



**ANNUAL REPORT**  
**2 0 1 8**

# A MESSAGE TO OUR SHAREHOLDERS

## Greetings

Since its founding in Japan's ancient capital, Kyoto, in April 1979, TOWA CORPORATION has consistently developed original technologies and created numerous de facto standards. Our primary operations are composed of development, manufacturing and sales of semiconductor encapsulating equipment, singulation equipment and ultra-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 encapsulating equipment, which enjoy an excellent reputation with users.

## Economic Overview

The Japan's economy has been on a recovery trend in this consolidated fiscal year owing to the improvements in both the employment and income environments with strong corporate earnings. Regarding the world economy, the United States, Europe and China economies have remained steady as well. On the other hand, as for the outlook for the economy, uncertain circumstances have continued, such as increases in raw material prices and labor costs, the strength of the yen, concerns about intensifying trade friction attributable to the United States, and others.

## Performance

In the semiconductor industry where competition for capturing demand is intensifying, major semiconductor manufacturers and OSAT companies are aggressively making capital investment to build new factories and install equipment in response to the high demand of semiconductors, a trend called Super Cycle. Further, in their efforts to enhance competitiveness in growing markets such as AI (artificial intelligence) and automatic driving technology, business tie-ups among different industries are becoming active to make use of mutual strengths. Regarding demand for semiconductors, vigorous demand for DRAM and NAND flash memories is continuing as a result of the increased smartphone memory capacity per unit and opening of additional data centers. Meanwhile, high-performance semiconductors that can process huge calculations at high speeds are also pushing up demand owing to the virtual currency market expansion, and further demand growth is expected.

Under these circumstances, our group, including the headquarters, local sales subsidiaries and production subsidiaries has been working as a team in the growing Chinese market in our efforts to capture demand by responding to customer needs quickly and flexibly. In the Taiwanese and Korean markets, we have actively provided TSS (Total Solution Service), in which optimal solution proposals based on the transfer method and the compression method, remodeling business and others are incorporated, resulting in net sales 31,010 million yen (increased by 12.2%, which is 3,378 million yen against that of the previous consolidated fiscal year).

Regarding profitability, we have carried out activities to increase productivity, for example, automation of design, construction of a direct shipping system from overseas production subsidiaries, and other activities. However, due to an increase in outsourcing expenses attributable to increases in orders, sales and increased efforts to meet short term delivery in addition to the factors related to product mix, we recorded operating income 3,682 million yen (decreased by 3.9%, which is 149 million yen against that of the previous consolidated fiscal year), ordinary income 3,540 million yen (decreased by 14.3%, which is 591 million yen against that of the previous consolidated fiscal year) , and net income attributable to owners of parent 3,026 million yen (decreased by 21.7%, which is 840 million yen against that of the previous consolidated fiscal year).

## 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".

Currently, we have been implementing various measures under the "TOWA Empowerment" that was listed in the Second Medium-Term Management Plan. We are trying to achieve the plan by strengthening TOWA's presence in the semiconductor market that continues to expand. Major immediate challenges of our group are as follows;

### 1. Achieving high superiority in cutting-edge package markets and cultivating existing package markets

We boast unparalleled superiority of our compression equipment. Compression method is our original technology and the equipment is most suitable for the production of semiconductor products that are becoming finer, further laminated and modularized. We will establish an absolute presence by further improving the compression equipment so that we could establish top superiority.

With respect to our transfer equipment, we will increase customer satisfaction by realizing short term delivery making use of the global supply chain and improving price competitiveness, aiming to expand our market share.

With regard to our singulation equipment, we will achieve visible differentiation of functions from competitors and further pursuing QCD aiming to expand sales.

### 2. Increasing business performance by cultivating new markets for fine plastic business

We will increase sales by developing new contracted projects in a new field making use of microfabrication technology and also building a mass production system at BANDICK Corporation.

### 3. Increasing revenue opportunity by investing management resources into the Total Solution Service (TSS) business and new business

We will strengthen the global service and support system to support customers' productivity comprehensively, which includes the equipment remodeling business, second-hand equipment business, preventive maintenance business by IoT, among others aiming to increase sales. In addition, we will actively invest in new business areas such as nanotechnology, tools and coatings that have been developed based on our core technologies aiming to increase profit opportunities.

#### 4. Further enhancing corporate value by strengthening corporate governance

We will establish a framework to improve the transparency and fairness of management by strengthening the supervisory function of the Board of Directors and further enhancing our corporate governance, so that we can earn the trust of many stakeholders.

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 2018

Hirokazu Okada  
President & CEO

## Consolidated Balance Sheets

### TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES March 31, 2017 and 2018

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
<b>ASSETS</b>			
<b>Current assets:</b>	¥	¥	\$
Cash on hand and at banks .....	5,853	6,182	58,189
Notes and accounts receivable :			
Trade .....	8,126	8,166	76,864
Less: Allowance for doubtful accounts .....	(7)	(1)	(10)
	8,119	8,165	76,854
Inventories .....	5,739	7,890	74,266
Deferred tax assets (Note 9) .....	446	899	8,462
Other current assets .....	610	821	7,728
	20,767	23,957	225,499
<b>Property, plant and equipment, at cost :</b>			
Land .....	4,489	4,372	41,152
Buildings and structures .....	14,265	14,283	134,441
Machinery and equipment .....	12,789	12,950	121,894
Construction in progress .....	148	158	1,487
Less: Accumulated depreciation .....	(20,249)	(20,183)	(189,976)
	11,442	11,580	108,998
<b>Other assets:</b>			
Investment securities (Note 3) .....	2,759	3,603	33,914
Deferred income taxes (Note 9) .....	68	89	838
Asset for retirement benefits(Notes 2(13) and 6) .....	105	162	1,525
Other .....	896	1,063	10,005
	3,828	4,917	46,282
<b>Total assets</b> .....	36,037	40,454	380,779

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

## Consolidated Balance Sheets

### TOWA CORPORATION AND CONSOLIDATED SUBSIDIARIES March 31, 2017 and 2018

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	<u>2017</u>	<u>2018</u>	<u>2018</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
<b>Current liabilities:</b>	¥	¥	\$
Short-term borrowings (Note 5) .....	1,000	1,800	16,943
Current portion of long-term debt (Note 5) .....	1,275	819	7,709
Notes and accounts payable .....	3,474	4,487	42,235
Accrued expenses (Note 2(12)) .....	510	535	5,036
Accrued income taxes .....	570	824	7,756
Other current liabilities (Notes 2(11) and 5) .....	1,746	2,407	22,656
<b>Total current liabilities</b> .....	<b>8,575</b>	<b>10,872</b>	<b>102,335</b>
<b>Long-term liabilities:</b>			
Long-term debt (Note 5) .....	1,626	807	7,596
Liability for retirement benefits (Notes 2(13) and 6) .....	247	258	2,428
Deferred tax liabilities (Note 9) .....	486	612	5,761
Other long-term liabilities .....	3	1	9
<b>Total long-term liabilities</b> .....	<b>2,362</b>	<b>1,678</b>	<b>15,794</b>
<b>Total liabilities</b> .....	<b>10,937</b>	<b>12,550</b>	<b>118,129</b>
<b>Contingent liabilities</b> (Note 12)			
<b>NET ASSETS</b>			
<b>Shareholders' equity</b> (Note 7)			
Common stock			
Authorized: 80,000,000 shares			
Issued:			
25,021,832 shares at 31st March, 2018 .....	8,933	8,933	84,083
Additional paid-in capital .....	462	462	4,349
Retained earnings .....	13,667	16,238	152,843
Less: Treasury stock at cost .....	(10)	(11)	(104)
<b>Total shareholders' equity</b> .....	<b>23,052</b>	<b>25,622</b>	<b>241,171</b>
<b>Accumulated Other Comprehensive Income</b>			
Unrealized gain (loss) on other securities .....	1,451	2,017	18,985
Translation adjustments .....	13	153	1,440
Retirement benefit adjustments .....	178	112	1,054
<b>Total accumulated other comprehensive income</b> .....	<b>1,642</b>	<b>2,282</b>	<b>21,479</b>
Non-controlling interests .....	406	-	-
<b>Total net assets</b> .....	<b>25,100</b>	<b>27,904</b>	<b>262,650</b>
<b>Total liabilities and net assets</b> .....	<b>36,037</b>	<b>40,454</b>	<b>380,779</b>

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, 2018

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1 )</i>
	<u>2017</u>	<u>2018</u>	<u>2018</u>
	¥	¥	\$
<b>Net sales</b> .....	27,632	<b>31,011</b>	<b>291,896</b>
<b>Cost of sales</b> .....	17,947	<b>21,206</b>	<b>199,605</b>
Gross profit.....	9,685	<b>9,805</b>	<b>92,291</b>
<b>Selling, general and administrative expenses</b> (Notes 2(14) and 8).....	5,853	<b>6,123</b>	<b>57,634</b>
Operating Income.....	3,832	<b>3,682</b>	<b>34,657</b>
<b>Other income (expenses)</b>			
Interest and dividend income.....	59	<b>58</b>	<b>546</b>
Interest expenses.....	(45)	<b>(27)</b>	<b>(254)</b>
Foreign exchange gains (losses) .....	190	<b>(262)</b>	<b>(2,466)</b>
Equity in earnings (losses) of affiliates.....	3	-	-
Gain(losses) on sales of investment in stocks of affiliated company.....	(4)	<b>65</b>	<b>612</b>
Gain on subsidiaries liquidation .....	-	<b>0</b>	<b>0</b>
Other, net.....	102	<b>84</b>	<b>791</b>
Total other income (expenses) .....	305	<b>(82)</b>	<b>(771)</b>
Income before income taxes and non-controlling interests .....	4,137	<b>3,600</b>	<b>33,886</b>
<b>Income taxes</b> (Note 9)			
Current .....	731	<b>1,194</b>	<b>11,239</b>
Deferred .....	(515)	<b>(638)</b>	<b>(6,005)</b>
<b>Net Income</b> .....	3,921	<b>3,044</b>	<b>28,652</b>
<b>Net Income attributable to non-controlling interests</b> .....	54	<b>18</b>	<b>169</b>
<b>Net Income attributable to owners of parent</b> .....	3,867	<b>3,026</b>	<b>28,483</b>
<b>Amount per share of common stock</b> (Note 2 (17) ):	¥	¥	<i>U.S. dollars (Note 1 )</i> \$
Net Income.....	154.64	121.02	1.139
Diluted net income .....	154.64	121.02	1.139
Cash dividends .....	16.00	16.00	0.151

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, 2018

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	<u>2017</u>	<u>2018</u>	<u>2018</u>
	¥	¥	\$
<b>Net Income</b> .....	3,921	<b>3,044</b>	<b>28,652</b>
<b>Other Comprehensive Income</b>			
Unrealized gain on other securities.....	512	<b>566</b>	<b>5,327</b>
Translation adjustment.....	(265)	<b>85</b>	<b>800</b>
Remeasurements of defined benefit plans.....	189	<b>(66)</b>	<b>(621)</b>
Total other comprehensive income	<u>436</u>	<u><b>585</b></u>	<u><b>5,506</b></u>
<b>Comprehensive Income</b>	<u>4,357</u>	<u><b>3,629</b></u>	<u><b>34,158</b></u>
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent.....	4,295	<b>3,667</b>	<b>34,516</b>
Comprehensive income attributable to minority interests.....	62	<b>(38)</b>	<b>(358)</b>

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, 2018

	<i>Millions of yen</i>										
	<i>Shareholders' equity</i>					<i>Accumulated other comprehensive income</i>			<i>Non-controlling interests</i>		<i>Total net assets</i>
	<i>Number of shares of common stock</i>	<i>Common stock</i>	<i>Additional paid-in capital</i>	<i>Retained earnings</i>	<i>Treasury stock</i>	<i>Unrealized gain on other securities</i>	<i>Translation adjustments</i>	<i>Retirement benefit adjustments</i>	<i>Non-controlling interests</i>		
	¥	¥	¥	¥	¥	¥	¥	¥	¥		
<b>Balance at March 31, 2016</b> .....	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	
<b>Balance at March 31, 2017</b> .....	<u>25,021,832</u>	<u>8,933</u>	<u>462</u>	<u>13,667</u>	<u>(10)</u>	<u>1,451</u>	<u>13</u>	<u>178</u>	<u>406</u>	<u>25,100</u>	
Net Income .....	-	-	-	3,026	-	-	-	-	-	3,026	
Cash dividends .....	-	-	-	(400)	-	-	-	-	-	(400)	
Net increase of treasury stock .....	-	-	-	-	(1)	-	-	-	-	(1)	
Decrease in retained earnings resulting from exclusion of subsidiaries from consolidation .....	-	-	-	(55)	-	-	-	-	-	(55)	
Net changes of items other than shareholders' equity .....	-	-	-	-	-	566	140	(66)	(406)	234	
<b>Balance at March 31, 2018</b> .....	<u>25,021,832</u>	<u>8,933</u>	<u>462</u>	<u>16,238</u>	<u>(11)</u>	<u>2,017</u>	<u>153</u>	<u>112</u>	<u>0</u>	<u>27,904</u>	

	<i>Thousands of U.S.dollars (Note 1)</i>										
	<i>Shareholders' equity</i>					<i>Accumulated other comprehensive income</i>			<i>Non-controlling interests</i>		<i>Total net assets</i>
	<i>Number of shares of common stock</i>	<i>Common stock</i>	<i>Additional paid-in capital</i>	<i>Retained earnings</i>	<i>Treasury stock</i>	<i>Unrealized gain on other securities</i>	<i>Translation adjustments</i>	<i>Retirement benefit adjustments</i>	<i>Non-controlling interests</i>		
	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<b>Balance at March 31, 2017</b> .....	25,021,832	84,083	4,349	128,643	(94)	13,658	122	1,675	3,822	236,258	
Net Income .....	-	-	-	28,483	-	-	-	-	-	28,483	
Cash dividends .....	-	-	-	(3,765)	-	-	-	-	-	(3,765)	
Net increase of treasury stock .....	-	-	-	-	(10)	-	-	-	-	(10)	
Decrease in retained earnings resulting from exclusion of subsidiaries from consolidation .....	-	-	-	(518)	-	-	-	-	-	(518)	
Net changes of items other than shareholders' equity .....	-	-	-	-	-	5,327	1,318	(621)	(3,822)	2,202	
<b>Balance at March 31, 2018</b> .....	<u>25,021,832</u>	<u>84,083</u>	<u>4,349</u>	<u>152,843</u>	<u>(104)</u>	<u>18,985</u>	<u>1,440</u>	<u>1,054</u>	<u>0</u>	<u>262,650</u>	

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, 2018

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
	¥	¥	\$
<b>Cash Flows from Operating Activities:</b>			
Net Income before income taxes and non-controlling interests .....	4,137	3,600	33,886
Adjustments for:			
Depreciation .....	1,251	1,250	11,766
Equity in earnings of affiliates .....	(3)	-	-
Amortization of goodwill .....	55	41	386
Interest and dividends income .....	(59)	(58)	(546)
Interest expenses .....	45	27	254
Foreign exchange losses (gains) .....	(17)	46	433
Loss (gain) on sales of investment in stocks of affiliated company securities .....	4	(65)	(612)
(Increase) decrease in trade notes and accounts receivable .....	(3,142)	46	433
(Increase) decrease in inventories .....	(980)	(2,107)	(19,832)
(Increase) decrease in other current assets .....	(68)	(124)	(1,167)
Increase (decrease) in notes and accounts payable .....	980	959	9,027
Increase(decrease) in accrued and other current liabilities .....	305	191	1,798
Other, net .....	42	(89)	(839)
Sub-total .....	2,550	3,717	34,987
Interest and dividends received .....	61	58	546
Interest paid .....	(46)	(27)	(254)
Income taxes paid .....	(511)	(823)	(7,747)
Net cash provided by (used in) operating activities .....	2,054	2,925	27,532
<b>Cash Flows from Investing Activities:</b>			
Purchase of investment securities .....	(8)	(8)	(75)
Sale of investment securities .....	257	(69)	(650)
Purchase of property, plant and equipment .....	(1,572)	(1,510)	(14,213)
Sale of property, plant and equipment .....	8	32	301
Payments for liquidation of subsidiaries .....	-	(7)	(66)
Other, net .....	120	(138)	(1,299)
Net cash provided by (used in) investing activities .....	(1,195)	(1,700)	(16,002)
<b>Cash Flows from Financing Activities:</b>			
Increase (decrease) in short-term borrowings .....	730	800	7,530
Repayments of long-term debt .....	(1,385)	(1,186)	(11,163)
Redemption of bonds.....	(100)	(40)	(377)
Purchase of treasury stock .....	(1)	(1)	(9)
Cash dividends.....	(250)	(400)	(3,765)
Cash dividends paid to non-controlling interests.....	(12)	(15)	(141)
Other, net.....	(2)	(2)	(19)
Net cash provided by (used in) financing activities .....	(1,020)	(844)	(7,944)
<b>Effect of exchange rate changes on Cash and Cash Equivalents .....</b>	(109)	9	85
<b>Net increase(decrease) in Cash and Cash Equivalents .....</b>	(270)	390	3,671
<b>Cash and Cash Equivalents at Beginning of Period .....</b>	6,027	5,757	54,189
<b>Cash and Cash Equivalents at End of Period (Note2(3)) .....</b>	5,757	6,147	57,860

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, 2018, which was ¥106.24 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. 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 of the Company.

## Subsidiaries

(All subsidiaries have been consolidated)

<u>Name</u>	<u>Ownership</u>	<u>Country of Incorporation</u>
BANDICK Corporation	100 %	Japan
TOWATEC Co., Ltd.	100	Japan
TOWAM Sdn. Bhd.	100	Malaysia
TOWA (Suzhou) Co., Ltd.	100	China
TOWA Asia-Pacific Pte. Ltd.	100	Singapore
TOWA (Shanghai) Co., Ltd.	100	China
TOWA TAIWAN Co., Ltd.	100	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
※ TONGJIN Corporation, which was a consolidated subsidiary until the fiscal year ended March 31 2017, was excluded from the Company's scope of consolidation effective from the fiscal year ended March 31 2018 due to the sale of a portion of the company's shares held by the Company.		
※ TOWA Jipal Technologies Co., Ltd., which was a consolidated subsidiary until the fiscal year ended March 31 2017, was excluded from the Company's scope of consolidation effective from the fiscal year ended March 31 2018 due to the liquidation proceedings of the company have been completed.		

## (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, 2017 and 2018 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars</i>
	<u>2017</u>	<u>2018</u>	<u>(Note 1) 2018</u>
Cash on hand and at banks	¥ 5,853	¥6,182	\$58,189
Less: Time deposits with deposit term of over three months	¥ 96	¥35	\$329
Cash and cash equivalent at end of year	<u>¥ 5,757</u>	<u>¥6,147</u>	<u>\$57,860</u>

#### **(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, 2018, the liability for expected warranty costs was ¥127 million (\$1,195 thousand).

## **(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 retirement benefit adjustments 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. Securities

- (1) The following is a summary of investments in affiliates and other securities at March 31, 2017:  
Other securities:

	<i>Millions of yen</i>			
	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

(2) The following is a summary of investments in affiliates and other securities at March 31, 2018  
Other securities:

<i>Millions of yen</i>				
2018				
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	¥ 770	¥ 2,805	¥ -	¥ 3,575
	¥ 770	¥ 2,805	¥ -	¥ 3,575
Market value not available:				
Equity securities	28	-	-	28
Other securities total	¥ 798	¥ 2,805	¥ -	¥ 3,603

Other securities:

<i>Thousands of U.S. dollars (Note 1)</i>				
2018				
	Cost	Unrealized gains	Unrealized losses	Book Value (Estimated fair value)
Market value available:				
Equity securities	\$ 7,248	\$ 26,402	\$ -	\$ 33,650
	\$ 7,248	\$ 26,402	\$ -	\$ 33,650
Market value not available:				
Equity securities	264	-	-	264
Other securities total	\$ 7,512	\$ 26,402	\$ -	\$ 33,914

#### 4. Estimated Fair Value of Financial Instruments

As of March 31, 2017 and 2018, 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.

<i>Millions of yen</i>			
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)



	<i>Millions of yen</i>		
	2018		
	Book Value	Fair Value	Difference
Cash and deposits	¥ 6,182	¥ 6,182	¥ -
Notes and accounts receivable	8,166		
Less: Allowance for Doubtful Accounts	(1)		
	¥ 8,165	¥ 8,165	¥ -
Investment securities	3,575	3,575	-
Total assets	¥ 17,922	¥ 17,922	¥ -
Notes and accounts payable	¥ 4,487	¥ 4,487	¥ -
Short-term borrowings	1,800	1,800	-
Accrued income taxes	824	824	-
Bonds	-	-	-
Long-term borrowings	1,626	1,626	0
Total liabilities	¥ 8,737	¥ 8,737	¥ 0
Derivative financial instruments	¥ -	¥ (4)	¥ (4)

	<i>Thousands of U.S. dollars (Note 1)</i>		
	2018		
	Book Value	Fair Value	Difference
Cash and deposits	\$ 58,189	\$ 58,189	\$ -
Notes and accounts receivable	76,864		
Less: Allowance for Doubtful Accounts	(10)		
	\$ 76,854	\$ 76,854	\$ -
Investment securities	33,650	33,650	-
Total assets	\$ 168,693	\$ 168,693	\$ -
Notes and accounts payable	\$ 42,235	\$ 42,235	\$ -
Short-term borrowings	16,943	16,943	-
Accrued income taxes	7,756	7,756	-
Bonds	-	-	-
Long-term borrowings	15,305	15,305	(0)
Total liabilities	\$ 82,239	\$ 82,239	\$ (0)
Derivative financial instruments	\$ -	\$ (38)	\$ (38)

Financial instruments for which it is extremely difficult to determine the fair value as of March 31, 2017 and 2018 were as follows, respectively.

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
	Unlisted equity securities	¥ 3	¥ 28

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 Note5.

## 5. 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, 2017 are 0.4% and 2018 are 0.3%, respectively.

Long-term debt as of March 31, 2017 and 2018 consisted of the following:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Borrowings from financial institutions	¥ 2,861	¥ 1,626	\$ 15,305
0.5% Yen Bonds due 2017	40	-	-
Other Long term liabilities	5	3	28
Less: Portion due within one year	(1,277)	(821)	(7,728)
	<u>¥ 1,629</u>	<u>¥ 808</u>	<u>\$ 7,605</u>

The aggregate annual maturity of long-term debt after March 31, 2018 is summarized as follows:

<u>Years ending March 31,</u>	<i>Millions of Yen</i>	<i>Thousands of U.S. dollars (Note 1)</i>
2019	¥ 821	\$ 7,728
2020	511	4,809
2021	297	2,796
2022 and thereafter	-	-
	<u>¥ 1,629</u>	<u>\$ 15,333</u>

Regarding loan payables, commitment line contracts with limits of ¥2,500 million (\$23,532 thousand) 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.

(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 (\$138,837 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.

## 6. 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.

**(1) Defined benefit plans**

1) The changes in defined benefit obligation for the year ended March 31, 2017 and 2018 were as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Retirement benefit obligations at beginning of year	¥ 1,885	¥1,819	\$ 17,122
Service cost	158	162	1,525
Interest cost	6	8	75
Actuarial (gain) loss	11	16	151
Retirement benefits paid	(52)	(136)	(1,280)
Past service cost	(170)	-	-
Others	(18)	12	112
Retirement benefit obligations at end of year	<u>¥ 1,820</u>	<u>1,881</u>	<u>\$ 17,705</u>

2) The changes in plan assets for the year ended March 31, 2017 and 2018 were as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Plan assets at beginning of year	¥ 1,509	¥1,679	\$ 15,804
Expected return on plan assets	30	50	471
Actuarial gain (loss)	33	32	301
Contributions from the employer	141	129	1,214
Retirement benefits paid	(35)	(105)	(988)
Plan assets at end of year	<u>¥ 1,678</u>	<u>1,785</u>	<u>\$ 16,802</u>

3) The balance of retirement benefit obligations and plan assets at fair value as of March 31, 2017 and 2018, liabilities and assets recognized in the consolidated balance sheet were as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Funded retirement benefit obligations	¥ 1,573	¥ 1,623	\$ 15,277
Plan assets at fair value	(1,678)	(1,785)	(16,802)
	(105)	(162)	(1,525)
Unfunded retirement benefit obligations	247	258	2,428
Net liability recognized in the consolidated balance sheet	<u>¥ 142</u>	<u>¥ 96</u>	<u>\$ 903</u>
Liability for retirement benefits	247	258	2,428
Asset for retirement benefits	(105)	(162)	(1,525)
Net liability recognized in the consolidated balance sheet	<u>¥ 142</u>	<u>¥ 96</u>	<u>\$ 903</u>

4) The components of retirement benefit expenses for the year ended March 31, 2017 and 2018 were as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Service cost	¥ 158	¥ 162	\$ 1,525
Interest cost	5	8	75
Expected return on plan assets	(30)	(50)	(471)
Amortization of actuarial (gain) loss	(1)	(6)	(56)
Amortization of past service cost	(1)	(17)	(160)
Retirement benefit expenses	¥ 131	¥ 97	\$ 913

5) Remeasurements of defined benefit plans in other comprehensive income (before tax effect) for the year ended March 31, 2017 and 2018 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Past service cost	¥ (169)	¥ 17	\$ 160
Actuarial gain (loss)	(20)	(9)	\$ (85)
Total	¥ (189)	¥ 8	\$ 75

6) Retirement benefit adjustments in accumulated other comprehensive income (before tax effect) as of March 31, 2017 and 2018 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Unrecognized past service cost	¥ 169	¥ 152	\$ 1,431
Unrecognized actuarial gain (loss)	4	13	122
Total	¥ 173	¥ 165	\$ 1,553

7) Plan assets, by major category, as a percentage of total plan assets as of March 31, 2017 and 2018 were as follows:

	2017	2018
Debt securities	41%	42%
Equity securities	37%	36%
General accounts at life insurance companies	19%	18%
Others	3%	4%
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:

	2017	2018
Discount rate	(0.050%)	(0.048%)
Expected long-term rates of return on plan assets	2.00%	3.00%
Expected pay raise rate ※	7.1%	7.1%

※Expected pay raise rate 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, 2017 and 2018 were ¥56million and ¥51million (\$480thousand).

## 7. 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% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital depending on the equity account that was charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock.

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.

## 8. Research and Development Costs

Research and development costs charged to income for the years ended March 31, 2017 and 2018 were ¥724million and ¥693million (\$6,523 thousand), respectively.

## 9. 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 30.8% for the year ended of March 31, 2017 and 2018.

The deferred tax assets and deferred tax liabilities at March 31, 2017 and 2018 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2017	2018	2018
Deferred tax assets:			
Inventory write down	¥ 171	¥ 277	\$ 2,607
Impairment loss of fixed assets	353	340	3,200
Retirement and severance benefits	91	21	198
Trial product for development	397	479	4,509
Net operating loss carried forward	24	-	-
Other, net	642	664	6,250
Valuation Allowance	(935)	(420)	(3,953)
	743	1,361	12,811
Deferred tax liabilities:			
Other, net	(715)	(985)	(9,272)
	(715)	(985)	(9,272)
Net deferred tax assets/(liabilities)	¥ 28	¥ 376	\$ 3,539

## 10. Other Comprehensive Income(Loss)

The reclassification adjustments and tax effects for components of other comprehensive income (loss) for the year ended March 31, 2017 and 2018 are as follows:

	<i>Millions of Yen</i>		<i>Thousands of</i>
	2017	2018	<i>U.S. dollars</i>
			<i>(Note 1)</i>
			2018
Unrealized gain on other securities:			
Amount arising during the year	¥ 719	¥ 810	\$ 7,624
Reclassification adjustments for losses (gains) realized in net income	-	-	-
Before Tax effect	719	810	7,624
Tax effect	(207)	(244)	(2,297)
Total unrealized gain on other securities	512	566	5,327
Translation adjustments:			
Amount arising during the year	(265)	146	1,374
Reclassification adjustments for losses (gains) realized in net income	-	(61)	(574)
Total translation adjustments	(265)	85	800
Remeasurements of defined benefit plans:			
Amount arising during the year	192	14	132
Reclassification adjustments for losses (gains) realized in net income	(3)	(22)	(207)
Before Tax effect	189	(8)	(75)
Tax effect	0	(58)	(546)
Total remeasurements of defined benefit plans	189	(66)	(621)
Total other comprehensive income (loss)	¥ 436	¥ 585	\$ 5,506

## 11. Leases

The Company and its consolidated subsidiaries 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.

## 12. Contingent Liabilities

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

### 13. Segment Information

#### (1) Segment by products

<u>Year ended March 31, 2017</u>		<i>Millions of Yen</i>		
	<u>Semiconductor equipment</u>	<u>Fine plastic mold</u>	<u>Elimination/ Unallocated Assets</u>	<u>Consolidated</u>
<b>I.Sales and operating income</b>				
Net sales to customers	¥ 26,382	¥1,250	¥ -	¥ 27,632
Inter-segment sales	-	-	-	-
	<u>26,382</u>	<u>1,250</u>	<u>-</u>	<u>27,632</u>
Cost of sales and Operating expenses	<u>22,683</u>	<u>1,117</u>	<u>-</u>	<u>23,800</u>
Operating income (loss)	<u>¥ 3,699</u>	<u>¥ 133</u>	<u>¥ -</u>	<u>¥ 3,832</u>
<b>II.Assets</b>				
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
<u>Year ended March 31, 2018</u>		<i>Millions of Yen</i>		
	<u>Semiconductor equipment</u>	<u>Fine plastic mold</u>	<u>Elimination/ Unallocated Assets</u>	<u>Consolidated</u>
<b>I.Sales and operating income</b>				
Net sales to customers	¥ 29,579	¥1,432	¥ -	¥ 31,011
Inter-segment sales	-	-	-	-
	<u>29,579</u>	<u>1,432</u>	<u>-</u>	<u>31,011</u>
Cost of sales and Operating expenses	<u>26,077</u>	<u>1,252</u>	<u>-</u>	<u>27,329</u>
Operating income	<u>¥ 3,502</u>	<u>¥ 180</u>	<u>¥ -</u>	<u>¥ 3,682</u>
<b>II.Assets</b>				
Total assets	¥ 38,801	¥ 1,653	¥ -	¥ 40,454
Depreciation and amortization	¥ 1,171	¥ 79	¥ -	¥ 1,250
Amortization of goodwill	¥ 41	¥ -	¥ -	¥ 41
Investments in associates accounted for using equity method	¥ -	¥ -	¥ -	¥ -
Capital expenditure	¥ 1,770	¥ 62	¥ -	¥ 1,832

Year ended March 31, 2018

Thousands of U.S. dollars (Note 1)

	Semiconductor equipment	Fine plastic mold	Elimination/ Unallocated Assets	Consolidated
<b>I. Sales and operating income</b>				
Net sales to customers	\$ 278,417	\$ 13,479	\$ -	\$ 291,896
Inter-segment sales	-	-	-	-
	<u>278,417</u>	<u>13,479</u>	<u>-</u>	<u>291,896</u>
Cost of sales and Operating expenses	<u>245,454</u>	<u>11,785</u>	<u>-</u>	<u>257,329</u>
Operating income	<u>\$ 32,963</u>	<u>\$ 1,694</u>	<u>\$ -</u>	<u>\$ 34,657</u>
<b>II. Assets</b>				
Total assets	\$ 365,220	\$ 15,559	\$ -	\$ 380,779
Depreciation and amortization	\$ 11,022	\$ 744	\$ -	\$ 11,766
Amortization of goodwill	\$ 386	\$ -	\$ -	\$ 386
Investments in associates accounted for using equity method	\$ -	\$ -	\$ -	\$ -
Capital expenditure	\$ 16,660	\$ 584	\$ -	\$ 17,244

**(2) Sales by region**

Year ended March 31	Millions of Yen		Thousands of U.S. dollars (Note 1)
	2017	2018	2018
Japan	¥ 3,854	¥ 3,139	\$ 29,546
Overseas			
Asia	22,704	26,659	250,932
America	990	983	9,253
Other	84	230	2,165
Overseas total	<u>23,778</u>	<u>27,872</u>	<u>262,350</u>
Consolidated sales	<u>¥ 27,632</u>	<u>¥ 31,011</u>	<u>\$ 291,896</u>



# Corporate Information

as of June 28, 2018

## 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: TOWA Corporation: 484  
(as of March 31, 2018) TOWA Group(consolidated): 1,292

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 (Suzhou) Co., Ltd.  
TOWA (Shanghai) Co., Ltd.  
TOWA TAIWAN Co., Ltd.  
TOWA KOREA Co., Ltd.

## 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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