3,310	¥ 3,854	$ 34,352
Overseas			
Asia	18,269	22,704	202,371
America	546	990	8,824
Other	145	84	749
Overseas total	18,960	23,778	211,944
Consolidated sales	¥ 22,270	¥ 27,632	$ 246,296

Corporate Information

as of June 29, 2017

Corporate Data

Corporate Name: TOWA CORPORATION

Headquarters/Factory: 5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto 601-8105, Japan

Established: April 17, 1979

Operations: Develop, design, manufacture, and sell precision molds, manufacturing systems for electronic components, precision-molded and assembly products, medical-use equipment, and electronic-communications equipment. Other related business.

Paid-in Capital: ¥8,932,627,777

Common Stock

Authorized: 80,000,000

Issued Number of Shares: 25,021,832

Unit for Trading: 100

Stock Listings: First Section of the Tokyo Stock Exchange

Transfer Agents: Mizuho Trust & Banking Co., Ltd

Fiscal Year: From April 1 to March 31

Number of Employees: 457

URL: http://www.towajapan.co.jp

Subsidiaries and Affiliated Companies:
BANDICK Corporation
TOWATEC Co., Ltd.
TOWA Asia-Pacific Pte. Ltd.
TOWAM Sdn. Bhd.
TOWA Semiconductor Equipment Philippines Corp.
TOWA USA Corporation
TOWA Europe B.V.
TOWA (Shanghai) Co., Ltd.
TOWA (Suzhou) Co., Ltd.
TOWA TAIWAN Co., Ltd.
TOWA KOREA Co., Ltd.
TONGJIN Corporation

Board of Directors

President & CEO
Hirokazu Okada

Director
Hiroshi Uragami
Yoshizumi Tamura
Koichi Ishida

Director
Full-time Audit and Supervisory Committee Member
Hisayoshi Kobayashi

External Director
Audit and Supervisory Committee Member
Hajime Kuwaki
Daisuke Wake

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